

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ADRA TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS DEGEN
(OCA/USPS-T12-41-42)

The United States Postal Service hereby provides responses of witness Adra to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T12-41-42, filed on September 5, 1997, and redirected from witness Degen.

Each 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



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
September 19, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS ADRA TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE
(REDIRECTED FROM WITNESS DEGEN)**

OCA/USPS-T12-41. Describe the overall composition of Library rate mail.

- a. Include in your description the types of individuals and organizations that send Library rate mail.
- b. Include in your description the types of individuals and organizations that receive Library rate mail.
- c. Who are the predominant senders of Library rate mail?
- d. Who are the predominant recipients of Library rate mail?
- e. Are the mail pieces carried in the Library rate mail stream almost exclusively books? Please explain. Estimate what percentage of the mail stream consists of books.
- f. What other types of items (e.g., compact discs or tapes) comprise a significant percentage of the Library rate mail stream. Please estimate this percentage (or percentages).
- g. Do library rate mailings tend, primarily, to be transported over short distances, e.g., from one branch of a library system to another or between a library branch and its local patrons? Please explain in detail.
- h. Is it correct that publishers are no longer permitted to mail books purchase by libraries as Library rate mail? If this is not correct, please explain. If this is correct, when and how was this change effected?

RESPONSE:

- a. Please see DMM52, E620.5.2,5.4.
- b. See answer to part a.
- c. According to a 1986 PRC report titled " Report to the Congress: Preferred Rate Study", the predominant senders of Library rate mail (measured as a percent of pieces) are: Publisher/Distributor (44.5%), Educational Organizations (22.6%), Other Organizations (14.2%), Libraries (8.1%), Religious Organizations (4.5%), Unknown (4.1%), and Individuals (1.9%). For more details see, Appendix F, Tables 1-3 of the aforementioned report. To get a more recent information, albeit not as comprehensive, on who is using Library mail, see LR H-163, page 163-164. These

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Response to OCA/USPS-T12-41 (continued)

latter pages provide a list of the Postal Fiscal Year 1995 100 largest Library rate mailers according to the USPS Corporate Business Customer Information System (CBCIS). Please note that the CBCIS captures only mailers who are using permit accounts. Moreover, the volume of the 100 listed mailers comprise approximately 9% of total Library rate mail volume for that year. Nonetheless, I think the list is still useful in providing some indication of who are the senders of Library rate mail.

- d. According to the same PRC report aforementioned in part (c), the predominant recipients of Library mail are: Educational Organizations (44.5%), Publisher/Distributor (14.7%), Other Organizations (14.4%), Libraries (13.7%), Individuals (7.0%), Unknown (3.2%), and Religious Organizations (2.4%).
- e. I am not aware of any specific study that provides a reliable percentage estimate of the content composition of the Library rate mailstream. However, I would guess that the most significant percentage of Library rate mail is comprised of books.
- f. In addition to books, I believe that sound and video recordings constitute the second largest percentage after books.
- g. I have no information (nor am I aware that such information exists within the Postal Service) that would allow me to answer this question conclusively. However, given that publishers are the predominant senders (see answer to part c) and that educational organizations are the predominant recipients (see answer to part d), I would speculate that library rate mailings are being transported all over.

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Response to OCA/USPS-T12-41 (continued)

- h. It is my understanding that publishers are permitted to mail books purchased by libraries as Library rate mail. However, free samples sent by publishers to libraries are not permitted to be mailed as Library rate mail.

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OCA/USPS-T12-42. Describe the overall composition of Special rate mail.

- a. Include in your description the types of individuals and organizations that send Special rate mail
- b. Include in your description the types of individuals and organizations that receive Special rate mail.
- c. Who are the predominant senders of Special rate mail?
- d. Who are the predominant recipients of Special rate mail?
- e. Are the mail pieces carried in the Special rate mail stream mostly compact discs and tapes? Please explain. Please estimate what percentage of the mail stream consists of compact discs and tapes.
- f. What other types of items (e.g., books) comprise a significant percentage of the Special rate mail stream. Please estimate this percentage (or percentages).
- g. Do single-piece Special rate mailings tend to exhibit nationwide mailing patterns, i.e., individuals who do not wish to purchase compact discs, tapes, books etc., return them to publishers, record clubs, etc. via Special rate fourth class? Further, is there any reason to believe that customers returning tapes, compact discs, books, etc. are necessarily located in the same region as distributors? Please explain in detail.
- h. Please contrast the kind of mail typically sent as single-piece Special rate with that sent as bulk-rate Special rate. Include in your description the typical senders and recipients of each.

RESPONSE:

- a. Any individual and/or organization that needs to send the materials specified in DMM 52, E620.4.0 may be users of this subclass.
- b. Any individual and/or organization can conceivably receive Special Standard mail. For example, Table 7-9 of The Household Diary Study Fiscal Year 1995, Volume II, show that households sent 52.8% of their Special Standard mailings to friends or relatives, and 47.2% to businesses.
- c. See answer to part a. To get an indication of who is sending Special Standard mail, See LR H-166, page 99 and 100. These latter pages provide a list of the Postal

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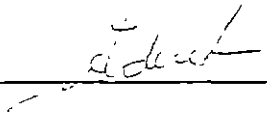
Response to OCA/USPS-T12-42 (continued).

Fiscal Year 1995 100 largest Special Standard mailers according to the USPS's Corporate Business Customer Information System (CBCIS). Please note that the CBCIS captures only mailers who are using permit accounts. Moreover, the volume of the 100 listed mailers comprise approximately 25% of total Special Standard mail volume for that year. Nonetheless, I think the list is still useful in providing some indication of who are the senders of Special Standard mail.

- d. See answer to part b.
- e. I am not aware of any specific study that provides a reliable percentage estimate of the content composition of the Special Standard mailstream. However, I would guess that books, sound and video recordings comprise the most significant percentages of Library rate mail.
- f. See answer to part e.
- g. I have no information (nor am I aware that such information exists within the Postal Service) that would allow me to answer this question conclusively. My guess is that there is no nationwide discernible mailing pattern for single-piece Special Standard mailings. This subclass could conceivably be used by individual mailers for outgoing mail as well as return mail.
- h. I have no information (nor am I aware that such information exists within the Postal Service) that would allow me to answer this question conclusively. I would guess that the bulk-rate mailings tend to be relatively more homogeneous due to the use of this rate category by bulk mailers such as book and CD clubs.

DECLARATION

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



Dated: 9/18/97

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.



Scott L. Reiter

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