

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268B0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS TAUFIQUE TO INTERROGATORY OF  
THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS AND  
THE NATIONAL FEDERATION OF INDEPENDENT PUBLICATIONS  
(CRPA-NFIP/USPS-T34-15)

The United States Postal Service hereby provides the response of witness Taufique to the following interrogatory of the Coalition of Religious Press Associations and the National Federation of Independent Publications: CRPA-NFIP/USPS-T34-15, filed on December 7, 2001.

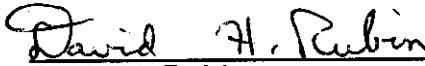
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
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December 26, 2001

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**CRPA-NFIP/USPS-T-34-15.** The following two interrogatories follow-up your response to CRPA-NFIP/USPS-T-34-6:

(a) Do the USPS-proposed advertising pound rates (including ADC dropshipped volumes) applied to Outside County Periodicals recover all purchased transportation costs attributed by USPS to Outside County Periodicals? If your answer is either affirmative or negative, explain in detail which costs are recovered and which costs are not recovered by the advertising pound rates, and if not recovered by these rates explain which rates within the rate design do recover these costs.

(b) Do periodical pound rates which are not specifically allocated to advertising or editorial content, e.g., the so-called "residual" pound rate, contribute anything towards the payment of purchased transportation costs attributed to Outside County Periodicals? If they do, how much revenue do they contribute towards the recovery of purchased transportation costs attributed to Periodical mail and where in your workpapers or workpapers of other USPS witnesses is this information displayed?

**RESPONSE:**

a) Yes. The total revenue recovered from advertising pound rates is more than \$536 million (Cell F93-Worksheet Pound Data\_Ad). Total transportation cost is in the range of \$360 million (Cell C39-Worksheet Pound Data\_Ad). In that respect one can safely assume that transportation costs are recovered completely from advertising pound rates. The transportation cost allocated to advertising pounds is about \$180 million, which is definitely recovered from the revenue raised from advertising pound rates (Cell C40-Worksheet Pound Data\_Ad).

The allocation of advertising pounds for calculating the advertising zone differentials raises different issues. For a discussion of those issues, please see my response to Presiding Officer's Information Request No. 5, question 3 and my response to ABM-MH/USPS-T34-19.

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(b) The pound rates are either for advertising content or editorial content. I am not aware of any residual pound rate.

**DECLARATION**


I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
ALTAF H. TAUFIQUE

Dated: DECEMBER 26, 2001

**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.

  
\_\_\_\_\_  
David H. Rubin

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