BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS L. PAUL LOETSCHER TO INTERROGATORIES OF THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS (CRPA) AND THE NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS (NFIP), REDIRECTED FROM WITNESS ALTAF H. TAUFIQUE (CRPA-NFIP/USPS-T34-11, 14 (d) and (e)) (December 21, 2001)

The United States Postal Service hereby files the response of witness L. Paul Loetscher to the following interrogatories of the Coalition of Religious Press

Associations (CRPA) and the National Federation of Independent Publications (NFIP), redirected from witness Altaf H. Taufique:

CRPA-NFIP/USPS-T34-11, 14 (d) and (e), filed on December 7, 2001.

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Brian M. Reimer Attorney

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–3037 Fax –5402 December 21, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF COALITION OF RELIGIOUS PRESS ASSOCIATIONS AND NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS

CRPA-NFPI/USPS-T-34-11.

Your response to CRPA-NFIP/USPS-T34-3(d) states: "The estimate for palletized volume used by the Postal Service is based on the entry profile study presented by Witness Loetscher in USPS-LR-J-114.". Confirm that the entry profile for palletization of periodicals in USPS-LR-J-114 is based on year 2000 volumes, and does not include or project any data that quantifies periodical palletization in the Test Year 2003.

RESPONSE:

Confirmed.

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CRPA-NFPI/USPS-T-34-14.

. . . .

- (d) Confirm that the first two charts (for both nonprofit and regular periodicals) of stratified periodical circulations which follow your response to CRPA-NFIP/USPS-T34-5(d) show (1) that the only circulation strata therein which display publications which have combined DDU/DSCF/Zone 1&2 postal entries in excess of 50% of their total mailed copies are the 500,000 1,000,000 and 1 million + levels for regular rate periodicals, and (2) that there are no strata where nonprofit periodicals of any circulation size mail more than 50% of their circulations to a combination of DDU/DSCF/Zone 1&2 entries.
- (e) Please explain what universe the chart entitled "Regular and Nonprofit" which follows your response to 5(d), *supra*, is supposed to describe, and why that data was not included in the two earlier tables which list Nonprofit and Regular stratified volumes separately.

RESPONSE:

(d) Not confirmed. The table presented in response to CRPA-NFIP/USPS-T34-5(d) reports the percentage of publications in the strata with the stated volume characteristics and not the characteristics of the volume of the strata. To illustrate, there are 93 publications that submitted all mail at Regular Periodicals rates in fiscal year 2000 and have an estimated issue size (issue size estimate described in MPA/USPS-T34-3) between 500,000 – 1,000,000 copies. Of these 93, two publications reported 0 advertising percentage for all mailings in FY 2000, meaning the zone distribution of these publications couldn't be determined. Of the remaining 91 publications, 58 mailed more than 50 percent of their copies at DDU, DSCF or Zone 1&2 rates. Thus 63.74 (58/91) percent of Regular Periodicals publications with measurable zone distribution and estimated issue size between 500,000 – 1,000,000 copies mailed more than 50 percent of their copies at DDU, DSCF or Zone 1&2 rates. To further illustrate,

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS L. PAUL LOETSCHER TO INTEROGATORIES OF COALITION OF RELIGIOUS PRESS ASSOCIATIONS AND NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS there are 4,230 Nonprofit Periodicals publications with an estimated issue size between 0 – 1,000. Of these, 3,974 publications reported 0 advertising percentage for all mailings in FY 2000, meaning the zone distribution of these 3,974 publications couldn't be determined. Of the remaining 256 Nonprofit Periodicals publications 91 mailed more than 50 percent of their copies at DDU, DSCF or Zone 1&2 rates. Thus 35.55 percent (91/256) of Nonprofit Periodicals publications with a measurable zone distribution and an estimated issue size between 0 – 1,000 copies mailed more than 50 percent of there copies at DDU,

(e) Publications were allocated to table cell based on estimated issue size, as described in MPA/USPS-T34-3 and rates paid in fiscal year 2000. Publications that entered all FY 2000 mail at Regular Periodical rates are assigned to the "Regular" category. Publications that entered all FY 2000 mail at Nonprofit Periodical rates are assigned to the "Nonprofit" category. Publications that entered mail at both Nonprofit Periodicals and Regular Periodicals rates are assigned to the "Regular and Nonprofit" category.

DSCF or Zone 1&2 rates.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all
participants of record in this proceeding in accordance with section 12 of the Rules of
Practice.

Brian M. Reimer

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