

# DOCKET SECTION

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

UNITED STATES POSTAL SERVICE  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO  
THE ASSOCIATION OF ALTERNATE POSTAL SYSTEMS WITNESS BRADSTREET  
(USPS/AAPS-T-1-1-10)

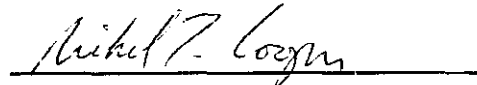
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Association of Alternate Postal Systems witness Bradstreet: USPS/AAPS-T-1-1-10.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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January 13, 1998

USPS/AAPS-T1-1. In your Docket No. MC95-1 testimony, you described the proposed pound rate as "an overtly competitive move designed to shift privately carried advertising and a growing sample delivery market into the mailstream." (Docket No. MC95-1, AAPS-T-1, page 43, lines 16-17).

- a. Is it your testimony that the USPS-proposed pound rate for ECR in this docket is an overtly competitive move to divert samples into the mailstream? If yes, explain fully, specifying how the proposed rates (including the proposed residual shape surcharge) will shift samples to the mailstream. If no, explain fully.
- b. Would you characterize the current sample delivery market as growing? Please explain fully, providing the complete basis for your opinion.

USPS/AAPS-T1-2. Please see your testimony at page 45, line 22 through page 46, line 2.

- a. Is it your understanding that the residual shape surcharge is being used to reduce the pound rate? Please explain fully.
- b. If the answer to part a. is anything other than an unqualified "no", please explain fully how the surcharge is being used to reduce the pound rate.
- c. If the answer to part a. is anything other than an unqualified "no", please quantify the extent to which the pound rate is proposed to reduce due to the surcharge.

USPS/AAPS-T1-3. Please provide an estimate of the weight of the typical sample delivered through alternate delivery and provide the complete basis for your estimate.

USPS/AAPS-T1-4. Please describe the contents of a typical sample delivered through alternate delivery.

USPS/AAPS-T1-5. Please see your testimony at page 13, lines 11 through 16.

- a. Do alternate delivery firms usually deliver advertisements on the day or days specified by the advertisers? Please explain fully.

- b. Do newspapers usually print the advertising in the paper, or insert the inserts into the newspaper, on the day or days specified by the advertisers? Please explain fully.

USPS/AAPS-T1-6. Please see your testimony at page 12, line 6. ..

- a. Please provide a complete definition of term "rigged" as used in this passage.
- b. Is it your position that there are no legitimate reasons for lowering the pound rate? Please explain fully.
- c. In your view, under what conditions (actual or hypothetical) would a lowering of the pound rate be legitimate? Please explain fully.

USPS/AAPS-T1-7. Please see your testimony at page 16, lines 2-3.

- a. Is it your testimony that the proposed pound rate for Enhanced Carrier Route has been proposed by the Postal Service "purely for competitive reasons, and for the purpose of harming its competitors?" Please explain your answer fully, providing all bases for your opinion.
- b. Is it your testimony that the residual shape surcharge has been proposed by the Postal Service "purely for competitive reasons, and for the purpose of harming its competitors?" Please explain your answer fully, providing all bases for your opinion.

USPS/AAPS-T1-8. Please see your testimony at page 22, lines 18-20.

- a. Please confirm that there have been instances in the past ten years in which domestic postal rates were lowered for categories which you deem as competitive with alternate delivery. If you do not confirm, please explain fully.
- b. Please confirm that in Docket No. MC95-1, the rate for saturation non-letter mail was lowered from 12.0 to 11.4 cents. If you do not confirm, please explain fully.
- c. Is it your position that the rate lowering referred to in part b., above, is "not allowed" under applicable law? If yes, provide the relevant legal standards

upon which you rely and explain your answer fully, providing the complete basis for your opinion.

USPS/AAPS-T1-9. Please see your testimony at page 28, lines 4-6.

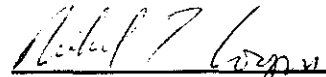
- a. Please define "much" as used in line 5 of this passage.
- b. Given that the overall increase for ECR is 3.2 percent, is there a certain threshold percentage of ECR volume for which you believe it is inappropriate to lower rates? If so, what is that percentage? Please explain fully.

USPS/AAPS-T1-10. Please see your testimony at page 29, lines 16-23.

- a. Please confirm that it is your understanding that witness Bernstein says a Ramsey Pricing framework would suggest a average rate decrease for the ECR subclass of roughly 50 percent. If you do not confirm, please explain fully.
- b. Please confirm that the proposed average rate increase for ECR is 3.2 percent. If you do not confirm, please explain fully, stating what you believe to be the proposed average rate change.
- c. Please confirm that it is your understanding that witness Bernstein says a Ramsey Pricing framework could result in a volume increase of 36 percent. If you do not confirm, please explain fully.
- d. If, indeed, the Postal Service were trying to harm the interests of competitors, why would it not propose rates more in line with the results of a Ramsey pricing analysis? Explain your answer fully.

**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.

  
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