

DOCKET SECTION

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

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Postal Rate and Fee Changes, 1997

Docket No. R97-1

ANSWERS OF ASSOCIATION OF ALTERNATE POSTAL SYSTEMS
TO INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA
TO AAPS WITNESS BRADSTREET
MOAA/AAPS-T1-1-11
(February 4, 1998)

The Association of Alternate Postal Systems hereby responds to interrogatories
MOAA/AAPS-T1-1-11 to witness Bradstreet.

Respectfully submitted,

Bonnie S. Blair

THOMPSON COBURN
700 Fourteenth Street, N.W., Suite 900
Washington, D.C. 20005-2010
(202) 508-1000

Bonnie S. Blair
Attorney for Association of
Alternate Postal Systems

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document on all participants
of record in this proceeding in accordance with Section 12 of the Rules of Practice.

February 4, 1998

Bonnie S. Blair

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RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

AA/AAPS-T1-1

With respect to page 5 of your testimony, is it correct to conclude that AAPS members compete with the USPS directly only for the delivery of pieces eligible for entry as ECR or high density within Standard Mail A?

Answer

No. As I said in my testimony, "by far the majority" of what we deliver can be so described.

RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

MOAA/AAPS-T1-2

With reference to your testimony on page 6, please provide the total volumes of magazines and periodicals delivered by AAPS members and the volumes of other pieces (1) weighing 4 ounces and above and (2) pieces weighing less than four ounces.

Answer

AAPS does not collect or maintain this information.

MOAA/AAPS-T1-3

On page 7 of your testimony you recite certain factors which you characterize as USPS "pricing advantages." Would you agree that the fact that the USPS cannot independently set its own rates or product lines, but only pursuant to recommended decisions of the PRC represents a "pricing" disadvantage? If you disagree, please explain fully.

Answer

Yes. I fully elaborated on that in my testimony. The pricing advantages that I mentioned in my testimony result in a huge competitive advantage for the Postal Service. Having to submit to PRC review is necessary to help offset these advantages and to help assure that the Postal Service competes honestly and fairly.

MOAA/AAPS-T1-4

Would you agree that the fact that the Postal Service has no independent ability to establish wages for rank and file employees, but only pursuant to binding arbitration represents a competitive disadvantage?

Answer

It could be, depending upon how the arbitrators rule and how its competitors' wages are set.

MOAA/AAPS-T1-5

What wage rates are paid to the employees of APS to perform the delivery function?

Answer

Because we operate in a very competitive market, that information is proprietary and confidential. However, for your purposes, I can state that the wages we pay are substantially lower than those paid by the Postal Service.

RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

MOAA/AAPS-T1-6

Are AAPS member companies able to set prices for their delivery services without review by any regulatory agency?

Answer

Of course, owing to the fact that we have no volume of business that is guaranteed by law.

RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

MOAA/AAPS-T1-7

Is it your testimony that the rates for saturation and high density ECR Standard Mail A should be set at levels higher than proposed by the USPS based solely on the competitive concerns expressed in your testimony?

Answer

No.

MOAA/AAPS-T1-8

Is is (sic) your testimony that the members of AAPS have suffered significant competitive harm from competition from the USPS? If your answer is anything other than an unqualified no, please provide complete support for any claim of harm by providing a statement of collective volumes, revenues and profits for AAPS members for the years 1995 through 1997.

Answer

It is my testimony that many members have suffered significant competitive harm from the Postal Service. Unfortunately, AAPS is a small organization. I am the only person who receives any remuneration, just over \$5,000 per year. I work for AAPS on a very limited, part-time basis. AAPS does not collect the data which you request, and I certainly do not have the time or the resources to attempt to put together such information. Besides, collective information would not be relevant to my statement about "many" members.

RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

MOAA/AAPS-T1-9

Please provide the schedule of rates charged by APS.

Answer

APS does not have a publicly available schedule of rates.

RESPONSE OF AAPS WITNESS BRADSTREET TO INTERROGATORIES MOAA/AAPS-T1-1-11

MOAA/AAPS-T1-10

Please provide copies of rates charged by AAPS members.

Answer

We do not have this information. See my answer to MOAA/AAPS-T1-8

MOAA/AAPS-T1-11

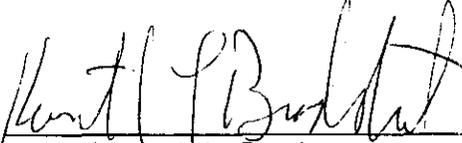
On page 18 of your testimony you include the text of Section 101 of the Postal Reorganization Act. Would you not agree that the obligation of the Postal Service to “provide prompt, reliable, and efficient services to patrons in all areas and . . . to all communities” is facilitated by the Postal Service’s ability to offer services for which there is private sector competition? If your answer is anything other than an unqualified yes, please explain completely.

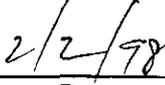
Answer

Yes, but it would also be “facilitated” by USPS engaging in non-postal business where it could use its enormous size and monopoly revenues to hurt competitors and competition. Should Post Offices become mini Seven-Elevens if that “facilitated” its ability to serve postal customers? Or, a little closer to home, should the Postal Service enlarge its offices into department stores and compete with MOAA members if it determined that that would facilitate its ability to serve postal customers?

DECLARATION

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


Kenneth L. Bradstreet


Date