

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 1997

Docket No. R97-1

**FIRST SET OF INTERROGATORIES OF THE ADVERTISING MAIL
MARKETING ASSOCIATION TO USPS WITNESS MOELLER
(AMMA/USPS-T-36-1-3)**

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the Advertising Mail Marketing Association hereby propounds the attached interrogatories and requests for the production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested should be made by photocopies attached to responses to these interrogatories. If production of copies is infeasible due to the volume of material or otherwise the undersigned counsel to AMMA should be contacted to arrange for inspection of the documents.

The term "document" means all repositories of fixed information, including any writing, audio or video recording or electronically stored information and including all non-identical copies or versions of any document.

The term "oral communication" means any utterance that is not a document.

The term "communication" means all documents and oral communications.

The terms "identify," "identification," or "identity" mean:

(1) With respect to an individual, his name and present or last known home and business address (including street name and number, city or town, state, zip code and telephone number).

(2) With respect to a person other than an individual, its full name and type or organization, the address of its principal place of business (including street name and number, city or town, state, zip code and telephone number), the jurisdiction and place of its incorporation or organization, and the identity of all individuals having knowledge of the matter with respect to which the person is named;

(3) With respect to a document, the type of document (e.g., letter, record, list, memorandum, report), date, title or a description of the general nature or subject matter of its contents, identification of the person who prepared the document, identification of the person for whom the document was prepared and/or to whom it was delivered, identification of the person who has possession, custody or control over the original of the document, and identification of each person who has possession, custody or control over each copy of the document.

A communication or document "relating," "related," or which "relates" to any given subject means any communication or document which constitutes, contains, embodies, reflects, identifies, refers to, deal with or is in any way germane to that subject, including without limitation, documents concerning the preparation of other documents.

Responses to requests for explanations of the derivation of numbers should be accompanied by workpapers. The term "workpapers" shall include all backup material

whether prepared manually, mechanically or electronically. Such workpapers should, if necessary, be prepared as part of the witness's responses and should "show what the numbers are, what numbers were added to other numbers to achieve a final result." The witness should "prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results." Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

If you are unable to provide any of the requested documents or information as to any of the interrogatories, please provide an explanation for each instance in which documents or information cannot be or have not been provided. If the witness to whom this request is directed cannot respond, but another witness can, please redirect the request to that witness.

Respectfully submitted,



Ian D. Volner

N. Frank Wiggins

Counsel to Advertising Mail Marketing
Association

AMMA/USPS-T-36-1

You testify that the rates proposed will lead to “an expected migration of 3.3 billion letters from the Basic ECR Letter Rate to 5-digit automation.” USPS-T-36 at 28, lines 12-13. The volume forecasts in your workpapers (USPS-T-36 WP-1, p. 3) show the following two major changes:

<u>Standard(A)</u> <u>Rate Category</u> (1)	<u>(Thousands of Pieces)</u>	
	<u>Before Rate</u>	<u>Test Year</u>
	<u>GFY 98</u>	<u>After Rate</u>
	(2)	(3)
1. Regular Automated 5-Digit Letters	3,016,552	6,358,646
2. ECR Basic Letters	6,781,043	3,173,765

- a. Please confirm that the above is the volume forecast associated with the migration projected in your testimony.
- b. Please provide the value of the cross-elasticity for this migration.
- c. Please provide the source of the value of the cross-elasticity provided in your response to part (b).
- d. What evidence do you have that it is possible for over three billion pieces (approximately 50 percent) of the existing ECR Basic Letter mail to qualify for Regular Automated 5-Digit Letter mail?
- e. Please provide citation(s) to (or copies of) the evidence to which you refer in your response to part (d).
- f. If the answer to part (d) is that there is no such evidence, why do you believe that such a large migration is possible?

AMMA/USPS-T-36-2

Please confirm that the forecasts for After Rate volumes of Standard (A) parcels assume no change in the volumes of that mail in consequence of the proposed 10 cent per parcel surcharge.

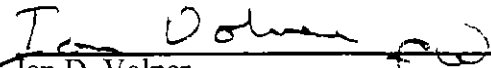
- a. If you confirm, please cite evidence or explain your reasons for this assumption.
- b. If you cannot confirm, please cite where the change in forecast appears.

- a. Please confirm that the volume of Standard (A) Regular "Non-Car Rt." mail as shown on line 1 of H-129 II-8 is 34,359 million pieces and, except for rounding, is equal to the number of pieces of "Regular Subclass" mail for the "Before Rates GFY98" shown in WP1, p 3.
- b. Please confirm that the number of parcels for "Non-Carrier Route" mail shown in line 12 of H-129 II-8 is 990.792 million and is different from the number of parcels shown in WP1-13 as "Expected Residual Volume" of the "Regular Subclass" (Before Rates), namely, 1,058.234 million.
- c. If you cannot confirm either part a or part b, please explain.
- d. If you can confirm part b, please reconcile the difference or explain why the difference should remain.
- e. Please confirm the volume of Standard (A) Regular "Carrier RT." mail shown on line 2 of H-129 II-8 is 32,424 million pieces and, except for rounding, is equal to the number of pieces of "ECR Subclass" mail for the "Before Rates GFY98" shown in WP1, p 3.
- f. Please confirm that the number of parcels for "Carrier Route" mail shown in line 15 of H-129 II-8 is 77.185 million and is different from the number of parcels shown in WP1-13 as "Expected residual volume" of the "Enhanced Carrier Route Subclass" (Before Rates), namely, 84.126 million.
- g. If you cannot confirm either part e or part f, please explain.
- h. If you can confirm part f, please reconcile the difference or explain why the difference should remain.

CERTIFICATE OF SERVICE

I hereby certify that I have on this date served the attached document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

DATE: September 17, 1997



Ian D. Volner