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Before the

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

UNITED STATES POSTAL RATE COMMISSION

In the Matter of: POSTAL RATE AND FEE CHANGES

Docket No. R97-1

VOLUME 31

DESIGNATED WRITTEN CROSS-EXAMINATION

DATE: Friday, March 13, 1998

PLACE: Washington, D.C.

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(202) 842-0034

1 BEFORE THE
2 POSTAL RATE COMMISSION

3 - - - - - X

4 In the Matter of: :

5 POSTAL RATE AND FEE CHANGES : Docket No. R97-1

6 - - - - - X

7
8 Third Floor Hearing Room
9 Postal Rate Commission
10 1333 H Street, N.W.
11 Washington, D.C. 20268

12
13 Volume 31
14 Friday, March 13, 1997

15
16 The following designations of written-cross
17 examination were transcribed into the record.

18
19 BEFORE:

20 HON. EDWARD J. GLEIMAN, CHAIRMAN
21 HON. W. H. "TREY" LeBLANC, III, COMMISSIONER
22 HON. GEORGE W. HALEY, COMMISSIONER
23 HON. GEORGE A. OMAS, COMMISSIONER

24
25

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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes, 1997

Docket No. R97-1

DESIGNATION OF ADDITIONAL
WRITTEN CROSS-EXAMINATION OF WITNESSES

Party

Interrogatories

Gary M. Andrew (AMMA-T2)

Mail Advertising Service Association

MASA/AMMA-T2-1 (revised), 2 (revised)

James A. Clifton (ABA&NAA-T1)

Office of the Consumer Advocate

Written response to question posed during oral cross-examination at Tr. 21/11028

Keven Neels (UPS-T1)

United States Postal Service

USPS/UPS-T1-1-2

Stephen E. Sellick (UPS-T2)

Direct Marketing Association

DMA/UPS-T2-6

Ralph J. Moden (USPS-T4)

Office of the Consumer Advocate

POIR No. 8, Question 9

Joe Alexandrovich (USPS-T5)

Office of the Consumer Advocate

DFC/USPS-T5-17
POIR No. 8, Questions 5, 6b, 7-8

George S. Tolley (USPS-T6)

Office of the Consumer Advocate

POIR No. 8, Questions 11-14, 16
POIR No. 9, Questions 5, 6b, 8
POIR No. 12, Question 8

Thomas E. Thress (USPS-T7)

Postal Rate Commission

POIR No. 14, Question 2

William P. Tayman (USPS-T9)

Office of the Consumer Advocate

POIR No. 12, Question 1

Carl G. Degen (USPS-T12)

Office of the Consumer Advocate
Postal Rate Commission

POIR No. 8, Questions 6a, 10

POIR No. 5, Question 20

Richard L. Patelunas (USPS-T15)

Office of the Consumer Advocate

POIR No. 12, Questions 2, 7

Paul M. Lion (USPS-T24)

Office of the Consumer Advocate

POIR No. 8, Question 1

Leslie M. Schenk (USPS-T27)

Office of the Consumer Advocate

POIR No. 12, Question 6

Donald J. O'Hara (USPS-T30)

Office of the Consumer Advocate

POIR No. 8, Question 15

POIR No. 9, Questions 3-4

Postal Rate Commission

POIR No. 14, Question 3b

David R. Fronk (USPS-T32)

Office of the Consumer Advocate

POIR No. 12, Questions 4-5

Thomas M. Sharkey (USPS-T33)

Office of the Consumer Advocate

POIR No. 8, Question 18

POIR No. 12, Question 3

Altaf H. Taufique (USPS-T34)

Office of the Consumer Advocate

POIR No. 9, Questions 6-7

Postal Rate Commission

POIR No. 3, Question 6 (revised)

Susan W. Needham (USPS-T39)

Office of the Consumer Advocate

DBP/USPS-101 redirected to T39

POIR No. 8, Questions 2-4

POIR No. 9, Question 1

POIR No. 12, Question 9

Postal Rate Commission

POIR No. 14, Question 3a, 4

Michael K. Plunkett (USPS-T40)

Office of the Consumer Advocate

DBP/USPS-88i-j redirected to T40

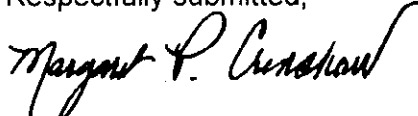
POIR No. 8, Question 17 (revised), 19 (revised)

POIR No. 9, Question 2 (revised)

Mark A. Smith (USPS-ST45)
Office of the Consumer Advocate
Postal Rate Commission

POIR No. 8, Questions 20-22
POIR No. 14, Question 1

Respectfully submitted,

A handwritten signature in black ink, reading "Margaret P. Crenshaw". The signature is written in a cursive style with a large, stylized "M" and "C".

Margaret P. Crenshaw
Secretary

**REVISED RESPONSE OF ADVERTISING MAIL MARKETING
ASSOCIATION WITNESS ANDREW TO INTERROGATORIES OF
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL**

MASA/AMMA-T2-1

How much additional revenue is generated by your proposal (at section VII of your testimony) to raise Basic Piece rates for Regular and ECR? Please respond in the aggregate and separately for Regular and ECR.

RESPONSE

The revenue lost by passing through 100% of the cost savings associated with dropshipping should, after consideration of rounding, equal the amount of additional revenue generated by the increases in the base rates of Standard (A) ECR. The same should be true for Standard (A) ECR. However, because the rates are rounded to the nearest mill (\$0.001), the gains do not exactly equal the losses in either subclass as shown in the following table. The fact that the change in dropship passthrough from 80% to 100% results in a negative change in Standard (A) Regular revenue and a positive change in Standard (A) ECR revenue is caused by the rounding of the respective base rates of these subclasses. These charges are independent.

<u>Standard (A) Aggregate Revenues (millions)</u>			
<u>Subclass</u>	<u>Passthrough</u>		<u>Revenue</u>
	<u>80%</u>	<u>100%</u>	<u>Increase (Decrease)</u>
(1)	(2)	(3)	(4)
1. Regular	\$8,022.045	\$8,019.839	\$(2.206)
2. ECR	<u>4,304.004</u>	<u>4,306.888</u>	<u>2.884</u>
3. Aggregate	\$12,326.049	\$12,326.727	\$0.678
Sources: Column (2): USPS-T-36 WP 1 page 25 (original). Column (3): USPS-T-36 WP 1 page 25 (with passthroughs for dropshipping changed to 100%). Column (4)= Column (3) - Column (2).			

MASA/AMMA-T2-2

How much revenue would be lost if destination entry discounts were set at 100% of cost savings and no adjustment were made to Basic Piece rates? Please respond in the aggregate and separately for Regular and ECR.

RESPONSE

The aggregate revenues associated with dropshipping discounts, assuming no change in volumes presented by the USPS, are shown in the following table. If the Basic Piece rate is not changed, the revenue lost for Standard (A) mail is shown in Column (4) of the following table.

Aggregate Value of Standard (A) Dropshipping Discounts (millions)			
<u>Passthrough</u>			
<u>Subclass</u>	<u>80%</u>	<u>100%</u>	<u>Difference</u>
(1)	(2)	(3)	(4)
1. Regular	\$270.422	\$342.002	\$71.580
2. ECR	<u>590.686</u>	<u>743.878</u>	<u>153.192</u>
3. Aggregate	\$861.108	\$1,085.880	\$224.772
Sources: Column (2): USPS-T-36 WP 1 page 9 (original). Column (3): USPS-T-36 WP 1 page 9 (with passthroughs for dropshipping changed to 100%). Column (4)=Column (3) - Column (2).			

ANSWERS OF ABA/NAA WITNESS CLIFTON
TO QUESTIONS POSED DURING HEARING

Tr. 21/11028, lines 6-8. "... could you cite us to a particular, any instance where the Postal Rate Commission has ever used the definition of cross-subsidy that you are recommending?"

This question goes to several asked by counsel for VP-CW, AMMA and USPS about my definition(s) of marginal cost and incremental cost in relation to the issue of whether Standard A commercial mail, and the second and third ounces of that mail in particular, is subsidized, and whether that subsidy takes the form of an "apparent cross subsidy" from First Class Mail, and the revenue from the second and third ounces of that workshared mail in particular.

In reviewing past Commission practice in relation to my definition of cross-subsidy and my related definition of incremental cost, the discussion in the Commission's Opinion and Recommended Decision in Docket No. R87-1, pages 96-125, seems most germane and is consistent with and in part focused on the issues I was raising over the assignment of fixed and common costs in an incremental cost test in relation to the problem of cross-subsidy. The Commission's discussion of Professor Baumol's incremental cost test indicates its view that such incremental cost tests alone are insufficient to prevent cross-subsidy. Indeed, the Commission recognized the practical limitation of an incremental cost test except in a world where 100 percent of the costs are attributed:

The most obvious question, in the case of a common fixed cost, is how we might be sure that one or more of the services causally linked with the cost is not cross-subsidizing the other(s). The incremental cost test, as described above, is incapable of answering this question.

ANSWERS OF ABA/NAA WITNESS CLIFTON
TO QUESTIONS POSED DURING HEARING

Docket No. R87-1 Opinion, Page 120.

While, as I have testified, I have not tried to prove the existence of an actual cross-subsidy from First Class workshared extra ounce mail to Standard A commercial extra ounce mail, the Postal Service's proposed 920 percent cost coverage for First Class extra ounce workshared mail, compared to a 154 percent cost coverage for Standard A piece-rated mail, is pretty good evidence of such a cross-subsidy. As the Commission stated in Docket No. R87-1: "if supernormal returns from a non-competitive service are possible, it is also possible to cross-subsidize a competitive one." Docket No. R87-1 Opinion, page 99.

As to the particulars of my definitions, the definition of incremental (and marginal) cost I am using is a standard one, as exemplified by the following definitions from a leading economics text in industrial organization.

Suppose that $C(q_1, q_2)$ represents the cost of a firm that produces q_1 units of Product 1 and q_2 units of Product 2. The marginal cost of producing Product 1 at any given output level is defined, as in the single-product case, as the incremental cost of producing one more unit of Product 1 – except now it is necessary to specify not only how much of Product 1 is being produced but also how much of Product 2.

Notice that the incremental cost of producing q_2 units of product 2 includes any fixed cost associated with the production of q_2 and depends on the assumed production of q_1 .

Source: Carlton, Dennis, and Perloff, Jeffrey, Modern Industrial Organization, Harper Collins, 1990, pp. 58 and 60, respectively.

Note in particular that the definition includes fixed costs and that it does not exclude the inclusion of fixed costs that are non-attributable. In testifying on behalf of

ANSWERS OF ABA/NAA WITNESS CLIFTON
TO QUESTIONS POSED DURING HEARING

the Postal Service in Docket No. R87-1, Prof. William Baumol offered a similar definition of fixed cost allocation in the context of incremental cost:

The incremental cost of a service is the addition to the total cost of the enterprise that is caused when the enterprise supplies the current output of that service as compared to the total cost the enterprise would incur in all of its other operations in none of the service in question were supplied by it. The incremental cost of a particular service includes the specific fixed costs of that service, that is, the costs that do not vary with the volume of that service supplied, but which are nevertheless incurred on behalf of that service and serve no other output of the enterprise.

If a fixed outlay simultaneously benefits consumers of services A and B but not customers of service C, then none of that outlay is included in the incremental cost of service C, for obvious reasons. Moreover, none of that outlay is included in the incremental cost of service A by itself, or the incremental cost of service B by itself However, though it is excluded from the incremental cost of either A or B alone, in this case the fixed outlay must be included in the (combined) incremental cost of A and B (so that the combined incremental cost of A and B is in general not equal to the incremental cost of A plus the incremental cost of B).

Source: R87-1, USPS T-3, Direct Testimony of William J. Baumol, pp. 22-23.

In this proceeding, other witnesses have raised this issue in different ways. For example, NAA witness Chown illustrates the problem with institutional cost assignment under current practice. Delivery costs are largely institutional cost whereas mail processing costs are defined as largely attributable. As I read Chown's testimony, it is possible that under a properly constructed incremental cost test we could find that First Class mail is subsidizing the delivery of Standard A mail. Her weighted approach to institutional cost assignment could relieve some of that burden.

ANSWERS OF ABA/NAA WITNESS CLIFTON
TO QUESTIONS POSED DURING HEARING

I would also note that the public's attitude towards advertising mail in recent volumes of the USPS Household Diary Study is evidence that Standard A commercial rates in general are subsidized, while even a casual glance at USPS relative volumes makes it clear that only First Class mail could be the source of any material subsidy to Standard A mail. Fully 50 percent of the public surveyed in the recent November 1996 Study indicate that they wished they received less advertising mail, up from the 45 percent so indicating in the immediately preceding Study of December 1995. This indicates a fundamental and growing problem insofar as the relative rate structure of the Postal Service appears to be increasingly deviating from the preferences of the general public. This suggests that currently the Postal Service is undercharging advertising mail, which could be further evidence of a cross-subsidy.

**RESPONSE OF UNITED PARCEL SERVICE
WITNESS KEVIN NEELS TO REQUEST OF
UNITED STATES POSTAL SERVICE AT HEARINGS**

1. Please provide citations to econometric studies you have published. (Tr. 28/15758-59)

RESPONSE: See Attachment A.

ECONOMETRIC PUBLICATIONS

Articles

"Forecasting Intermodal Competition in a Multimodal Environment." With Joseph Mather. *Transportation Research Record* 1139, 1987.

"Modeling Mode Choice in New Jersey." With Joseph Mather. *Transportation Research Record* 1139, 1987.

"Direct Effects of Undermaintenance and Deterioration." With C. Peter Rydell. In *The Rent Control Debate*. Ed. Paul L. Niebanck. Chapel Hill, NC: University of North Carolina Press, 1985.

"Reducing Energy Consumption in Housing: An Assessment of Alternatives." *International Regional Science Review* 7, 1 (May 1982).

"Production Functions for Housing Services." *Papers of the Regional Science Association* 48 (1981).

"The Effects of Urban Development Patterns on Transportation Energy Use." With Melvin D. Cheslow. *Transportation Research Record*, No. 764 (1980).

Reports

Energy Use in Housing. Santa Monica, CA: The Rand Corporation, March 1983. R-3030-DOE.

Rent Control, Undermaintenance, and Housing Deterioration. Santa Monica, CA: The Rand Corporation, June 1982. P-6779. With C. Peter Rydell.

The Impact of Rent Control on the Los Angeles Housing Market. Santa Monica, CA: The Rand Corporation, August 1981. N-1747-LA. With co-authors.

Measuring Capital's Contribution to Housing Services Production. Santa Monica, CA: The Rand Corporation, February 1981. P-6587. With C. Peter Rydell.

Families, Houses, and the Demand for Energy. Santa Monica, CA: The Rand Corporation, February 1981. N-1542-HUD.

Determinants of Spatial Variations in the Cost of Living. Santa Monica, CA: The Rand Corporation, February 1980. P-6444.

The Impact of Beltways on Central Business Districts: A Case Study of Richmond. Washington, D.C.: The Urban Institute, April 1978. URI 21500. With co-authors.

An Empirical Investigation of the Effects of Land Use on Urban Travel. Washington, D.C.: The Urban Institute, June 1977. WP-5049-17. With co-authors.

**RESPONSE OF UNITED PARCEL SERVICE
WITNESS KEVIN NEELS TO REQUEST OF
UNITED STATES POSTAL SERVICE AT HEARINGS**

2. Please provide the source for the calculation of the value of 81 shown in the single unnumbered page in Dr. Neels' Workpaper III and referred to in USPS/UPS-T1-10, Tr. 28/15670. (Tr. 28/15760)

RESPONSE: The number 81 shown in column 5 of the single unnumbered page of Neels Workpaper III represents the average number of observations per facility in the MODS direct data for manual flats and manual letters. It was calculated by dividing the number of records for those activities in that data set by the number of facilities in that data set. This simple calculation was carried out by hand; hence, there is no program to which one can be referred for details.

**ANSWER OF UNITED PARCEL SERVICE
WITNESS SELICK TO INTERROGATORY OF
THE DIRECT MARKETING ASSOCIATION, INC.**

DMA/UPS-T2-6. Please refer to your response to DMA/UPS-T2-1(a) where you state that "[t]he importance of assumptions which underlie an analysis depends on the impact a change in the assumptions would have on the final results." Have you performed any quantitative or statistical analysis concerning the impact that a change in any one of witness Degen's assumptions (referenced in DMA/UPS-T2-1) would have on the "final results" of Mr. Degen's mail processing cost distributions? If so, please summarize the results of your analysis and provide a copy of any report detailing your analysis.

Response to DMA/UPS-T2-6. No.

**Response of United States Postal Service Witness Moden to
Presiding Officer's Information Request No. 8**

9. Please describe, in detail, the differences in processing, transportation, and delivery between a Special Handling parcel and an identical parcel without Special Handling.

POIR No. 8, Item 9 Response:

Special handling pieces demand their own mailstream. Consequently each piece is identified at each stop from acceptance to delivery. This identification is necessary because at each stop a decision is made as to how to best get the piece to the next leg of the process. When a special handling piece arrives at the window, it is separated from other standard parcels and sent to a processing and distribution center. At the distribution center, decisions are made as to the best means for processing and transportation to the next stop that is consistent with the contents of the piece. Generally, special handling pieces must be handled more delicately in order to prevent damage. For instance, special handling pieces may have to be placed carefully into a container while a piece without special handling may be tossed into a container. Similarly, special handling pieces must often be handled individually as opposed to other Standard pieces that can be handled in bulk. The choice of transportation is determined by best means, (e.g. shortest or safest mode) consistent with the contents of the parcel. Special care is taken in processing, transportation and delivery, such as keeping live contents out of the freezing cold and extreme

**Response of United States Postal Service Witness Moden to
Presiding Officer's Information Request No. 8**

POIR No. 8, Item 9 Response continued:

temperatures or unloading it first or loading last in transportation. At the delivery unit, the mode of delivery is decided based on the nature of the product receiving the special handling service and the wishes of the customer.

Sometimes the customer picks up the piece after being contacted by the clerks.

Sometimes the piece is delivered routinely.

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of Douglas F. Carlson

DFC/USPS-T5-17.

a. Please refer to your response to DFC/USPS-T5-16(b)-(c). Suppose that IOCS data collectors erroneously identify 1,000 stamped cards as private post cards. Suppose, further, that RPW data also erroneously identify 1,000 stamped cards as private post cards. Assume that the actual cost of processing stamped cards is lower than the cost of processing private post cards. Please confirm that these errors will cause the per-piece cost of processing stamped cards to be overstated and the per-piece cost of processing private post cards to be understated. If you do not confirm, please explain your answer fully and, if necessary, provide a numerical example.

b. Do you have any reason to believe that some stamped cards might not have been erroneously classified as private post cards during collection of RPW data? Please explain your answer.

Response to DFC/USPS-T5-17.

a. Not confirmed. In the first place, it is very unlikely that IOCS misidentified 1,000 stamped cards as private postcards because the *total* number of mail processing direct tallies classified as stamped cards only amounted to 24 in the base year. On the other hand, RPW data collectors directly sampled and classified 7,188 stamped cards in the base year.

In terms of unit mail processing costs, the misidentification of a single direct IOCS tally and a single RPW observation for stamped cards would lead to lower unit costs for stamped cards. Since volume variable mail processing costs are largely a function of direct IOCS tallies, mistakenly recording a stamped card as a private postcard would shift approximately 4% of mail processing costs (1 out of 24) out of stamped

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of Douglas F. Carlson

Response to DFC/USPS-T5-17 continued

cards. See supplemental testimony of Postal Service witness Degen, USPS-ST-47 and his response to TW/USPS-T12-36, Tr. 12/6557-59. On the other hand, a similar or corresponding error in RPW would have a negligible (1 out of 7,188) impact on volume. Since volume variable costs would decline in this instance proportionately more than volume, volume variable unit costs would decrease.

- b. It is possible that some stamped cards might have been erroneously classified as private postcards during RPW data collection. However, as explained in part (a) above, the effect on unit costs of a single RPW error for stamped cards is considerably less than that of a similar or corresponding error in IOCS.

**Response of United States Postal Service Witness Alexandrovich to
Presiding Officer's Information Request No. 8**

5. Refer to the attached Table 1, Columns 1-6. Although there is a clear downward trend in the volume of Special Handling, costs fluctuate almost randomly. In the 90's (FY 1990-FY 1996), the volume has declined from 329,000 to 67,000 (an 80% decrease), yet costs have risen from \$103,000 to \$1,245,000 (a 1,109% increase.) Please explain this counterintuitive phenomenon which has caused the cost per piece to increase from 31.3 cents in 1990 to \$18.58 in 1996 (a 5,837% increase).

POIR No. 8, Item 5 Response:

Several items have led to the increased cost of Special Handling. First there was the rate increase in January 1995 from the R94-1 omnibus rate proceeding. This likely caused the less costly items (including many of the mail pieces for which special handling was an option) to migrate out, leaving the relatively more expensive items that are required to use special handling, such as baby chicks and honeybees. So while the volume has declined, the pieces remaining are more costly to handle due to weight, shape, and/or contents effects.

A second item is the effect of mechanization and automation. To the degree that mail pieces bypass mechanized and automated processing, opportunities for cost savings are minimized. Most Special Handling pieces require manual processing and additionally require costly expedited transportation.

**Response of United States Postal Service Witness Alexandrovich to
Presiding Officer's Information Request No. 8**

POIR No. 8, Item 5 Response continued:

Moreover, special handling volume is such that the incidence in any one facility is minimal; this allows for very little, if any, operational innovation. In other words, when a facility receives crickets or live chicks once or twice a year, optimizing the processing of these items does not get into the facility plan. Also, the volumes contained in Table 1 do not include Postal Service volume. When Postal Service volumes are included, the cost per piece is lower. Finally, although costs have increased from 1980 to 1996, and although the factors described above would account for above-average cost increases, it should be noted that fluctuations are common in categories with very few tallies.

Table 1
Special Handling

Year	Volume 1/		Total Cost 2/		Cost Per Piece 3/		Revenue 4/		Revenue Per Piece 5/		Cost Coverage 6/
	Amount	Annual	Amount	Annual	Amount	Annual	Amount	Annual	Amount	Annual	
	(000)	Growth	(000)	Growth	(Cents)	Growth	(000)	Growth	(Cents)	Growth	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1980	3,749		1,083		28.9		2,973		79.3		274.5%
1981	3,236	-13.7%	524	-51.6%	16.2	-43.9%	2,594	-12.7%	80.2	1.1%	495.0%
1982	2,649	-18.1%	865	65.1%	32.7	101.7%	2,270	-12.5%	85.7	6.9%	262.4%
1983	2,377	-10.3%	368	-57.5%	15.5	-52.6%	1,987	-12.5%	83.6	-2.5%	539.9%
1984	3,189	34.2%	563	53.0%	17.7	14.0%	1,859	-6.4%	58.3	-30.3%	330.2%
1985	1,812	-43.2%	1,157	105.5%	63.9	261.7%	1,931	3.9%	106.6	82.8%	166.9%
1986	1,359	-25.0%	126	-89.1%	9.3	-85.5%	1,771	-8.3%	130.3	22.3%	1405.6%
1987	876	-35.5%	119	-5.6%	13.6	46.5%	1,100	-37.9%	125.6	-3.6%	924.4%
1988	728	-16.9%	106	-10.9%	14.6	7.2%	1,049	-4.6%	144.1	14.8%	989.6%
1989	343	-52.9%	580	447.2%	169.1	1061.3%	674	-35.7%	196.5	36.4%	116.2%
1990	329	-4.1%	103	-82.2%	31.3	-81.5%	584	-13.4%	177.5	-9.7%	567.0%
1991	308	-6.4%	850	725.2%	276.0	781.5%	603	3.3%	195.8	10.3%	70.9%
1992	540	75.3%	1,530	80.0%	283.3	2.7%	1,057	75.3%	195.7	0.0%	69.1%
1993	421	-22.0%	2,274	48.6%	540.1	90.6%	839	-20.6%	199.3	1.8%	36.9%
1994	453	7.6%	3,112	36.9%	687.0	27.2%	863	2.9%	190.5	-4.4%	27.7%
1995	240	-47.0%	4,459	43.3%	1,857.9	170.4%	1,036	20.0%	431.7	126.6%	23.2%
1996	67	-72.1%	1,245	-72.1%	1,858.2	0.0%	397	-61.7%	592.5	37.3%	31.9%
1997F 7/	68	1.5%	1,272	2.2%	1,870.6	0.7%	421	6.0%	619.1	4.5%	33.1%
1998BR 8/	75	10.3%	1,285	1.0%	1,713.3	-8.4%	442	5.0%	589.3	-4.8%	34.4%
1998AR 9/	69	1.5%	1,283	0.9%	1,859.4	-0.6%	1,310	211.2%	1,898.6	206.7%	102.1%

1/ Source: Docket R97-1, LR H-187, Page 11 of 19.

2/ Source: CRA, Cost Segments and Components.

3/ $\text{COL}(3) / \text{COL}(1) * 100$

4/ Source: Docket R97-1, LR H-187, Page 11 of 19.

5/ $\text{COL}(7) / \text{COL}(1) * 100$

6/ $\text{COL}(7) / \text{COL}(3)$

7/ Docket R97-1, Postal Service forecast figures for FY 1997. Sources: Exhibit USPS-15C and USPS-T-30, W/P IV, Page 1 of 3 (Revised 7-23-97).

8/ Docket R97-1, Postal Service forecast figures for TYBR. Sources: Exhibit USPS-15F and USPS-T-39, WP 13 (Revised 11-20-97).

9/ Docket R97-1, Postal Service forecast figures for TYAR. Sources: Exhibit USPS-15I and USPS-T-39, WP 13 (Revised 11-20-97).

**Response of United States Postal Service Witness Alexandrovich to
Presiding Officer's Information Request No. 8**

6. Refer to the Attached Table 1, Column 3.

b. The costs in this column include neither delivery nor transportation costs. Please provide any studies that have been done to determine the cost of preferential handling of a Special Handling piece in dispatch, transportation, and delivery (see Response of witness Needham to interrogatories DBP/USPS-21e, f and b).

POIR No. 8, Item 6(b) Response:

I know of no special studies relating to the cost of preferential handling of a Special Handling piece in dispatch, transportation or delivery.

**Response of United States Postal Service Witness Alexandrovich to
Presiding Officer's Information Request No. 8**

7. The window service cost per piece for Special Handling has increased from 14.1 cents in FY 1980 to \$7.17 in FY 1996 (a 4,972% increase). Please discuss the factors that have led to that result.

POIR No. 8, Item 7 Response:

First, as background, special handling pieces receive more attention than ordinary Standard pieces. For instance, when a special handling piece arrives at the window, the piece is segregated from other Standard pieces and sent to the distribution center for further processing. When the piece arrives at the destinating post office, a clerk may call the customer to let him know that the piece has arrived and to determine how the customer wants the piece to be delivered. The customer may opt to pick up the piece at the window, depending on the contents of the piece or arrangements made between the clerk and the customer. These factors would be expected to cause more tallies at the window relative to an ordinary Standard parcel.

The factors that may have led to increased cost per piece in window service over time is as follows: It is likely that the pieces that continue to use the Special Handling service since the rate increase in January 1995 are those that are required to do so, such as baby chicks and honeybees, which have a higher cost per piece than average because extra care is given so that the animals arrive alive. Also, over the relevant time period, the number of

**Response of United States Postal Service Witness Alexandrovich to
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POIR No. 8, Item 7 Response continued:

windows tallies were few (e.g. 5 in 1991, 15 in 1992, 13 in 1993, 17 in 1994), such that a small increase in tallies caused relatively large percentage changes. And as described in #5 above, because special handling volume is such that the incidence in any one facility is minimal; this allows for very little, if any, operational innovation, so that optimizing the window processing of these items may not be a top priority.

Also, the volumes contained in Table 1 do not include Postal Service volume. When Postal Service volumes are included, the cost per piece is lower. Finally, although costs have increased from 1980 to 1996, and although the factors described above would account for above-average cost increases, it should be noted that fluctuations are common in categories with very few tallies.

**Response of United States Postal Service Witness Alexandrovich to
Presiding Officer's Information Request No. 8**

8. In FY 1996, the Window Service cost for Special Handling was \$7.17 per piece, which is nearly 40 percent of total cost per piece. Please describe, in detail, the Window Service activities that are performed for a Special Handling parcel and explain how this differs from an ordinary Standard B parcel. Please explain why the cost for Window Service is so high relative to total cost per piece.

POIR No. 8, Item 8 Response:

As discussed in response to item 7, it is my understanding that when a special handling piece arrives at the window, the piece is segregated from other Standard pieces and sent to a mail distribution center (PDC rather than a BMC) for further processing. When the piece arrives at the destinating post office, a clerk may call the customer to let him know the piece has arrived. Finally, the customer may pick up the piece at the window, depending on the contents of the piece or arrangements made between the clerk and the customer. These extra clerk contacts and duties are factors that would be expected to cause more tallies at the window relative to an ordinary Standard parcel.

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

11. Refer to LR-H-172, "Derivation of After-Rates Fixed Weight Price Indices," Spreadsheet STASP96A.WK4, "Standard A Single Piece." Please provide the source of the rate "3.25" in Cells BULK:V22 through BULK:V26.

RESPONSE:

This value is intended to be the rate for Priority Mail weighing under 2 pounds, and should be \$3.20, rather than \$3.25. The \$3.25 figure came from a preliminary set of rates investigated prior to the Postal Service's filing of R97-1. This figure was inadvertently retained in the file STASP96A.WK4 when the 2-pound Priority Mail rate was finalized at \$3.20.

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

12. Refer to LR-H-295, "Diskette Relating to Revisions of Dr. Tolley, USPS-T-6," Spreadsheet SF_R97AR.WK4. Please provide the source of the Mailgram FWI entry of "\$0.566841" in cell FWIs:X8.

RESPONSE:

This cell is not used for any purpose, and could be set to any arbitrary non-zero value without affecting the volume forecast of Mailgrams or any other mail category. The specific value of \$0.566841 comes from a revenue forecasting spreadsheet used internally by the Postal Service several years ago, and has no particular relevance.

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

13. Refer to LR-H-172, "Derivation of After-Rates Fixed Weight Price Indices," Spreadsheet COD96A.WK4, "Special Services - COD." Please provide the source of figure 2,765.514 which appears in the formulas in Cells A:C15 and A:C16. Also explain the difference between the total FY 1996 COD volume of 5,397,651 transactions in Cell A:C24 and the total COD transactions of 4,860,462 reported in Table K-2 of LR H-145 "Billing Determinants, Fiscal Year 1996."

RESPONSE:

The figure 2,765.514 is the number of COD transactions valued at less than \$50 from the 1995 billing determinants. This number should have been updated to reflect 1996 billing determinants. The correct figure would have been 2,228.325. The source of this figure is LR H-145, Table K-2. If the correct figure of 2,228.325 is used in the formulas in Cells A:C15 and A:C16, then the total FY 1996 COD volume in Cell A:C24 will be exactly equal to 4,860,462, as reported in Table K-2 of LR H-145.

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

14. Refer to LR-H-312, "Diskette of Lotus Spreadsheets Provided by Dr. Tolley in Response to POIR No. 7," Spreadsheet D3N_NL.WK4. Please confirm that the following changes should be made in TYBR nonletter discounts for Standard A Nonprofit mail:

- a. Cell A:D9, figure \$0.029 should be changed to \$0.000.
- b. Cell A:D17, figure \$0.013758 should be changed to \$0.024.
- c. Cell A:D21, figure \$0.021074 should be changed to \$0.024.

RESPONSE:

(a) - (c). Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

16. According to witness Needham's response to POIR No. 5, Question 2, RPW volume figures for Certified Mail include return receipt for merchandise transactions. In LR-H-295, "Diskette Relating to Revisions of Dr. Tolley, USPS-T-6," Spreadsheets VV_R97.WK4, Cells Data:BS15 through Data:BS22 and VV_R97AR.WK4, Cells Data:BU15 through Data:BU22, witness Tolley inputs in his volume forecasting model quarterly RPW Certified Mail volume data for the period 1995Q3 through 1997Q2. These volume data are used by witness Tolley to develop the base year volume for Certified Mail.

a. Please confirm that the TYBR and TYAR forecasts of Certified Mail are overstated because RPW volume data, which include return receipt for merchandise volumes, have been used in the base year.

b. Please provide corrected quarterly RPW Certified Mail volume data for LR H-295, Spreadsheets VV_R97.WK4, Cells Data:BS15 through Data:BS22 and VV_R97AR.WK4, Cells Data:BU15 through Data:BU22 after removing the return receipt for merchandise volumes.

RESPONSE:

a. Not confirmed. As stated on page A-22 of my testimony at lines 25 and 26, "[t]he volume adjustment multiplier for certified mail is used to remove merchandise return receipts as was done by the Postal Rate Commission in MC96-3." The volume adjustment multiplier in cell Data:BU24 of VV_R97AR.WK4 and cell Data:BS24 of VV_R97.WK4 removes the 3.324 million pieces of merchandise return receipt from the base volume of certified mail. Hence, the forecasted volumes of certified mail presented in my testimony do not include merchandise return receipts.

b. I do not have data which isolates merchandise return receipts from certified mail volume prior to 1996. For 1996 and 1997 (i.e., Cells Data:BS17 through Data:BS22 of VV_R97.WK4 and Cells Data:BU17 through Data:BU22 of VV_R97AR.WK4), certified mail is broken down as follows (numbers are in millions of pieces):

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

	<u>Certified Mail</u>	<u>Merchandise Return Receipts</u>	<u>Total Volume Reported by RPW</u>
1996Q1	58.786	0.611	59.397
1996Q2	57.009	0.625	57.635
1996Q3	65.729	0.914	66.643
1996Q4	83.954	0.834	84.788
1997Q1	70.603	0.826	71.429
1997Q2	59.527	0.750	60.277

If these figures are used to replace the figures currently in VV_R97.WK4 and VV_R97AR.WK4, then the volume adjustment multiplier for certified mail needs to be set equal to 1.0 in order to avoid inadvertently removing merchandise return receipts from certified mail volume twice. Replacing the certified mail volumes in VV_R97.WK4 and VV_R97AR.WK4 with the figures excluding merchandise return receipts and setting the certified mail volume adjustment multiplier equal to one will, of course, yield the exact same forecast for certified mail volume as presented by me in LR H-295.

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 9**

5. Refer to LR-H-172, "Derivation of After-Rates Fixed Weight Price Indices." Spreadsheet MONY96A.WK4 "Special Services - Money Orders." Please confirm that the entry for Money Order Inquiry fee of "\$3.00" in Cell A:N39 should be changed to "\$2.75."

RESPONSE:

Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 9**

6. b. The FY 1996 volume figures in LR-H-172, "Derivation of After-Rates Fixed Weight Price Indices," Spreadsheet PER96A.WK4, page PX2R, Cells B69, B70, and B73 are equal to the volume figures in Cells L91, L92, and L93, respectively. The volume figures in Cells B69, B70, and B73 are used by witness Tolley to develop the FWI for Periodicals Regular Rate mail. Please explain the appropriateness of using the figures from Cells L91, L92, and L93 in the development of FWI for Periodicals Regular Rate mail.

RESPONSE:

The development of the FWI for Periodicals Regular Rate Mail requires the use of the total number of pieces, including Science of Agriculture pieces, receiving discounts for Editorial content, Delivery Unit entry, and SCF entry. Because cells L91, L92, and L93, on page "Bill. Det. Reports" of spreadsheet 2C_RR_X9.XLS do not contain the Science of Agriculture pieces receiving these discounts, it is necessary to add them to the pieces in cells L91, L92, and L93. Cell L81 should be added to cell L91, cell L82 should be added to cell L92, and cells L80 and L87 should be added to cell L93. In the spreadsheet PER96A.WK4, the cells B69, B70, and B71 on page PX2R should contain the following values:

Cell	Entry
B69	$38.407606 + 0.221623$
B70	$2094.983772 + 0.579322$
B73	$4094.664828 + 2.767747 + 0.01133$

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 12

8. Please revise the before-rates volume tables in Supplemental Exhibit USPS-6A (Tr. 13/6871) and the "BEFORE" file in LR-H-295 to reflect the revised volume forecasts used by witness O'Hara in his response to POIR No. 9, Item 4.

RESPONSE:

Revised versions of Tables 1 and 2 of Supplemental Exhibit USPS-6A are provided below. An updated version of the file BEFORE.ZIP from LR-H-295 is being filed as Library Reference H-340.

Supplemental Exhibit USPS-6A

TABLE 1
QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
GOVERNMENT DISTRIBUTED TO CLASS
(In Millions of Pieces)
Before-Rates

	(Actual) 1997Q1	(Actual) 1997Q2	1997Q3	1997Q4	1997PFY	1997GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats (Single Piece)	21,728.723	22,961.738	21,633.543	27,426.085	93,750.090	94,126.614
(Nonautomated Presort)	12,693.919	13,524.103	12,197.561	15,866.970	54,282.554	54,479.595
(Automated)	1,486.816	1,389.262	1,374.162	1,629.207	5,879.447	5,856.274
First-Class Cards	7,547.988	8,048.374	8,061.819	9,929.908	33,588.089	33,790.746
Stamped Cards	1,349.376	1,242.492	1,226.144	1,635.251	5,453.262	5,481.877
Private Cards (Single Piece)	159.569	175.124	132.975	165.520	633.187	632.572
(Nonautomated Presort)	1,189.807	1,067.368	1,093.169	1,469.731	4,820.075	4,849.305
(Automated)	641.260	506.498	558.906	746.118	2,452.782	2,459.825
TOTAL FIRST-CLASS MAIL	162.683	159.095	147.450	194.837	664.066	666.430
	385.864	401.775	386.812	528.776	1,703.226	1,723.051
Priority Mail	23,078.099	24,204.230	22,859.687	29,061.336	99,203.352	99,608.492
Express Mail	237.394	246.239	249.876	317.773	1,051.283	1,060.059
Mailgrams	13.096	14.377	14.380	18.672	60.524	60.880
	1.354	1.847	1.349	1.290	5.840	5.790
PERIODICAL MAIL						
Within County	224.175	216.211	216.097	279.588	936.070	936.287
Nonprofit	537.403	512.169	538.006	610.768	2,198.346	2,204.022
Classroom	13.350	16.858	15.595	15.393	61.196	61.519
Regular Rate	1,651.532	1,643.863	1,725.112	2,113.901	7,134.408	7,152.391
TOTAL PERIODICAL MAIL	2,426.460	2,389.101	2,494.810	3,019.650	10,330.020	10,354.218
STANDARD MAIL						
Single-Piece	43.040	33.966	39.775	46.537	163.318	163.585
Regular Rate Bulk	15,990.123	13,905.081	14,547.911	18,557.112	63,000.228	63,486.607
Regular	7,910.290	7,134.231	7,448.780	9,560.329	32,053.630	32,320.312
(Nonautomated)	2,199.919	1,779.793	1,934.022	2,480.824	8,394.559	8,435.629
(Automated)	5,710.370	5,354.438	5,514.758	7,079.505	23,659.071	23,884.683
Enhanced Carrier Route	8,079.833	6,770.850	7,099.131	8,996.783	30,946.598	31,166.296
(Nonautomated)	7,646.584	6,288.545	6,633.875	8,407.679	28,976.682	29,163.848
(Automated)	433.250	482.305	465.256	589.105	1,969.916	2,002.448
Nonprofit Rate Bulk	3,636.469	2,835.623	2,981.310	3,577.160	13,030.562	13,070.178
Nonprofit	2,653.017	2,269.181	2,274.848	2,729.165	9,926.212	9,979.720
(Nonautomated)	1,199.459	984.575	946.830	1,121.053	4,251.917	4,251.404
(Automated)	1,453.558	1,284.607	1,328.018	1,608.112	5,674.295	5,728.316
Nonprofit ECR	983.452	566.442	706.462	847.995	3,104.350	3,090.458
(Nonautomated)	894.631	480.332	626.100	751.522	2,752.586	2,735.888
(Automated)	88.821	86.109	80.362	96.472	351.764	354.570
TOTAL STANDARD A	19,669.631	16,774.670	17,568.997	22,180.809	76,194.107	76,720.371
Parcel Post	58.902	57.756	51.535	60.641	228.833	230.612
(Inter-BMC)	15.960	16.592	13.764	15.567	61.883	62.044
(Intra-BMC)	11.995	11.551	10.990	12.817	47.354	47.785
(DBMC)	30.947	29.612	26.781	32.257	119.597	120.784
Bound Printed Matter	142.625	98.493	109.305	183.214	533.637	536.853
Special Rate	52.487	44.094	43.891	52.739	193.210	195.215
Library Rate	6.947	5.925	6.943	7.394	27.209	27.614
TOTAL STANDARD B	260.960	206.268	211.674	303.988	982.889	990.293
Postal Penalty	81.350	87.422	87.071	84.970	340.813	340.286
Free-for-the-Blind	12.248	10.236	13.441	15.168	51.093	51.779
TOTAL DOMESTIC MAIL	45,780.593	43,934.390	43,501.284	55,003.655	188,219.922	189,192.168
SPECIAL SERVICES						
Registry	4.146	3.726	4.234	5.241	17.348	17.369
Insurance	8.176	8.098	6.352	8.556	31.182	31.352
Certified	71.429	60.277	74.650	84.330	290.685	292.284
Collect-on-Delivery	1.039	1.019	1.021	1.284	4.363	4.359
Money Orders	47.877	44.707	53.581	71.156	217.320	218.718
TOTAL SPECIAL SERVICES	132.706	117.875	139.837	170.566	560.985	564.163

page 1

revised in response to POIR 12, Item 8.

TABLE 1 (continued)
 QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
 GOVERNMENT DISTRIBUTED TO CLASS
 (In Millions of Pieces)
 Before-Rates

	1998Q1	1998Q2	1998Q3	1998Q4	1998PFY	1998GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats (Single Piece)	21,959.973	23,241.375	22,175.426	28,104.881	95,481.654	95,901.802
(Nonautomated Presort)	12,716.940	13,333.975	12,243.743	15,912.616	54,207.274	54,379.326
(Automated)	1,263.391	1,313.068	1,276.112	1,518.547	5,371.118	5,370.875
First-Class Cards	7,979.642	8,594.332	8,655.571	10,673.718	35,903.262	36,151.602
Stamped Cards	1,389.318	1,273.373	1,285.773	1,708.889	5,657.354	5,692.142
Private Cards (Single Piece)	144.742	142.782	135.869	168.154	591.547	594.834
(Nonautomated Presort)	1,244.576	1,130.591	1,149.904	1,540.736	5,065.807	5,097.308
(Automated)	628.189	567.352	573.677	764.139	2,533.357	2,545.903
TOTAL FIRST-CLASS MAIL	162.187	144.789	144.680	190.402	642.058	643.598
Priority Mail	454.200	418.450	431.548	586.194	1,890.392	1,907.807
Express Mail	23,349.291	24,514.748	23,461.199	29,813.770	101,139.008	101,593.944
Mailgrams	262.717	260.086	265.107	336.445	1,124.355	1,131.663
PERIODICAL MAIL	13.865	15.167	15.471	19.932	64.435	64.832
Within County	1.013	1.384	1.219	1.148	4.763	4.761
Nonprofit						
Classroom	208.627	203.536	216.039	280.183	908.364	911.249
Regular Rate	525.342	508.780	539.036	607.726	2,180.884	2,187.615
TOTAL PERIODICAL MAIL	13.941	12.227	13.212	12.046	51.426	51.242
STANDARD MAIL	1,617.112	1,635.789	1,753.964	2,142.091	7,148.956	7,175.030
Single-Piece	2,365.021	2,360.332	2,522.251	3,042.025	10,289.629	10,325.136
Regular Rate Bulk						
Regular	41.157	35.093	40.796	47.947	164.993	165.760
(Nonautomated)	17,183.526	14,684.595	15,198.133	19,289.812	66,356.067	66,777.649
(Automated)	8,628.120	7,489.565	7,895.682	10,106.095	34,119.462	34,357.605
Enhanced Carrier Route	2,237.748	1,941.456	2,045.693	2,617.085	8,841.981	8,902.702
(Nonautomated)	6,390.372	5,548.109	5,849.989	7,489.010	25,277.481	25,454.904
(Automated)	8,555.406	7,195.030	7,302.451	9,183.717	32,236.604	32,420.044
Nonprofit Rate Bulk	7,995.203	6,723.903	6,824.290	8,582.372	30,125.769	30,297.197
Nonprofit	560.203	471.127	478.161	601.345	2,110.836	2,122.847
(Nonautomated)	3,560.782	2,931.367	3,056.431	3,636.997	13,185.577	13,255.496
(Automated)	2,718.094	2,236.478	2,334.429	2,778.296	10,069.297	10,123.427
Nonprofit ECR	1,108.104	909.848	942.708	1,111.507	4,072.167	4,088.305
(Nonautomated)	1,609.990	1,328.630	1,391.721	1,666.789	5,997.130	6,035.122
(Automated)	842.688	692.889	722.002	858.701	3,116.280	3,132.069
TOTAL STANDARD A	746.727	613.940	639.715	760.813	2,761.196	2,775.147
Parcel Post	95.961	78.948	82.287	97.888	355.084	356.922
(Inter-BMC)	20,785.466	17,651.054	18,295.361	22,974.757	79,706.637	80,198.906
(Intra-BMC)	63.237	59.409	53.836	63.605	240.087	241.555
(DBMC)	15.564	14.008	12.151	13.733	55.455	55.244
Bound Printed Matter	13.216	12.266	10.974	12.789	49.245	49.396
Special Rate	34.457	33.135	30.711	37.083	135.387	136.914
Library Rate	147.784	113.313	113.642	186.331	561.070	567.292
TOTAL STANDARD B	58.397	43.823	43.644	53.253	199.117	200.489
Postal Penalty	8.409	6.920	7.128	7.636	30.093	30.252
Free-for-the-Blind	277.826	223.465	218.250	310.825	1,030.367	1,039.587
SPECIAL SERVICES	72.747	72.842	77.327	76.123	299.039	298.093
Registry	14.692	11.028	14.345	15.939	56.004	56.427
Insurance	47,142.639	45,110.106	44,870.529	56,590.963	183,714.237	194,713.347
Certified	3.944	3.590	3.833	4.831	16.198	16.196
Collect-on-Delivery	8.406	7.783	6.543	8.586	31.318	31.413
Money Orders	73.955	63.194	77.211	87.881	302.241	304.345
TOTAL SPECIAL SERVICES	0.943	0.908	0.920	1.170	3.942	3.936
	51.166	51.461	56.884	75.812	235.324	236.686

Supplemental Exhibit USPS-6A

TABLE 1 (continued)
 QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
 GOVERNMENT DISTRIBUTED TO CLASS
 (In Millions of Pieces)
 Before-Rates

	1999Q1	1999Q2	1999Q3	1999Q4	1999PFY	1999GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats (Single Piece)	22,357.891	23,710.333	22,669.886	28,714.277	97,452.386	97,894.552
(Nonautomated Presort)	12,623.044	13,259.613	12,237.931	15,972.573	54,093.161	54,257.554
(Automated)	1,175.153	1,222.592	1,182.563	1,399.485	4,979.792	4,978.756
First-Class Cards	8,559.694	9,228.128	9,249.392	11,342.219	38,379.433	38,658.242
Stamped Cards	1,451.846	1,321.007	1,352.195	1,787.243	5,912.291	5,947.766
Private Cards	149.718	144.149	139.771	171.559	605.197	609.236
(Single Piece)	1,302.128	1,176.858	1,212.424	1,615.685	5,307.094	5,338.530
(Nonautomated Presort)	641.974	576.749	590.603	782.271	2,591.597	2,603.348
(Automated)	158.008	140.190	141.744	185.333	625.275	626.287
TOTAL FIRST-CLASS MAIL	502.147	459.919	480.076	648.080	2,090.223	2,108.895
PRIORITY MAIL	23,809.737	25,031.340	24,022.081	30,501.520	103,364.677	103,842.318
Express Mail	277.861	274.028	277.802	351.542	1,181.233	1,188.173
Mailgrams	14.715	16.007	16.241	20.831	67.794	68.160
	0.935	1.267	1.098	1.015	4.315	4.312
PERIODICAL MAIL						
Within County	207.372	207.230	214.595	279.099	908.296	910.999
Nonprofit	519.752	504.378	537.773	601.011	2,162.914	2,170.163
Classroom	12.142	11.187	13.112	11.972	48.412	48.673
Regular Rate	1,624.267	1,658.060	1,777.626	2,170.024	7,229.976	7,256.726
TOTAL PERIODICAL MAIL	2,363.533	2,380.854	2,543.106	3,062.105	10,349.598	10,386.562
STANDARD MAIL						
Single-Piece	41.811	36.232	41.941	49.684	169.668	170.489
Regular Rate Bulk	17,917.383	15,293.610	15,891.138	20,128.795	69,230.926	69,673.659
Regular	9,117.037	7,871.903	8,349.678	10,677.636	36,016.254	36,253.388
(Nonautomated)	2,359.802	2,036.538	2,159.120	2,759.816	9,315.276	9,375.566
(Automated)	6,757.236	5,835.366	6,190.557	7,917.820	26,700.979	26,877.822
Enhanced Carrier Route	8,800.346	7,421.707	7,541.461	9,451.159	33,214.672	33,420.271
(Nonautomated)	8,224.104	6,935.737	7,047.650	8,832.302	31,039.793	31,231.929
(Automated)	576.242	485.969	493.811	618.857	2,174.879	2,188.342
Nonprofit Rate Bulk	3,633.462	2,893.465	3,128.326	3,693.545	13,448.798	13,521.787
Nonprofit	2,777.025	2,288.670	2,392.205	2,824.842	10,282.741	10,339.032
(Nonautomated)	1,105.139	909.062	945.806	1,109.261	4,069.268	4,087.190
(Automated)	1,671.886	1,379.608	1,446.399	1,715.581	6,213.474	6,251.842
Nonprofit ECR	856.437	704.795	736.121	868.703	3,186.057	3,182.764
(Nonautomated)	758.729	624.348	652.080	769.507	2,804.664	2,819.443
(Automated)	97.709	80.447	84.041	99.196	361.393	363.321
TOTAL STANDARD A	21,592.657	18,323.307	19,061.405	23,872.024	82,849.393	83,365.944
Parcel Post	65.556	63.287	56.763	67.635	253.241	255.073
(Inter-BMC)	13.529	12.475	10.680	12.138	48.822	48.626
(Intra-BMC)	12.994	12.356	10.909	12.786	49.044	49.206
(DBMC)	39.033	38.456	35.175	42.712	155.375	157.241
Bound Printed Matter	165.914	119.640	121.256	190.577	597.387	603.900
Special Rate	60.612	44.116	44.326	54.329	203.383	204.765
Library Rate	8.552	7.066	7.373	7.936	30.927	31.080
TOTAL STANDARD B	300.633	234.110	229.718	320.477	1,084.938	1,094.818
Postal Penalty	63.425	69.204	70.601	67.658	270.886	270.106
Free-for-the-Blind	15.603	11.718	15.547	16.762	59.630	60.124
TOTAL DOMESTIC MAIL	48,439.097	46,341.834	46,237.599	56,213.935	189,232.465	200,280.518
SPECIAL SERVICES						
Registry	3.665	3.323	3.551	4.497	15.036	15.031
Insurance	8.255	7.846	6.511	8.657	31.269	31.370
Certified	78.429	66.598	83.311	93.150	321.489	324.014
Collect-on-Delivery	0.851	0.822	0.827	1.060	3.561	3.553
Money Orders	53.838	55.264	60.191	80.671	249.964	251.428
TOTAL SPECIAL SERVICES	145.039	133.853	154.392	188.035	621.319	625.397

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revised in response to POIR 12, Item 8.

TABLE 2
QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
GOVERNMENT DISTRIBUTED TO CLASS
(In Millions of Pieces)
Before-Rates

	(Actual) 1997Q1	(Actual) 1997Q2	1997Q3	1997Q4	1997PFY	1997GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	21,728.723	22,961.738	21,633.543	27,426.085	93,750.090	94,126.614
(Single-Piece)	12,693.919	13,524.103	12,197.561	15,866.970	54,282.554	54,479.595
(Nonautomated Presort)	1,486.816	1,389.262	1,374.162	1,629.207	5,879.447	6,856.274
(Automated)	7,547.988	8,048.374	8,061.819	9,029.908	33,588.089	33,790.746
(Basic Letters)	916.915	969.082	968.247	1,188.962	4,043.207	4,064.300
(Basic Flats)	9.715	11.231	10.888	13.462	45.296	45.664
(3-Digit Letters)	4,335.408	4,586.704	4,589.206	5,856.739	19,168.057	19,277.761
(5-Digit Letters)	1,927.556	2,115.166	2,092.249	2,577.704	8,712.674	8,771.139
(3/5-Digit Flats)	54.463	48.022	51.943	63.931	218.358	218.566
(Carrier-Route Letters)	303.931	318.169	349.267	429.110	1,400.497	1,413.316
First-Class Cards	1,349.376	1,242.492	1,226.144	1,635.251	5,453.262	5,481.877
Stamped Cards	159.569	175.124	132.975	165.520	633.187	632.572
Private Cards	1,189.807	1,067.368	1,093.169	1,469.731	4,820.075	4,849.305
(Single-Piece)	641.260	506.498	558.906	746.118	2,452.782	2,459.825
(Nonautomated Presort)	162.683	159.095	147.450	194.837	664.066	666.430
(Automated)	385.854	401.775	386.812	528.776	1,703.226	1,723.051
(Basic)	72.247	75.406	72.408	98.482	318.543	322.065
(3-Digit)	169.217	165.522	165.545	228.247	728.531	736.958
(5-Digit)	115.271	123.420	118.305	161.361	518.377	524.800
(Carrier-Route)	29.128	37.426	30.555	40.667	137.776	139.227
TOTAL FIRST-CLASS MAIL	23,078.099	24,204.230	22,859.687	29,061.336	99,203.352	99,608.492
STANDARD A MAIL						
Single-Piece	43.040	33.966	39.775	46.537	163.318	163.585
Regular Rate Bulk	15,990.123	13,905.081	14,547.911	18,557.112	63,000.228	63,486.607
Regular	7,910.290	7,134.231	7,448.780	9,560.329	32,053.630	32,320.312
(Nonautomated)	2,199.919	1,779.793	1,934.022	2,480.824	8,394.559	8,435.629
(Basic Letters)	439.030	363.814	428.834	552.869	1,784.548	1,803.921
(Basic Nonletters)	324.136	276.211	300.867	390.553	1,291.767	1,303.283
(Presort Letters)	759.346	570.161	648.318	828.431	2,806.257	2,814.703
(Presort Nonletters)	677.407	569.607	556.003	708.972	2,511.988	2,513.723
(Automated)	5,710.370	5,354.438	5,514.758	7,079.505	23,659.071	23,884.683
(Basic Letters)	656.323	645.297	685.462	879.515	2,866.597	2,904.597
(Basic Flats)	56.156	53.199	50.421	64.618	224.395	225.670
(3-Digit Letters)	2,079.768	1,999.352	2,110.410	2,709.906	8,899.435	9,006.010
(5-Digit Letters)	642.085	610.062	653.837	839.268	2,745.253	2,778.588
(3/5-Digit Flats)	2,276.038	2,046.628	2,014.628	2,586.198	8,923.392	8,969.818
Enhanced Carrier-Route	8,079.833	6,770.850	7,099.131	8,996.783	30,946.598	31,166.296
(Automated)	433.250	482.305	465.256	589.105	1,969.816	2,002.448
(Basic Letters)	1,642.961	1,296.642	1,486.613	1,881.401	6,307.617	6,362.403
(Basic Nonletters)	2,857.064	2,215.488	2,342.645	2,970.882	10,386.079	10,422.836
(High-Density Letters)	63.863	61.167	86.124	109.356	360.510	365.898
(High-Density Nonletters)	277.445	278.479	252.232	319.282	1,127.439	1,136.996
(Saturation Letters)	715.370	591.509	677.087	859.064	2,843.031	2,874.641
(Saturation Nonletters)	2,069.881	1,825.259	1,789.174	2,267.692	7,852.006	8,001.073
Nonprofit Rate Bulk	3,636.469	2,835.623	2,981.310	3,577.160	13,030.562	13,070.178
Nonprofit	2,653.017	2,269.181	2,274.848	2,729.165	9,926.212	9,979.720
(Nonautomated)	1,199.459	984.575	946.830	1,121.053	4,251.917	4,251.404
(Basic Letters)	343.617	294.449	279.920	365.417	1,283.403	1,292.751
(Basic Nonletters)	92.065	81.992	89.178	116.581	379.815	386.219
(Presort Letters)	625.162	497.315	468.229	517.601	2,108.307	2,093.628
(Presort Nonletters)	138.615	110.819	109.503	121.455	480.391	478.805
(Automated)	1,453.558	1,284.607	1,328.018	1,608.112	5,674.295	5,728.316
(Basic Letters)	243.927	238.880	277.554	332.779	1,093.141	1,114.479
(Basic Flats)	11.703	10.309	12.876	15.367	50.256	51.160
(3-Digit Letters)	632.409	607.399	570.335	698.006	2,508.148	2,532.391
(5-Digit Letters)	379.177	260.291	297.250	357.771	1,294.490	1,295.643
(3/5-Digit Flats)	186.342	167.727	170.003	204.189	728.261	734.644
Nonprofit ECR	983.452	566.442	706.462	847.895	3,104.350	3,090.458
(Automated)	88.821	86.109	80.362	96.472	351.764	354.570
(Basic Letters)	535.431	198.424	334.658	401.226	1,469.739	1,449.766
(Basic Nonletters)	181.965	102.379	128.010	153.832	566.286	563.239
(High-Density Letters)	11.790	7.516	8.922	10.722	38.950	38.893
(High-Density Nonletters)	5.068	2.066	3.217	3.869	14.220	14.050
(Saturation Letters)	112.688	131.113	112.297	134.873	490.971	496.880
(Saturation Nonletters)	47.689	38.834	38.995	46.900	172.419	172.959
TOTAL STANDARD A MAIL	19,669.631	16,774.670	17,568.997	22,180.809	76,194.107	76,720.371

TABLE 2 (continued)
 QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
 GOVERNMENT DISTRIBUTED TO CLASS
 (In Millions of Pieces)
 Before-Rates

	1998Q1	1998Q2	1998Q3	1998Q4	1998PFY	1998GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	21,959.973	23,241.375	22,175.426	28,104.881	95,481.654	95,901.802
(Single-Piece)	12,716.940	13,333.975	12,243.743	15,912.616	54,207.274	54,379.326
(Nonautomated Presort)	1,263.391	1,313.068	1,278.112	1,518.547	5,371.118	5,370.875
(Automated)	7,979.642	8,594.332	8,655.571	10,873.718	35,903.262	36,151.802
(Basic Letters)	952.119	1,021.921	1,025.654	1,260.418	4,260.112	4,286.649
(Basic Flats)	10.793	11.599	11.658	14.349	48.400	48.716
(3-Digit Letters)	4,550.598	4,906.192	4,946.048	6,105.111	20,507.950	20,653.766
(5-Digit Letters)	2,070.601	2,229.353	2,244.613	2,767.360	9,311.928	9,375.881
(3/5-Digit Flats)	51.445	55.479	55.943	69.066	231.933	233.592
(Carrier-Route Letters)	344.086	369.787	371.654	457.413	1,542.940	1,552.998
First-Class Cards	1,389.318	1,273.373	1,285.773	1,708.889	5,657.354	5,692.142
Stamped Cards	144.742	142.782	135.869	168.154	591.547	594.834
Private Cards	1,244.576	1,130.591	1,149.904	1,540.736	5,065.807	5,097.308
(Single-Piece)	628.189	567.352	573.677	764.139	2,533.357	2,545.903
(Nonautomated Presort)	162.187	144.789	144.680	190.402	642.058	643.598
(Automated)	454.200	418.450	431.548	586.194	1,890.392	1,907.807
(Basic)	84.119	77.078	79.074	106.868	347.138	349.946
(3-Digit)	197.881	183.937	191.329	262.045	835.192	844.425
(5-Digit)	138.136	126.823	130.347	176.465	571.771	576.617
(Carrier-Route)	34.065	30.612	30.798	40.816	136.291	136.819
TOTAL FIRST-CLASS MAIL	23,349.291	24,514.748	23,461.199	29,813.770	101,139.008	101,593.944
STANDARD A MAIL						
Single-Piece	41.157	35.093	40.796	47.947	164.993	165.760
Regular Rate Bulk	17,183.526	14,684.595	15,198.133	19,289.812	66,356.067	66,777.649
Regular	8,628.120	7,489.565	7,895.682	10,106.095	34,119.462	34,357.605
(Nonautomated)	2,237.748	1,941.456	2,045.693	2,617.085	8,841.981	8,902.702
(Basic Letters)	501.221	437.048	462.827	595.065	1,996.161	2,012.108
(Basic Nonletters)	356.428	312.805	333.339	431.200	1,433.772	1,447.223
(Presort Letters)	744.392	643.345	675.273	860.547	2,923.556	2,941.107
(Presort Nonletters)	635.708	548.257	574.254	730.273	2,488.491	2,502.263
(Automated)	6,390.372	5,548.109	5,849.989	7,489.010	25,277.481	25,454.904
(Basic Letters)	793.487	688.546	725.636	928.464	3,136.132	3,157.783
(Basic Flats)	58.231	50.472	53.129	67.899	229.731	231.256
(3-Digit Letters)	2,446.743	2,124.792	2,240.958	2,869.515	9,682.007	9,750.496
(5-Digit Letters)	757.498	657.595	693.311	887.478	2,995.881	3,016.847
(3/5-Digit Flats)	2,334.413	2,026.705	2,136.957	2,735.656	9,233.730	9,298.522
Enhanced Carrier-Route	8,555.406	7,195.030	7,302.451	9,183.717	32,236.604	32,420.044
(Automated)	560.203	471.127	478.161	601.345	2,110.836	2,122.847
(Basic Letters)	1,789.101	1,504.620	1,527.084	1,920.493	6,741.297	6,779.658
(Basic Nonletters)	2,825.132	2,375.914	2,411.386	3,032.611	10,645.044	10,705.619
(High-Density Letters)	103.991	87.456	88.762	111.628	391.837	394.067
(High-Density Nonletters)	303.619	255.341	259.153	325.916	1,144.029	1,150.539
(Saturation Letters)	816.919	687.023	697.280	876.914	3,078.136	3,095.652
(Saturation Nonletters)	2,156.441	1,813.550	1,840.626	2,314.810	8,125.426	8,171.664
Nonprofit Rate Bulk	3,560.782	2,931.367	3,056.431	3,636.987	13,185.577	13,255.496
Nonprofit	2,718.094	2,238.478	2,334.429	2,778.296	10,069.297	10,123.427
(Nonautomated)	1,108.104	909.848	942.708	1,111.507	4,072.167	4,088.305
(Basic Letters)	363.868	275.461	288.348	375.250	1,302.927	1,311.354
(Basic Nonletters)	116.553	90.883	96.424	124.385	428.246	431.844
(Presort Letters)	507.091	438.941	450.524	493.769	1,890.324	1,893.261
(Presort Nonletters)	120.592	104.564	107.412	118.103	450.670	451.846
(Automated)	1,609.990	1,328.630	1,391.721	1,666.789	5,997.130	6,035.122
(Basic Letters)	330.180	270.104	280.448	333.033	1,213.766	1,219.015
(Basic Flats)	15.256	12.529	13.028	15.460	56.273	56.538
(3-Digit Letters)	704.082	584.148	616.221	744.039	2,648.489	2,669.393
(5-Digit Letters)	356.726	293.865	306.723	365.495	1,322.809	1,330.137
(3/5-Digit Flats)	203.746	167.984	175.301	208.782	755.793	760.038
Nonprofit ECR	842.688	692.889	722.002	858.701	3,116.280	3,132.069
(Automated)	95.961	78.948	82.287	97.888	355.084	356.922
(Basic Letters)	398.121	327.106	340.736	405.136	1,471.099	1,478.337
(Basic Nonletters)	153.591	126.573	132.025	157.154	569.344	572.480
(High-Density Letters)	10.638	8.736	9.098	10.815	39.286	39.476
(High-Density Nonletters)	3.861	3.182	3.319	3.951	14.312	14.391
(Saturation Letters)	133.717	109.777	114.309	135.872	493.676	496.028
(Saturation Nonletters)	46.799	38.567	40.228	47.885	173.479	174.435
TOTAL STANDARD A MAIL	20,785.466	17,651.054	18,295.361	22,974.757	79,706.637	80,198.906

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TABLE 2 (continued)
 QUARTERLY VOLUME FORECASTS, 1997Q1 TO 1999Q4
 GOVERNMENT DISTRIBUTED TO CLASS
 (In Millions of Pieces)
 Before-Rates

	1999Q1	1999Q2	1999Q3	1999Q4	1999PFY	1999GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,357.891	23,710.333	22,669.886	28,714.277	97,452.386	97,894.552
(Single-Piece)	12,623.044	13,259.613	12,237.931	15,972.573	54,093.161	54,257.554
(Nonautomated Presort)	1,175.153	1,222.592	1,182.563	1,399.485	4,979.792	4,978.756
(Automated)	8,559.694	9,228.128	9,249.392	11,342.219	38,379.433	38,658.242
(Basic Letters)	1,007.244	1,082.033	1,080.566	1,320.062	4,489.906	4,518.944
(Basic Flats)	11.486	12.362	12.371	15.147	51.366	51.722
(3-Digit Letters)	4,900.479	5,287.931	5,304.800	6,510.783	22,003.974	22,167.953
(5-Digit Letters)	2,218.897	2,391.919	2,397.317	2,939.785	9,947.918	10,020.155
(3/5-Digit Flats)	55.448	59.841	60.040	73.696	249.025	250.887
(Carrier-Route Letters)	366.139	394.041	394.298	482.766	1,637.244	1,648.581
First-Class Cards	1,451.846	1,321.007	1,352.195	1,787.243	5,912.291	5,947.766
Stamped Cards	149.718	144.149	139.771	171.559	605.197	609.236
Private Cards	1,302.128	1,176.858	1,212.424	1,615.685	5,307.094	5,338.530
(Single-Piece)	641.974	576.749	590.603	782.271	2,591.597	2,603.348
(Nonautomated Presort)	158.008	140.190	141.744	185.333	625.275	626.287
(Automated)	502.147	459.919	480.076	648.080	2,090.223	2,108.895
(Basic)	91.099	83.047	86.296	115.990	376.432	379.408
(3-Digit)	226.263	208.824	219.581	298.522	953.190	963.302
(5-Digit)	150.668	137.554	143.132	192.629	623.982	629.106
(Carrier-Route)	34.117	30.495	31.068	40.939	136.619	137.078
TOTAL FIRST-CLASS MAIL	23,809.737	25,031.340	24,022.081	30,501.520	103,364.677	103,842.318
STANDARD A MAIL						
Single-Piece	41.811	36.232	41.941	49.684	169.668	170.489
Regular Rate Bulk	17,917.383	15,293.610	15,891.138	20,128.795	69,230.926	69,673.659
Regular	9,117.037	7,871.903	8,349.678	10,677.636	36,016.254	36,253.388
(Nonautomated)	2,359.802	2,036.538	2,159.120	2,759.816	9,315.276	9,375.566
(Basic Letters)	539.240	467.682	498.285	640.051	2,145.259	2,161.666
(Basic Nonletters)	393.069	342.877	367.365	474.460	1,577.771	1,591.928
(Presort Letters)	772.940	664.466	701.720	893.448	3,032.574	3,049.385
(Presort Nonletters)	654.552	561.512	591.751	751.857	2,559.671	2,572.587
(Automated)	6,757.236	5,835.366	6,190.557	7,917.820	26,700.979	26,877.822
(Basic Letters)	837.313	722.713	766.316	979.638	3,305.980	3,327.478
(Basic Flats)	61.159	52.724	55.835	71.288	241.006	242.502
(3-Digit Letters)	2,589.744	2,236.958	2,373.667	3,036.648	10,237.016	10,305.376
(5-Digit Letters)	800.688	691.392	733.413	937.969	3,163.462	3,184.350
(3/5-Digit Flats)	2,468.333	2,131.579	2,261.325	2,892.277	9,753.514	9,818.116
Enhanced Carrier-Route	8,800.346	7,421.707	7,541.461	9,451.159	33,214.672	33,420.271
(Automated)	576.242	485.969	493.811	618.857	2,174.879	2,188.342
(Basic Letters)	1,840.322	1,552.022	1,577.065	1,976.420	6,945.830	6,988.824
(Basic Nonletters)	2,906.015	2,450.767	2,490.311	3,120.924	10,968.018	11,035.910
(High-Density Letters)	106.968	90.211	91.667	114.879	403.725	406.224
(High-Density Nonletters)	312.311	263.385	267.635	335.408	1,178.739	1,186.035
(Saturation Letters)	840.307	708.667	720.102	902.451	3,171.527	3,191.159
(Saturation Nonletters)	2,218.179	1,870.685	1,900.870	2,382.220	8,371.954	8,423.777
Nonprofit Rate Bulk	3,633.462	2,993.465	3,128.326	3,693.545	13,448.798	13,521.797
Nonprofit	2,777.025	2,288.670	2,392.205	2,824.842	10,282.741	10,339.032
(Nonautomated)	1,105.139	909.062	945.806	1,109.261	4,069.268	4,087.190
(Basic Letters)	377.132	288.224	303.924	392.343	1,361.622	1,372.177
(Basic Nonletters)	124.895	97.882	103.833	132.162	458.872	463.026
(Presort Letters)	485.484	420.809	432.794	470.135	1,809.221	1,811.661
(Presort Nonletters)	117.628	102.148	105.155	114.622	439.553	440.326
(Automated)	1,671.886	1,379.608	1,446.399	1,715.581	6,213.474	6,251.842
(Basic Letters)	331.303	271.156	282.101	332.273	1,216.833	1,222.058
(Basic Flats)	15.411	12.664	13.197	15.538	56.810	57.078
(3-Digit Letters)	750.674	622.074	655.636	782.212	2,810.596	2,831.474
(5-Digit Letters)	365.481	301.263	315.098	372.447	1,354.289	1,361.918
(3/5-Digit Flats)	209.018	172.451	180.367	213.112	774.947	779.314
Nonprofit ECR	856.437	704.795	736.121	868.703	3,166.057	3,182.764
(Automated)	97.709	80.447	84.041	99.196	361.393	363.321
(Basic Letters)	403.608	331.908	346.549	408.858	1,490.923	1,498.666
(Basic Nonletters)	157.273	129.700	135.594	160.140	582.708	585.927
(High-Density Letters)	10.767	8.850	9.239	10.899	39.755	39.959
(High-Density Nonletters)	3.954	3.260	3.409	4.026	14.648	14.729
(Saturation Letters)	135.206	111.109	115.974	136.790	499.079	501.630
(Saturation Nonletters)	47.921	39.520	41.316	48.795	177.551	178.532
TOTAL STANDARD A MAIL	21,592.657	18,323.307	19,061.405	23,872.024	82,849.393	83,365.944

**RESPONSE OF POSTAL SERVICE WITNESS THRESS
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14**

2. Refer to witness Thress Testimony (USPS-T-7), pages 224 through 230 and LR H-295, Spreadsheet SF_R97AR.WK4, page SHARE FORECASTS, cells AN9 through AN27 and cells BE9 through BE27.

a. In this docket, the Postal Service proposes that Standard (A) regular automation 5-digit letters be priced 0.4 cents below ECR basic letters and, as a result, witness Thress projects that 29.643 percent of regular ECR basic letter volume will migrate to automation 5-digit letters in the test year. Please provide the formula and calculate the percentage of regular ECR basic letters that will migrate to automation 5-digit letters in the test year under the following rate scenarios: (1) automation 5-digit letters are priced 0.2 cents below ECR basic letters; (2) automation 5-digit letters and ECR basic letters have the same price; and (3) automation 5-digit letters are priced 0.2 cents above ECR basic letters.

b. In this docket, the Postal Service prices Standard (A) nonprofit automation 5-digit letters 0.6 cents below nonprofit ECR basic letters in the test year and, as a result, witness Thress projects that 25.788 percent of nonprofit ECR basic letter volume will migrate to automation 5-digit letters in the test year. Please provide the formula and calculate the percentage of nonprofit ECR basic letters that will migrate to automation 5-digit letters in the test year under the following rate scenarios: (1) automation 5-digit letters are priced 0.3 cents below ECR basic letters; (2) automation 5-digit letters and ECR basic letters have the same price; and (3) automation 5-digit letters are priced 0.3 cents above ECR basic letters.

RESPONSE:

The shares cited above, 29.643 percent of regular ECR letters and 25.788 percent of nonprofit ECR letters are the "shares of ECR letters that could potentially qualify for automation 5-digit letters." (USPS-T-7, p. 226, ll. 3-4) In other words, in my testimony, I calculate that, without any change in mailer behavior, 29.643 percent of regular ECR letters and 25.788 percent of nonprofit ECR letters qualify, in principal at least, as both automation 5-digit letters and ECR basic letters. I then assume that mailers will choose to pay the lowest possible rate for their mail.

Consequently, the level of the rate difference is not assumed to matter in this case, only the existence of a rate difference. That is, as long as automation 5-digit letters are

**RESPONSE OF POSTAL SERVICE WITNESS THRESS
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14**

priced below ECR basic letters, my methodology would predict that 29.643 percent of regular ECR basic letters and 25.788 percent of nonprofit ECR basic letters would be sent instead as automation 5-digit letters.

On the other hand, if no discount is offered for barcoding (e.g., for mail that is not eligible for the automation ECR letters rate, ECR basic letters are priced less than automation 5-digit letters), then I would not expect any mailers to enter mail that would qualify for the ECR basic letter rate at the more expensive automation 5-digit letter rate.

If the rates charged by the Postal Service were set equal for automation 5-digit letters and ECR basic letters, I could not say with any degree of certainty how mailers would choose to enter this mail. Basically, I would expect mailers to send their mail in whichever of these two categories required the least amount of work of the mailer. It may be the case, however, that mailers would choose to enter some of this mail as automation 5-digit letters and some of this mail as ECR basic letters. However, within the volume forecasting spreadsheet, the exact share of this mail sent via these two categories is irrelevant, as all of this mail would face the same price.

Hence, to summarize my answers to your specific questions:

- a. (1) 29.643 percent, as derived in my testimony at pages 224 through 226.
 - (2) Indeterminate (and irrelevant) number between 0 percent and 29.643 percent
 - (3) 0 percent
- b. (1) 25.788 percent, as derived in my testimony at pages 224 through 226.
 - (2) Indeterminate (and irrelevant) number between 0 percent and 25.788 percent
 - (3) 0 percent

**RESPONSE OF WITNESS TAYMAN TO PRESIDING OFFICER
INFORMATION REQUEST NO. 12**

1. Please provide the FY 1997 audited revenues and costs by account in the same format as in USPS LR H-9. Also please show all audit adjustments and reallocations for FY 1997.

For the reallocations, please show all computations and formulae used and cite to any external data sources (e.g., National Payroll Hours Summary reports, etc.). If the external data sources have not been provided, either as a part of this docket or as part of the Commission's data reporting rules, please provide those data sources..

RESPONSE:

Please see Library Reference H-341 for the information requested.

Response of United States Postal Service Witness Degen
To Presiding Officer's Information Request No. 8

6. a. Please provide the number of IOCS tallies used to develop the costs for Special Handling for each fiscal year from 1990 to 1996.

6. a. Response.

Please see the following table for the requested information.

IOCS Special Handling Tallies (Activity Code 0020), FY 1990–FY 1996

Category	Fiscal Year						
	1990	1991	1992	1993	1994	1995	1996
Clerk/Mailhandlers:							
Mail Processing	3	3	6	2	4	6	5
Window Service	0	5	15	13	17	12	4
Total	3	8	21	15	21	18	9

Response of United States Postal Service Witness Degen
To Presiding Officer's Information Request No. 8

10. Refer to Testimony of witness Degen (USPS-T-12), Table 7, "Estimated Costs and Associated Confidence Limits By Direct Cost Category (NEW methodology)" (Revised 10/17/97), and Table 2 (OLD methodology). Special Handling is not listed separately in these tables. Please provide the estimated coefficients of variation, and the lower and upper 95 percent confidence limits for Special Handling, using the methods in Tables 2 and 6.

10. Response.

Please see the following table for the requested information.

Estimated Costs and Associated Confidence Limits, Special Handling

	OLD methodology (Table 2)	NEW methodology (Table 6)
Est. Cost (\$000)	241	182
Est. Coefficient of Variation	51.69%	52.89%
Lower 95% Confidence Limit	-3	-7
Upper 95% Confidence Limit	486	370

**Response of United States Postal Service Witness Degen
to Presiding Officer's Information Request #5**

20. Refer to LR H-146, pages IV-8 through IV-19. Please explain why IOCS tallies for operations unrelated to the MODS cost pool titles are included in the pools. For example, why are 44,877 in OCR costs found in the mods 11 bcs cost pool?

20. Response.

I believe that the question refers to pages VI-8 through VI-19 of LR-H-146, the crosswalk of CRA space categories to MODS-based cost pools.

The simple explanation is that the IOCS-based CRA space categories are based on the sampled employee's observed activity, while the MODS-based cost pool assignment is based on the employee's clocked-in MODS operation number. The data on pages VI-8 to VI-19 show that in cases where there are IOCS space categories that correspond to the cost pool title, the space category and MODS cost pool are consistent the vast majority of the time. However, the sampled employee's activity does not always correspond to the clocked-in MODS operation. Please see pages 6-7 of my direct testimony, USPS-T-12, and Tr. 12/6154 and Tr. 12/6273 for additional discussion. Apparent discrepancies between the space category and MODS cost pool titles can be the result of several phenomena:

- 1. There is not a one-to-one correspondence between IOCS space categories and the MODS cost pools. In particular, the "distribution" space categories (OCR, sorting to letter case, etc.) are defined such that**

**Response of United States Postal Service Witness Degen
to Presiding Officer's Information Request #5**

they encompass both distribution and allied labor. Employees assigned to allied and support operations will often be observed working in the vicinity of the direct operations that they support. For instance, if the data collector observes an employee performing an allied labor activity, the type of allied labor being performed is recorded in question 18d, part 2, and the type of distribution operation is recorded in question 19. The employee may be legitimately clocked into an allied labor (LDC 17) MODS operation, but the logic of program PIGGYF96 (LR-H-146) assigns the tallies to the space category using only the question 19 response, i.e., to the type of distribution operation being supported. This may create the erroneous impression that the employee working an allied labor MODS operation is performing distribution work.

2. The employee may be temporarily engaged in an activity that is different from the clocked-in operation. For such "incidental" activities, it may be inefficient for the employee to reclock. In this case, I might expect employees to be observed working operations which are physically adjacent to their assigned operation, or which are under the same supervisor. So, for instance, an employee assigned to a BCS operation might temporarily monitor an adjacent OCR as needed or directed. OCR and BCS are the only operations where this appears to be happening on a widespread basis; the effect on the cost distributions is mitigated by

**Response of United States Postal Service Witness Degen
to Presiding Officer's Information Request #5**

the similarity of the operations—i.e., both are letter automation operations.

3. The employee may have switched operations for a more extended period of time but not reclocked.
4. A few MODS operations simply do not have corresponding IOCS-based space categories. For instance, there is not an "accountables cage" space category to correspond to the Registry cost pool.
5. The clocked-in MODS operation number may be inaccurately recorded on the tally. Since entering the question 18 and 19 data involves hundreds of thousands of keystrokes, some errors are inevitable. Suppose that the data collector keys the MODS operation number into the CODES IOCS software incorrectly 0.1% of the time. One would then expect there to be about 167 errors in the MODS mail processing tallies (0.1% of 167,036). Note that there are only 1,287 cells in the MODS portion of the crosswalk matrix (39 MODS cost pools by 33 non-BMC space categories). Thus, the error rate would only have to be 0.77% ($1,287/167,036$) for there to be one tally with an erroneous MODS operation number for every cell in the matrix. Some errors in entering the MODS operation number will be innocuous. If the data collector mistakenly enters operation 211 instead of 210, the tally will still be assigned to the "1Platform" cost pool. However, transposing digits of

**Response of United States Postal Service Witness Degen
to Presiding Officer's Information Request #5**

the MODS operation number is likely to result in the assignment of a valid MODS number in a different cost pool, since there are hundreds of valid three-digit codes. While attention has focused on the entry of the MODS operation number, it also may be the case that the employee's observed activity was recorded incorrectly in questions 18 and 19. I would expect the actual error rates to be small. The effect of these types of errors, combined with a low error rate, would be to assign small amounts of cost to many space category/cost pool combinations "at random."

6. The RBCS keying operation is not sampled in IOCS. RBCS keying costs account for approximately 98% of LDC 15. Thus, the distribution of LDC 15 costs to IOCS space category should be disregarded.

Examining the data at pages VI-8 to VI-19 of LR-H-146, I conclude that the space categories and cost pool titles are generally consistent in the letter and flat distribution operations where the closest correspondences would be expected to be found. Excluding the overhead-related space categories (6521-6523, plus "00 Not Used" and "999999"), I observe that the "worst case" MODS distribution operation, OCR, has 76.7% of its costs assigned to the OCR space category, and 95.5% of its costs are assigned to letter automation (OCR plus BCS) space categories. The other letter and flat

**Response of United States Postal Service Witness Degen
to Presiding Officer's Information Request #5**

distribution cost pools are significantly more homogeneous, with 87.4% (BCS) to 95.8% (LSM) of the costs assigned to the corresponding space category. For the purpose of cost distribution, where homogeneous cost pools are desirable, the MODS-based cost pools are greatly superior to previous cost pools based on the IOCS CAG stratum and basic function, used in the LIOCATT process. The MODS-based cost pools also avoid tally cost weighting problems that would arise with a purely IOCS-based approach to operational cost pools (please see my responses to DMA/USPS-T12-13 and DMA/USPS-T12-18 for further discussion).

Response of United States Postal Service Witness Patelunas
to Presiding Officer's Information Request
Number 12

2. In Docket No. MC96-3 and in this filing, Docket No. R97-1, the Postal Service has changed the nonvolume workload cost effect for rural carriers. In prior dockets where the CRA/Roll-Forward model has been employed, all three components of Rural Carriers (Evaluated Routes, Other Routes, and Equipment Maintenance Allowance) have received a nonvolume workload cost effect. In MC96-3 and R97-1, the nonvolume workload cost effect has not been applied to the Other Routes component of Rural Carriers (Component No. 70).

Please explain why the Other Routes component of Rural Carriers no longer receives a nonvolume workload effect.

2. Response:

The Other Routes component of Rural Carriers should receive a nonvolume workload effect.

**Response of United States Postal Service Witness Patelunas
to Presiding Officer's Information Request
Number 12**

7. USPS Library Reference H-10 at 8-9 describes the expected workhour savings from the Integrated Mail Handling System (IMHS). This description notes that mailhandlers workhours were expected to decrease by 3.186 million hours in FY 1997. Additionally, maintenance workhours were expected to increase by .225 million hours.

USPS Library Reference H-12 at 93 shows the same workhour changes for the IMHS program and includes these changes in the calculation of the total segment 3 cost reductions and segment 11 other programs dollar amounts for FY 1997 shown as 77-78 and 82-84.

Witness Patelunas in his testimony, USPS-T-15, at Appendix A describes the process where the cost reductions and other programs information from LR H-12 are used in distributing the cost reductions programs for segment 3 clerks & mailhandlers. He uses a modification of a table from USPS LR H-12, Chapter V, Sections a, which shows the workhour changes for each of the individual programs and adds columns showing the new mail processing variabilities and the distribution keys used to distribute the cost reductions to the classes, subclasses, and special services in the roll forward (columns 2 and 3). Also added are columns 13-14, and 20 which show the distribution of the total cost savings or cost increase (line 11 n columns 13-14, & 20) by type of operational program. This distribution to operational programs is based on a ratio of the estimate of workhour savings (or increases) by program (columns 7, 8, 16, & 17) to the total workhour savings (or increases), adjusted for the mail processing variabilities in column 3. These cost reduction amounts by operational program are then distributed to the classes, subclasses, and special services by the distribution keys in the cost roll forward model.

It is apparent from the table at page 6 in USPS-T-15, Appendix A, that while the IMHS program has workhour savings associated with it, there is no associated cost reduction in segment 3. Additionally, no distribution key component or mail processing volume variability is associated with the IMHS program.

What is the reason for the exclusion of the IMHS cost reduction from the segment 3 cost reductions program as shown in USPS-T-15, Appendix A? If the exclusion is an oversight, please provide the distribution key and the mail processing variability factor associated with the IMHS cost reduction. Also, please provide corrected tables for pages 6-7 and 10 of USPS-T-15, Appendix A.

7. Response:

The exclusion of the IMHS cost reduction from the segment 3 cost reductions program as shown in USPS-T-15, Appendix A is an oversight. Revised tables for

**Response of United States Postal Service Witness Patelunas
to Presiding Officer's Information Request
Number 12**

7. Response continued:

pages 6-7 and 10 of USPS-T-15, Appendix A are being filed today. As noted on the revised page 6, the distribution key is component 35 and the mail processing variability factor associated with the IMHS cost reduction is 0.76.

Notes: See page 7 of this Appendix

Col=> Line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Non-Operational Programs																				
36 Operational Sick Leave Usage	253 CS 3	1.00			330	330	-	538	538		208	208	-	13,940	13,940		28	28	275	821
37 Equipment Shipment					-	-	-	-	-				-	-	-		-	-	-	-
38 Correct Address Notification					-	-	-	-	-				-	-	-		-	-	-	-
39 District DPS Coordinators					-	-	-	-	-				-	-	-		-	-	-	-
40 Route Inspections					-	-	-	-	-				-	-	-		-	-	-	-
41 REC Phase 3					-	-	-	-	-				-	-	-		-	-	-	-
42 Cost Study Support					-	-	-	-	-				-	-	-		-	-	-	-
43 International Stat Programs					-	-	-	-	-				-	-	-		-	-	-	-
44 Rate Studies					-	-	-	-	-				-	-	-		-	-	-	-
45 CSEP					-	-	-	-	-				-	-	-		-	-	-	-
46 ODIS Modification	253 CS 3	1.00			10	10	-	10	10				-	280	280		-	-	-	-
47 EMOD Development					-	-	-	-	-				-	-	-		-	-	-	-
48 Data Collection Diagnostic					-	-	-	-	-				-	-	-		-	-	-	-
49 FAC/DAR Start Up Cost					-	-	-	-	-				-	-	-		-	-	-	-
50 Test Validation					-	-	-	-	-				-	-	-		-	-	-	-
51 Driver Trainers	253 CS 3	1.00			77	77	-	77	77				-	2,003	2,003		-	-	-	-
52 Field Contingency					-	-	-	-	-				-	-	-		-	-	-	-
53 Headquarters Contingency					-	-	-	-	-				-	-	-		-	-	-	-
54 REC Start Up					-	-	-	-	-				-	-	-		-	-	-	-
55 F4 Methodology Improvements					-	-	-	-	-				-	-	-		-	-	-	-
56 DPS Multi Unit Buildings					-	-	-	-	-				-	-	-		-	-	-	-
57 MATS					-	-	-	-	-				-	-	-		-	-	-	-
58																				
59 Total Non Operational Program Chgs.				-	417	417	-	623	623	-	208	208	-	18,202	18,202	-	28	28	275	821
60 Workyear Conversion Factor				1,792	1,792		1,775	1,775		1,793	1,793		43,472	48,162		1,782	1,782		1,782	1,782
61 Workyears				-	233	233	-	351	351	-	115	115	-	351	351	-	18	18	154	481
62																				
63 Total Program Costs / (Savings)				(11,237)	7,280	(3,977)	(23,505)	13,218	(5,797)	(3,368)	208	(1,763)	(503,301)	339,750	(139,450)	-	885	542	1,214	24,967
64 Component					253			256			253		87.43%	98.85%						88.24%

- 1/ USPS LRA-12, Chapter I, Rollforward Factors
2/ USPS LRA-12, Chapter I, Section a, pp19-20
3/ Col (7) = Col (4)+Col (10) and Col (8) = Col (5)+Col (11)
4/ Line 1 Col (13) distributed on Col (7) and Line 1 Col (14) distributed on Col (8)
5/ Line 1 Col (20) distributed on Col (17)
6/ Distribution Keys from Base Year 1998 Workpaper WP-A, Manual Input Report
7/ See Page 5 of this Appendix

USPS-T-15
Appendix A
(Revised 2/23/98)

Fiscal Year 1997	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) 3/ Comp 35 Red	(16) 4/ -	(17) 5/ -
1/ Amount distrib->	-69,508	0	0	0	0	-11,062	-368,354	-5,788	-863	-3,712	-14,866	-4,953	-39,983	0	-509,089		
2/ Distrib Key->	35	967	907	904	915	917	916	1416	921	923	931	971	963	1419			
First-Class Mail																	
Letters & Parcels	-27,500	0	0	0	0	-5,786	-263,891	0	-641	-991	-5,018	-2,255	-26,151	0	-331,932	-304,432	-27,500
Presort Ltr & Pcl	-6,280	0	0	0	0	-282	-37,808	0	-30	-48	-301	-1,864	-6,724	0	-62,937	-46,637	-6,280
Single Piece Cards	-814	0	0	0	0	0	-13,861	0	-4	0	-1	0	-681	0	-15,362	-14,547	-815
Presort Priv P Cs	-262	0	0	0	0	0	-2,398	0	0	-6	0	-37	-171	0	-2,873	-2,612	-261
Total First	-34,856	0	0	0	0	-6,068	-317,758	0	-675	-744	-5,321	-3,956	-33,726	0	-403,105	-368,248	-34,857
Priority Mail	-3,097	0	0	0	0	-139	-106	0	-18	-392	-488	0	-17	0	-4,258	-1,160	-3,098
Express Mail	-505	0	0	0	0	0	0	0	0	0	-30	0	0	0	-535	-30	-505
Mailgrams	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	0	-1
Second-Class Mail																	
Within County	-93	0	0	0	0	-6	-54	0	0	-3	-110	0	0	0	-266	-173	-93
Outside County																	
Reg Rate Pub	-2,739	0	0	0	0	-668	-619	0	-9	-213	-2,410	0	-60	0	-6,717	-3,978	-2,739
Nonprofit Pub	-469	0	0	0	0	-135	-179	0	0	-53	-340	0	0	0	-1,176	-707	-469
Classroom Pub	-34	0	0	0	0	-14	0	0	0	-2	-24	0	0	0	-74	-40	-34
Total Second	-3,335	0	0	0	0	-824	-852	0	-9	-271	-2,884	0	-60	0	-8,233	-4,898	-3,335
Third-Class Mail																	
Single Piece Rate	-485	0	0	0	0	-88	-1,320	0	0	-66	-142	-11	-154	0	-2,267	-1,782	-485
Bulk Rate-Reg																	
Car Presort	-1,571	0	0	0	0	-169	-1,848	0	-9	-285	-636	-145	-557	0	-5,221	-3,649	-1,572
Other	-9,121	0	0	0	0	-2,956	-17,904	0	-113	-1,328	-4,217	-566	-3,339	0	-39,545	-30,422	-9,123
Total Regular	-10,693	0	0	0	0	-3,125	-19,752	0	-122	-1,614	-4,853	-712	-3,895	0	-44,766	-34,071	-10,695
Bulk Rate-Nonprof																	
Car Presort	-170	0	0	0	0	-14	-487	0	-3	-27	-39	-25	-103	0	-668	-699	-169
Other	-2,171	0	0	0	0	-491	-7,889	0	-4	-264	-695	-226	-1,328	0	-13,068	-10,897	-2,171
Total Nonprof	-2,341	0	0	0	0	-505	-8,376	0	-7	-291	-734	-251	-1,431	0	-13,936	-11,596	-2,340
Total Third	-13,510	0	0	0	0	-3,718	-29,449	0	-129	-1,971	-5,729	-974	-5,480	0	-60,968	-47,449	-13,519
Fourth-Class Mail																	
Parcels Zone Rate	-950	0	0	0	0	-12	0	-5,788	-8	-59	-29	0	-11	0	-6,856	-5,907	-949
Bound Print Matter	-425	0	0	0	0	-27	0	0	0	-42	-95	0	0	0	-588	-164	-424
Spcl 4th-Cl Rate	-386	0	0	0	0	-18	0	0	0	-31	-32	0	0	0	-467	-81	-386
Library Rate	-82	0	0	0	0	-3	0	0	0	-6	-13	0	0	0	-104	-22	-82
Total Fourth	-1,842	0	0	0	0	-60	0	-5,788	-8	-138	-169	0	-11	0	-8,016	-6,174	-1,842
U.S. Postal Service	-498	0	0	0	0	-62	-870	0	0	-24	-51	0	-67	0	-1,673	-1,176	-497
Free Mail-Blind & Hndc & Servicemen	-62	0	0	0	0	0	0	0	0	-31	-11	0	0	0	-103	-41	-62
International Mail	-1,126	0	0	0	0	-153	-18,011	0	-13	-133	-131	-16	-444	0	-20,026	-18,900	-1,126
Special Services																	
Registry	-97	0	0	0	0	0	0	0	-1	-4	-6	0	-14	0	-122	-25	-97
Certified	-116	0	0	0	0	0	0	0	0	0	-1	0	0	0	-117	-1	-116
Insurance	-5	0	0	0	0	0	0	0	0	0	0	0	0	0	-5	0	-5
COD	-9	0	0	0	0	0	0	0	0	0	0	0	0	0	-9	0	-9
Special Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money Orders	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamped Envelopes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Handling	-1	0	0	0	0	0	0	0	0	-2	0	0	0	0	-3	-2	-1
Post Office Box	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	-440	0	0	0	0	-39	-1,207	0	-11	-2	-45	-8	-164	0	-1,916	-1,476	-440
Total Spc Svcs	-468	0	0	0	0	-39	-1,207	0	-12	-8	-52	-8	-178	0	-2,171	-1,504	-467
Attributable	-69,508	0	0	0	0	-11,062	-368,354	-5,788	-863	-3,712	-14,866	-4,953	-39,983	0	-509,089	-449,580	13%
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Costs	-69,508	0	0	0	0	-11,062	-368,354	-5,788	-863	-3,712	-14,866	-4,953	-39,983	0	-509,089		

1/ App A, pp 6-7, col (13) by Dist Key
2/ Appendix A, pp 6-7, col (2)

3/ Sum of cols (2) - (14)
4/ USPS-T-15, WP-A, Table A, Table 6, pp 233-234

5/ Col (16)-Col (15)

Response of Witness Lion to Presiding Officer's
Information Request No. 8, Question 1

1. In response to interrogatory OCA/USPS-T39-3, witness Needham provided a supplemental response on September 4, 1997, containing the statement of work (SOW) for a formal study on the quarter-mile rule. This study was due to be completed in October 1997. Please provide the written report and any other results of the study.

RESPONSE

A copy of the final report is being filed as library reference H-329, *Quarter Mile Study Final Report*.

USPS RESPONSE TO POIR NO. 12 – QUESTION 6

6. Refer to LR-H-180, Table A. Please provide volume and number of permit holders for the intervals 200,000-299,000; 300,000-399,000; 400,000-499,000; 500,000-599,000; and 600,000 and above.

Response: Note that the table given below provides volume and number of permit holders for annual volume per permit intervals of 200,000-299,999, etc., instead of the intervals requested in the POIR, for completeness.

BRM Volumes from the PERMIT BRM Module FY 1996, BRMAS-rated Cards and 1&2 Ounce Letters (for mailers with 200,000 pieces or more per permit)

Annual Volume/Permit	Cards		1 & 2 oz. Letters		Cards and 1&2 oz. Letters BRMAS-rated Volume
	Number of Permits	BRMAS-rated Volume	Number of Permits	BRMAS-rated Volume	
200,000-299,999	8	1,982,145	48	11,751,287	13,733,432
300,000-399,999	8	2,799,860	15	5,097,826	7,897,686
400,000-499,999	2	892,356	13	5,568,762	6,461,118
500,000-599,999	3	1,713,992	10	5,420,848	7,134,840
600,000 and above	8	14,086,549	40	95,055,494	109,142,043
Total	29	21,474,902	126	122,894,218	144,369,119

RESPONSE OF WITNESS O'HARA TO PRESIDING OFFICER
INFORMATION REQUEST NO. 8

15. Refer to Exhibit USPS-30B, page 43, "Summary of Estimated Fiscal Year 1998 After Rates Finances," (revised 9/19/97), line 48, Other Income" (217,242). Please provide an itemized list of the components which make up this sum. Also include account numbers, descriptions, and base year and TYBR amounts.

RESPONSE:

The information requested is provided on the attached spreadsheet. Dollar amounts for the individual accounts are available only for FY 1996. For FY 1997, TYBR, and TYAR, only total Other Income is estimated, and this was assumed to remain constant at \$215,531,000. The minor difference between this figure and FY 1996 actual Other Income is due to the use of a preliminary estimate that was not updated to reflect final FY 1996 results. Also, for TYAR, this figure was increased by \$1,711,000 due to growth in fees as explained in USPS-T-40, Workpaper 14.

Docket R97-1 Summary of Other Income in Dollars

Attachment to POIR 8-15

Account #		Description of Revenue	AP 14	Audit	FY 96	FY 97	Test Year	Test Year
Primary	Sub		Trial Balance		Actual	Estimate	BR Est	AR Est
41500		Estimated Miscellaneous Revenue For CAG H-L Offices	9,491		9,491			
42101		Revenue from Packaging Products	(226,912)		(226,912)			
42101	063	Revenue from Packaging Products	(51,381,434)		(51,381,434)			
42102		Postal Related Retail Products	8,733		8,733			
42102	098	Postal Related Retail Products	(1,854,981)		(1,854,981)			
42105		Olympic Retail Products	2,683		2,683			
42105	099	Olympic Retail Products	-		-			
42107	062	Philatelic Retail Products	(30,732,244)		(30,732,244)			
42321	170	Food Coupon Transaction Fees	(243,102)		(243,102)			
42322	189	Food Coupon Supplemental Income	(1,828)		(1,828)			
42323		Payments to State Agencies for Food Coupon Losses	14,334		14,334			
42323	622	Payments to State Agencies for Food Coupon Losses	3		3			
42341		Migratory Bird Stamp Fees	(372,180)		(372,180)			
43300		Estimated Retail Services Revenue for CAG H-L Offices	(10,869)		(10,869)			
43330		On Site Meter Setting Fees	(4,029,050)		(4,029,050)			
43333	141	Merchandise Return Service Fees	(111,843)		(111,843)			
43350		Photo Copy Service Fees	(4,004)		(4,004)			
43350	123	Photo Copy Service Fees	(3,558,240)		(3,558,240)			
43360	128	Commemorative Stamp Club Subscriptions	(402,985)		(402,985)			
43370	129	Change of Address Information Fees	(494,984)		(494,984)			
43380		Privacy Act Copy Fees	(28)		(28)			
43380	127	Privacy Act Copy Fees	(61,445)		(61,445)			
43381		Mailing List Correction Fees	36		36			
43381	120	Mailing List Correction Fees	(701,727)		(701,727)			
43383		Permit Imprint Application Fees	224		224			
43383	140	Permit Imprint Application Fees	(7,785,540)		(7,785,540)			
43387		Retail Services Performed for Contractors by USPS Personnel	92,848		92,848			
43387	147	Retail Services Performed for Contractors by USPS Personnel	(48,378)		(48,378)			
43388		Freedom of Information Act Search & Copy Fees	(98,040)		(98,040)			
43388	198	Freedom of Information Act Search & Copy Fees	(97,514)		(97,514)			
43389		Retail Service Refunds	196,785		196,785			
43389	536	Retail Service Refunds	4,218,262		4,218,262			
43392	485	Transfer of Traveler Check Fees to American Express	3,741		3,741			
43393	155	Traveler Check Fees	(9,546)		(9,546)			
43396	092	International Philatelic Sales	(6,348,701)		(6,348,701)			
43397	563	International Philatelic Sales Returns	1,252,519		1,252,519			
43420		Passport Application Fees	(23,085,831)		(23,085,831)			
44028		Unclaimed Monies from Dead Letters & Parcels	4,370		4,370			
44028	146	Unclaimed Monies from Dead Letters & Parcels	(1,058,755)		(1,058,755)			
44028	549	Unclaimed Monies from Dead Letters & Parcels	195,593		195,593			
44029		Receipts from Auction of Unclaimed Merchandise	-		-			
44029	145	Receipts from Auction of Unclaimed Merchandise	(2,710,790)		(2,710,790)			
44030		Miscellaneous Revenue	(46,913,142)	1,700,000	(45,213,142)			
44030	126	Miscellaneous Revenue	(41,828,889)		(41,828,889)			
44031		USPS Parking Fees	(236,139)		(236,139)			
44032	106	Money by Wire Fees	(34,007)		(34,007)			
44032	222	Money by Wire Fees	-		-			
44033		Revenue from Forfeited Property	(2,594,783)		(2,594,783)			
44034		Licensing Fees from Oracle Corporation	-		-			
44035		Revenue from Use of USPS Security Personnel by U.S. Marshalls	(2,043,715)		(2,043,715)			
44036		Sale of Postal Antiques	-		-			
44036	157	Sale of Postal Antiques	(70,142)		(70,142)			
44037		Second vs. Third Class Fee Differential	60		60			
44037	122	Second vs. Third Class Fee Differential	(460,117)		(460,117)			
44039		Miscellaneous Refunds	454,342		454,342			
44039	624	Miscellaneous Refunds	4,404,994		4,404,994			
44041	063	Pack and Send Service	(82,309)		(82,309)			
48210		Information & Directives Access Fees	(135)		(135)			
Total Other Income			(218,865,292)	1,700,000	(217,165,292)	(215,531,000)	(215,531,000)	(217,242,000)

RESPONSE OF WITNESS O'HARA TO PRESIDING OFFICER
INFORMATION REQUEST NO. 9

3. Refer to USPS-T-30, Workpapers I and II, "Summary of Revenues, Fiscal Year 1998 Before (After) Rates" (Revised 8/22/97), page 3. It appears that Money Order Float revenues of \$62,020(000) for test year before rates and of \$61,996(000) for test year after rates are not included in the total "Postage and Fees" from Special Services. Please explain how these amounts are incorporated in the forecast of TYBR and TYAR total revenue.

RESPONSE:

The fact that money orders remain outstanding between the time they are purchased and the time they are cashed makes additional cash available to the Postal Service. The \$62 million ascribed to money order float represents the estimated financial benefit that results from the fact that interest income is earned and/or interest expense is avoided during the time period that money orders remain outstanding. The benefit from money order float is reflected in the Postal Service's interest income and interest expense estimates. The estimated \$62 million test year benefit that results from money order float is reclassified to money orders as a non-add amount for pricing purposes on USPS-T-30, Workpapers I and II, "Summary of Revenues, Fiscal Year 1998 Before (After) Rates" (Revised 8/22/97). This method is the same one that has been used in past rate cases.

RESPONSE OF POSTAL SERVICE WITNESS O'HARA TO POIR NO. 9

4. Please revise Exhibit USPS-30A, page 42 (revised 9/19/97), "Summary of Estimated Fiscal Year 1998 Before Rates Finances" to reflect: (1) the revised volume forecasts in Supplemental Exhibit USPS-6A, page 2, "Quarterly Volume Forecasts, 1997Q1 to 1999Q4, Government Distributed to Classes, Before Rates;" and (2) any changes in volume, revenue or costs made in or required by the following responses to: (a) POIR 5 Items 3, 4, 7, and 10; (b) POIR 7 Items 7 and 8; and (c) POIR 8 Items 11, 14, and 17. The Supplemental Exhibit USPS-6A was filed on October 9, 1997, as attachment B to "Notice of the United States Postal Service of Revisions to the Testimony of Dr. George Tolley (USPS-T-6)."

RESPONSE:

A new exhibit in the format of Exhibit USPS-30A, revised in accordance with this request, is attached, along with three pages of supporting workpapers.

The revised TYBR volumes, upon which my new exhibit is based and which are shown in the attached workpapers, were provided by Dr. Tolley specifically in response to this POIR (with the exception of those Special Services for which Dr. Tolley does not provide forecasts). I am informed by Dr. Tolley that these TYBR volumes are the same as those provided in his Supplemental Exhibit USPS-6A, entered into the record on October 22, 1997 (Tr. 13/6871), modified only slightly to take account of the following:

(1) Correction of the error acknowledged in Item 14, POIR No. 8, slightly changes the TYBR forecast for Standard Nonprofit and, because of a cross-volume effect, also causes an extremely small change in single-piece First-Class letters.

(2) Correction of the errors acknowledged in Items 6 and 8 of this POIR (No. 9) slightly changes the TYBR forecast for Periodicals Regular mail.

I am also informed by Dr. Tolley that correction of other errors has no effect on the

TYBR forecast, either because errors in the billing determinants (e.g., POIR No. 7, items 7 and 8; POIR No. 8, Item 13) do not affect the TYBR forecast if there are no changes in nominal or phased rates during the base period or the test year before-rates, or if they only involve the TYAR FWIs (e.g., POIR No. 8, item 11; POIR No. 9, item 5). Correction of these errors, of course, is nonetheless necessary to run the TYAR forecast correctly. Finally, I should note that the errors in the Express Mail and Priority Mail forecasts acknowledged by Dr. Musgrave in response to item 10 of POIR NO. 1 are reflected in my new exhibit because the necessary revisions were already incorporated by Dr. Tolley into his Supplemental Exhibit 6A, and the Express Mail and Priority Mail TYBR forecasts reflected in my new exhibit are consistent with those shown in Supplemental Exhibit 6A.

With respect to the volumes of those Special Services not forecasted by Dr. Tolley, witness Needham has made whatever minor adjustments need to be made to account for Dr. Tolley's changes in the forecasts of certain mail categories.

The cost figures in the exhibit were provided by witness Patelunas from the rollforward model, which was run with the same inputs as the rollforward run used in my Exhibit USPS-30A (revised 9-19-97), except now using the revised TYBR volume forecasts.

The revenue forecasts in the exhibit were developed as shown on the attached workpapers, generally using the same methodologies as used by the rate design

witnesses in making the initial revenue forecasts. Changes made in calculating revenues include corrections of the errors acknowledged in witness Moeller's response to item 18 of POIR No. 3 (Standard Regular and Standard Nonprofit), and witness Plunkett's response to item 10 of POIR No. 5 and item 17 of POIR No. 8. Witness Needham informs me that no changes are required on account of her responses to items 3, 4, and 7 of POIR No. 5, because they relate only to a finer level of detail than is contained in my exhibits and workpapers.

Finally, the revenue from BRM fees shown on line 4, page 1 of WP 1 are changed not only to reflect the very minor change in First-Class Mail volume, but also to correct an error in my WP1 as originally filed, which did not conform to witness Needham's Workpaper 3.

SUMMARY OF ESTIMATED FISCAL YEAR 1998 BEFORE RATES FINANCES
(Dollars in Thousands)

Line No.	Description	Volume Variable Costs	Revenues	Percent of Costs (Col 2/Col 1)	Contribution To Other Costs (Col 2 - Col 1)
		(1)	(2)	(3)	(4)
1	First-Class Mail				
2	Single-piece Letters	12,635,461	21,567,504	170.69%	8,932,043
3	Worksharing Letters	4,116,231	11,108,012	269.86%	6,991,781
4	Total Letters	16,751,692	32,675,516	195.06%	15,923,824
5	Single-piece Cards*	444,538	649,315	146.07%	204,777
6	Worksharing Postcards	166,243	410,826	247.12%	244,583
7	Total Cards	610,781	1,060,141	173.57%	449,360
8	Total	17,362,473	33,735,657	194.30%	16,373,184
9	Priority Mail	2,165,999	4,006,742	184.98%	1,840,743
10	Express Mail	426,133	838,953	196.88%	412,820
11	Mailgrams	508	4,680	921.22%	4,172
12	Periodicals				
13	In County	82,278	82,969	100.84%	691
14	Outside County				
15	Nonprofit	336,071	334,900	99.65%	(1,171)
16	Classroom	13,817	10,548	76.34%	(3,269)
17	Regular-Rate	1,586,763	1,631,332	102.81%	44,569
18	Total	2,018,929	2,059,749	102.02%	40,820
19	Standard Mail A				
20	Single Piece	230,358	157,568	68.40%	(72,790)
21	Commercial Regular	4,954,335	7,192,730	145.18%	2,238,395
22	Commercial Enhanced Carrier Route	2,165,356	4,721,672	218.06%	2,556,316
23	Total Commercial	7,119,691	11,914,402	167.34%	4,794,711
24	Nonprofit	1,089,004	1,165,670	107.04%	76,666
25	Nonprofit Enhanced Carrier Route	157,658	261,797	166.05%	104,139
26	Total Nonprofit	1,246,662	1,427,467	114.50%	180,805
27	Total Standard Mail A	8,596,711	13,499,437	157.03%	4,902,726
28	Standard Mail B				
29	Parcel Post	794,627	737,828	92.85%	(56,799)
30	Bound Printed Matter	335,746	492,917	146.81%	157,171
31	Special Rate	257,871	353,809	137.20%	95,938
32	Library Rate	51,776	48,279	93.24%	(3,497)
33	Total	1,440,020	1,632,833	113.39%	192,813
34	Free-for-the-Blind, etc	31,863	0	0.00%	(31,863)
35	International Mail	1,228,396	1,625,558	132.33%	397,162
36	Special Services				
37	Registry	83,549	91,934	110.04%	8,385
38	Certified	342,363	410,866	120.01%	68,503
39	Insurance	42,744	64,776	151.54%	22,032
40	COD	17,193	16,287	94.73%	(906)
41	Money Orders	147,503	237,353	160.91%	89,850
42	Stamped Envelopes	12,459	13,843	111.11%	1,384
42a	Stamped Cards*	4,676		0.00%	(4,676)
43	Special Handling	1,334			(1,334)
44	Post Office Boxes	603,228	611,375	101.35%	8,147
45	Other		301,372		301,372
46	Total	1,255,049	1,747,807	139.26%	492,757
47	Other Costs **	185,647			(185,647)
48	Other Income		215,531		215,531
49	Volume-Variable Costs and Revenues	34,711,728	59,366,946	171.03%	24,655,219
50	Total Other Costs	26,719,796			(26,719,796)
51	Prior Years Loss Recovery	446,933			(446,933)
52	Continuing Appropriations		67,274		67,274
53	Investment Income		33,580		33,580
54	GRAND TOTAL	61,878,457	59,467,800	96.10%	(2,410,656)

*In column (1), \$4630*1.01 Stamped Card manufacturing costs are shown on line 42a rather than line 5.

**Includes \$28,450*1.01 cost increase due to BY->TY growth in Return Receipt & Restricted Del. (methodology in USPS-T-40, WP 14)

Sources: Volume Variable Costs: Roll-forward provided by witness Patelunas

Revenue: WP 1, pp. 2-3

DOMESTIC MAIL FEES DISTRIBUTION TO SUBCLASS
FISCAL YEAR 1998 BEFORE RATES
(\$ in 000)

Attachment to Response to POIR 9, #4, p.2 of 4

WP I, page 1

		Letters		Cards			
				Private			
Line No.	First Class	Single	Worksharing	Postal	Single	Worksharing	Total
1	Pieces (millions)	54,379	41,522	595	2,546	2,551	101,594
2	Percent of Pieces	53.53%	40.87%	0.59%	2.51%	2.51%	100.00%
3	Address Correction	14,512	11,081	159	679	681	27,111
4	Business Reply	121,391	—	—	6,522	—	127,913
5	Cert. of Mailing	2,926	513	32	137	32	3,640
6	Presort Permit Fee	—	4,884	—	—	300	5,184
7	Total	138,828	16,478	191	7,339	1,012	163,848
Priority Mail							Total
8	Address Correction						68
9	Business Reply						691
10	Cert. of Mailing						308
11	Total						1,068
Periodicals		Within County	Nonprofit	Classroom		Regular Rate	Total
12	Pieces (millions)	911	2,188	51		7,175	10,325
13	Percent of Pieces	8.83%	21.19%	0.50%		69.49%	100.00%
14	Address Correction	1,793	4,304	101		14,118	20,316
15	Application Fees	68	164	4		539	775
16	Total	1,861	4,469	105		14,656	21,091
Standard Mail A		Single Piece		Bulk			Total
				Regular	Nonprofit		
17	Pieces (millions)	166		66,778	13,255		80,033
18	Percent of Bulk Pieces			83.44%	16.56%		100.00%
19	Address Correction	3,544		32,130	6,378		42,051
20	Bulk Permit Fee			38,161	29,627		67,788
21	Cert. of Mailing	12		0	0		12
22	Special Handling	21		—	—		21
23	Total	3,577		70,291	36,004		109,873
Standard Mail B			Parcel Post	Bound Printed Matter	Special Rate	Library Rate	Total
24	Pieces (millions)		242	567	200	30	1,040
25	Percent of Pieces		23.24%	54.57%	19.29%	2.91%	100.00%
26	Address Correction		153	402	96	32	683
27	Cert. of Mailing		10	24	8	1	44
28	Presort Permit		—	—	77	—	77
29	Special Handling		323	0	72	25	420
30	Parcel Airtel		79	—	—	—	79
31	Total		565	426	253	59	1,303
International							Total
32	Cert. of Mailing						11
33	Special Handling						0
34	Other						0
35	Total						11
36	GRAND TOTAL FEES						300,769

Summary of Revenues
Fiscal Year 1998 Before Rates
(thousands)

Attachment to Response to POIR 9, #4, p.3 of 4

WP I, page 2

Line No.	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	First-Class Mail					
2	Letters - Single	54,379,326	21,426,676	138,628	21,567,504	0.396612
3	Automated and Carrier Route Letters	36,151,602	9,340,552	0	9,340,552	0.258372
4	Non-Automated Presort Letters	5,370,875	1,750,982	0	1,750,982	0.326014
5	Total Worksharing	41,522,477	11,091,534	16,478	11,108,012	0.267518
6	Total Letters	95,901,803	32,520,210	155,306	32,675,516	0.340718
7	Postal Cards	594,834	118,967	191	119,158	0.200321
8	Post Cards - Single	2,545,903	522,618	7,339	530,157	0.208239
9	Automated and Carrier Route Post Cards	1,907,807	293,966	0	293,966	0.154086
10	Non-Automated Presort Cards	643,598	115,848	0	115,848	0.180001
11	Total Worksharing Cards	2,551,405	409,814	1,012	410,826	0.161020
12	Total Cards	5,692,142	1,051,599	8,542	1,060,141	0.186246
13	Business Reply Fees	0	127,913	(127,913)	0	
14	Domestic Mail Fees	0	35,935	(35,935)	0	
15	Total First Class	101,593,945	33,735,657	0	33,735,657	0.332064
16	Priority Mail					
17	Priority Mail	1,131,663	4,005,675	1,068	4,006,742	4
18	Domestic Mail Fees	0	1,068	(1,068)	0	
19	Total Priority	1,131,663	4,006,742	0	4,006,742	4
20	Express Mail	64,832	838,953	0	838,953	13
21	Mailgrams	4,761	4,680	0	4,680	1
22	Periodicals					
23	In-County	911,249	81,108	1,861	82,969	0
24	Outside County					
25	Nonprofit	2,187,615	330,431	4,469	334,900	0
26	Classroom	51,242	10,443	105	10,548	0
27	Regular-Rate	7,175,030	1,616,676	14,656	1,631,332	0
28	Domestic Mail Fees	0	21,091	(21,091)		
29	Total Periodicals	10,325,136	2,059,749	(0)	2,059,749	0.199489
30	Standard Mail A					
31	Single-Piece Rate	165,760	153,991	3,577	157,568	0.950578
32	Commercial					
33	Regular	34,357,606	7,156,565	36,165	7,192,730	0.209349
34	Enhanced Carrier Route	32,420,044	4,687,546	34,126	4,721,672	0.145641
35	Total Commercial	66,777,650	11,844,111	70,291	11,914,402	0.178419
36	Nonprofit					
37	Nonprofit	10,123,427	1,138,173	27,497	1,165,670	0.115146
38	Enhanced Carrier Route	3,132,069	253,290	8,507	261,797	0.083586
39	Total Nonprofit	13,255,496	1,391,463	36,004	1,427,467	0.107689
40	Bulk Mailing Fees	0	67,788	(67,788)	0	
41	Domestic Mail Fees	0	42,063	(42,063)	0	
42	Special Handling	0	21	(21)	0	
43	Total Standard Mail A	80,198,906	13,499,437	0	13,499,437	0.168324

Summary of Revenues
Fiscal Year 1998 Before Rates
 (thousands)

WP I, page 3

Line No.	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	Standard Mail B					
2	Parcel Post					
3	Inter-BMC	55,244	168,614	0	168,614	3.052170
4	Intra-BMC	186,310	568,650	0	568,650	3.052170
5	Total Parcel Post	241,554	737,264	565	737,828	3.054507
6	Bound Printed Matter	567,292	492,490	426	492,917	0.868894
7	Special Rate	200,489	353,556	253	353,809	1.764731
8	Library Rate	30,252	48,220	59	48,278	1.595879
9	Domestic Mail Fees	0	804	(804)	0	
10	Special Handling	0	420	(420)	0	
11	PAL Fees	0	79	(79)	0	
12	Total Standard Mail B	1,039,587	1,632,833	0	1,632,833	1.570655
13	Total USPS Penalty Mail	298,093	0	0	0	
14	Free-for-the-Blind	56,427	0	0	0	
15	Total Domestic Mail	194,713,350	55,778,051	0	55,778,051	0.286462
16	International					
17	Postage	1,025,247	1,373,547	11	1,373,558	1.339733
18	Terminal & Transit	0	252,000	0	252,000	
19	Fees, etc.	0	11	(11)	0	
20	Total	1,025,247	1,625,558	0	1,625,558	1.585528
21	Total All Mail	195,738,597	57,403,609	0	57,403,609	0.293267
22	Special Services					
23	Registry	16,196	91,934	0	91,934	5.676340
24	Certified Mail	304,345	410,866	0	410,866	1.350001
25	Insurance	31,413	64,776	0	64,776	2.062076
26	COD	3,936	16,287	0	16,287	4.137957
27	Special Delivery	0	0	0	0	0.000000
28	Money Orders	236,686	237,353	62,020	299,373	1.264853
29	Stamped Envelopes	460,000	13,843	0	13,843	0.030094
30	Box/Caller Service	15,894	611,375	0	611,375	38.466687
31	Subtotal	1,068,470	1,446,435	(62,020)	1,384,415	1.285699
32	Other*	N/A	301,372	0	301,372	N/A
33	Total	1,068,470	1,747,807	0	1,747,807	1.635804
34	Total Mail & Services	195,738,597	59,151,415	0	59,151,415	0.302196
35	Other Income	0	215,531	0	215,531	
36	Appropriations	0	67,274	0	67,274	
37	Investment Income	0	33,580	0	33,580	
38	Total, all items	195,738,597	59,467,800	0	59,467,800	0.303812

* Includes Return Receipts and Restricted Delivery.

Sources:

Mail Volumes: Provided by witness Tolley, except Stamped Envelopes and Box/Caller Service, provided by witness Needham.

Postage and Fees: Provided by Pricing witnesses, using methods described in their testimonies and workpapers cited below.

First-Class: USPS-T-32, WP I, pp 5-6

Express & Priority: USPS-T-33, Tables 2 & 6

Periodicals: Regular:USPS-T-34,WP RR-E,p1.

Nonprofit: USPS-T-35,WP E,p1.

Within County:USPS-T-34,WP WC-D,p1.

Classroom:USPS-T-35, WP E,p2

Standard A: USPS-T-36, WP I, pp 6-7; WP II, pp 6-7

Parcel Post: USPS-T-37, WP II,C, p.1

BPM, Spec., Lib.: USPS-T-38, WP BPM1,Lib1,SR1

Other Income: Response to POIR 8, question 15.

Appropriations: USPS-9E, Invest Inc USPS-9G

Special Services: Insurance, Cert. of Mailing, Restricted Del., Return Receipt, Applications, & Permits: USPS-T-40, WP13

All Other: USPS-T-39, WP 1-17

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS O'HARA
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14

3. Refer to witness O'Hara's response to POIR No. 8, Item 15.

b. Witness Plunkett's Workpaper 14 (USPS LR H-207) referred to be witness O'Hara in his response to POIR NO. 8, item 15, details cost adjustments to Special Services, without explaining the \$1,711,000 increase in Other Income from TYBR to TYAR "due to growth in fees." Please provide all of the sources of the \$1,711,000 increase in Other Income and show, in detail, how this increase is calculated.

RESPONSE:

b. My citation to witness Plunkett's Workpaper WP-14, which was originally introduced in the 8-22-97 revision to my Workpaper II, footnote **, is incorrect. The \$1,711,000 increase in Other Income is based on the differences between TYBR and TYAR revenues for (a) four special services (correction of mailing lists, furnishing address changes to election boards, on-site meter setting, and ZIP Coding of mailing lists), as presented in witness Needham's Workpaper WP-17, and (b) merchandise return permit fees and permit imprint fees, as presented in witness Plunkett's Workpaper WP-13. These six differences add up to \$1,711,000.

**RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 12**

POIR NO. 12/QUESTION 4. Refer to LR H-209, spreadsheet T32_wpi, sheet E, cell K5. Please provide all data and calculations used to derive the .319212 additional ounce factor.

RESPONSE: As indicated in footnote 2 to sheet E, single pieces demonstrate seasonality in weight (e.g, Christmas greeting cards tend to decrease average weight and tax season tends to increase average weight). Consequently, I made a seasonality adjustment on the first-half 1997 data using Q4 1995 through Q3 1996 volume data, which were the most recent four consecutive quarters of data unaffected by a rate change or reclassification. Quarterly data were obtained from Table A-1 of the FY 1995 and FY 1996 Billing Determinants. The data used were as follows:

	Pieces (000's)	% of Pieces	Add'l. Ounces (000's)	Add'l. Ozs. as a % of Pieces
Q1 1996	12,872,400		3,621,270	
Q2 1996	13,301,372		3,621,179	
First Half	26,173,772	48.5714%	7,242,449	27.6706%
Q3 1996	12,043,511		4,174,270	
Q4 1995	15,669,940		4,770,604	
Second Half	27,713,451	51.4286%	8,944,874	32.2763%
Total Year	53,887,223	100%	16,187,323	

Using these data, the additional ounce percentage increased by a factor of 1.16645 between the first and second half of the year (32.2763/27.6706). The additional ounce percentage for the first half of 1997 (29.4041 from USPS-T-32, Workpaper II, page 1) was multiplied by this factor to give an additional ounce percentage of 34.2984 for the second half of 1997. These semiannual percentages were then volume weighted to obtain an annual estimate of .319212 for the additional ounce factor ($.294041 \times .485714 + .342984 \times .514286$).

RESPONSE OF U.S. POSTAL SERVICE WITNESS FRONK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 12

POIR NO. 12/QUESTION 5. Refer to USPS-T-32, Workpaper III, footnote 1. Please provide specific citations and any necessary calculations for the letter (79.48%)/card(20.52%) split.

RESPONSE: The percentages were developed using FY 1996 data. USPS Library Reference H-145, FY 1996 Billing Determinants, indicates that 512.7 million pieces of Business Reply Mail paid the two-cent BRMAS fee (Table L-2). Since this fee is the same for both letters and cards, the billing determinants did not break down this total piece count by shape.

To obtain the letter/card split necessary for the analysis described in my Workpaper III, a special run was done using data from the Domestic Probability Subsystem of the RPW system. Mail Category Code 8380, Business Reply Mail Envelopes/Cards - Advance Deposit BRMAS, was allocated to letters and cards based on the associated shape field. The percentages obtained from the system are shown in the attachment.

PARENT PIECE MAIL VOLUME FOR BRM
FOR PQ7 FY96

11:26 Tuesday, February 17, 1998 1

SPECIAL SERVICE CATEGORY	PERCENTAGE OF CARDS	PERCENTAGE OF OTHER
8380	20.52	79.48

Attachment
FOIR No. 12/Question 5

16486

**Postal Service Witness Sharkey Response
to Presiding Officer's Information Request No. 8, Question No. 18**

18. Refer to Exhibit USPS-33R, page 4, "Priority Mail Delivery Confirmation Certified and Return Receipt Adjustments." Footnote 4 states that one of the factors in determining the adjustment for Certified Mail is "TYAR Volume Adjustment Factor" (1.086708931), which is calculated by dividing TYAR Certified Volume (293,118,000) by 1996 Certified Volume (269,730,000). According to witness Needham's response to POIR No. 5, question 2, this 1996 Certified Volume (269,730,000) includes certified USPS pieces. Please confirm that the Certified Mail volume of 267,814,776 transactions from FY 1996 Billing Determinants, excludes certified USPS pieces, and should be used instead.

Response:

Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS SHARKEY TO PRESIDING
OFFICER'S INFORMATION REQUEST NO. 12, QUESTION 3.**

3. Refer to USPS-T-33, Exhibit USPS-33R, page 1 of 8, footnote 4. Please provide the source of the following projected nonpostal volumes for GFY 1998.

<u>Service</u>	<u>Pieces in Thousands</u>
Overnight	1,272,986
Second & Third Day	663,705
Ground Market	4,432,726

These figures are used by witness Sharkey to calculate the volume from nonpostal sources that the Postal Service expects to migrate to Priority Mail due to the introduction of delivery confirmation service.

Response:

Please note that the figure in the information request for Ground Market apparently contains a typographical error. The correct figure is 4,442,726.

The figures were developed based on calendar year (CY) 1998 volume estimates of total market size for each of the markets. These estimates were provided by the Colography Group Inc. on March 13, 1997. The Postal Service volume estimates are subtracted. The resultant figure is further adjusted to government fiscal year (GFY) as follows: The average percent of pieces in the 4th quarter from CY's 1993 to 1995, derived from data provided by the Colography Group Inc. on December 12, 1996, is applied to both the CY 1997 and CY 1998 volume estimates. (The last calendar quarter of the previous figure year is comparable to the first quarter of the current government fiscal year). The full GFY 1998 is then derived by subtracting the 4th quarter 1998 calendar year estimate and adding the CY 1997 4th quarter estimate. See the attached for details of the calculations.

Recently, in the course of reviewing my written testimony, I discovered a minor typographical error in USPS-T-33, Table 4 at 17. The table mistakenly shows separate rates for 1 pound Same Day Airport and Custom Designed Express mail pieces. As is currently the case, pieces over ½ pound up to two pounds were intended to pay the two pound rate. I have therefore attached to this response a revised USPS-T-33 page 17.

Development of Total Market Volumes
Test Year 1998 Docket No. R97-1

Purpose : To convert Calendar Year Forecasts to Government Fiscal Year Estimates

<u>Overnight Market</u>	1998
CY Total Market Pieces (000) /1	1,373,492
CY USPS-EM Pieces (000)	62,940
CY Non-Postal Pieces (000)	1,310,552
% falling in CY 4th Quarter /2	0.263
Pieces falling in CY 4th Quarter, 1997 /3	307,109
Pieces falling in CY 4th Quarter /3	344,675
GFY Non-Postal Pieces (000) /4	1,272,986
<u>Second- & Third-Day Market</u>	1998
CY Total Market Pieces (000) /1	1,935,973
CY USPS-PM Pieces (000)	1,245,853
CY Non-Postal Pieces (000)	690,120
% falling in CY 4th Quarter /2	0.296
Pieces falling in CY 4th Quarter, 1997 /3	177,861
Pieces falling in CY 4th Quarter /3	204,276
GFY Non-Postal Pieces (000) /4	663,705
<u>Ground Parcel Market</u>	1998
CY Total Market Pieces (000) /1	4,705,935
CY USPS-PP Pieces (000)	234,140
CY Non-Postal Pieces (000)	4,471,795
% falling in CY 4th Quarter /2	0.275
Pieces falling in CY 4th Quarter, 1997 /3	1,200,675
Pieces falling in CY 4th Quarter /3	1,229,744
GFY Non-Postal Pieces (000) /4	4,442,726

Footnotes:

/1 All Calendar Year (CY) volumes estimates provided by Colography Group Inc. on March 13, 1997.

/2 Percent (%) falling in 4th Qtrs. based on data provided by Colography Group Inc. on December 12, 1997.

The percent is the average 4th Quarter percents for 1993 through 1995.

/3 Pieces falling in CY 4th Quarter equals % falling in CY 4th Quarter times CY Non-Postal Pieces

/4 Government Fiscal Year (GFY) non-Postal pieces = full CY non-Postal pieces - same year 4th Qtr pieces + previous year 4th Qtr. pieces.

Revised 02/18/98

1 G. Proposed Express Mail Rates

TABLE 4
PROPOSED EXPRESS MAIL RATES

<u>Weight Not Over (pounds)</u>	<u>Same Day Airport</u>	<u>Custom Designed</u>	<u>Post Office to Post Office</u>	<u>Post Office to Addressee</u>
0.5	\$9.25	\$9.50	\$10.50	\$11.25
1	11.25	13.75	12.25	14.95
2	11.25	13.75	12.25	14.95
3	12.25	15.50	14.00	18.00
4	13.25	17.35	15.75	20.25
5	14.25	19.75	17.75	22.00
6	15.50	22.75	21.00	24.75
7	16.50	24.25	22.50	27.00
8	17.75	25.75	23.50	27.75
9	19.00	27.25	24.50	28.50
10	20.25	28.75	25.75	30.00
11	21.50	29.50	26.75	30.75
12	22.75	30.25	27.75	31.50
13	24.00	31.00	29.00	32.25
14	25.25	31.75	31.00	33.50
15	26.50	32.50	32.00	34.25
16	27.75	34.00	33.10	35.50
17	29.00	34.50	34.55	37.00
18	30.25	36.00	36.00	38.50
19	31.50	37.50	37.45	40.00
20	32.75	38.50	38.25	40.75
21	34.00	40.50	40.00	42.00
22	35.25	41.00	41.00	43.00
23	36.50	43.00	42.00	44.25
24	37.75	44.00	43.00	45.70
25	39.00	45.00	44.00	47.20
26	40.25	46.50	45.20	48.65
27	41.50	47.50	46.65	50.10
28	42.75	48.50	48.10	51.55
29	44.00	50.00	49.55	53.00
30	45.25	50.80	51.00	54.50
31	46.50	52.25	52.50	55.95
32	47.60	53.70	53.95	57.40
33	48.70	55.15	55.40	58.85
34	49.80	56.65	56.85	60.30
35	50.90	58.10	58.30	61.75
36	52.00	59.55	59.80	63.25
37	53.10	61.00	61.25	64.70
38	54.20	62.45	62.70	66.15
39	55.30	63.95	64.15	67.60
40	56.40	65.40	65.60	67.70
41	57.50	66.85	66.50	69.15
42	58.60	68.30	67.20	70.60
43	59.70	69.75	68.60	72.00
44	60.80	71.20	70.05	73.45
45	61.90	72.70	71.45	74.85
46	63.00	74.15	72.90	76.25
47	64.10	75.60	73.50	76.55
48	65.15	77.05	74.60	77.95
49	66.15	78.50	76.00	79.35
50	67.15	79.95	77.40	80.75
51	68.15	80.25	78.80	82.15
52	69.15	81.70	80.20	83.55
53	70.15	83.10	81.65	85.00
54	71.15	84.55	83.05	86.40
55	72.15	85.95	84.45	87.80
56	73.15	87.45	85.85	89.20
57	74.15	88.85	87.25	90.60
58	75.15	90.30	88.65	92.05
59	76.15	91.75	90.10	93.45
60	77.15	93.15	91.50	94.85
61	78.15	94.60	92.90	96.25
62	79.15	96.05	94.30	97.65
63	80.15	97.50	95.70	99.05
64	81.15	98.90	97.15	100.50
65	82.15	100.35	98.55	101.90
66	83.15	101.80	99.95	103.30
67	84.15	103.20	101.35	104.70
68	85.15	104.70	102.75	106.10
69	86.15	106.10	104.15	107.50
70	87.15	107.55	105.60	108.95

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9**

Question 6.

Refer to witness Taufique's Workpaper RR-A, pages 1 and 2, and the associated computer spreadsheet designated 2C_RR_X9.XLS, page "Bill. Det. Reports." The volume figure in Cell L91 is equal to the volume figure in Cell L68, and therefore does not include the volume figure in Cell L81. Similarly, the volume figure in Cell L92 equals the volume figure in Cell L69, and does not include the volume figure in Cell L82. Also, the volume figure in Cell L93 is equal to the volume figure in Cell L67, and does not include either the volume figure in Cell L80 or the volume figure in Cell L87.

- a. Please explain the meaning and use of volume figures in Cells L91, L92, and L93.

RESPONSE

- a. Cell L91 displays Periodicals Regular Rate DDU discount pieces only and does not include Science of Agriculture (SOA) or SOA Commingled pieces. Similarly, Cell L92 displays Periodicals Regular Rate SCF discount pieces only and does not include SOA SCF or SOA commingled SCF pieces. Likewise, Cell L93 displays Periodicals Regular Rate editorial content pieces and does not including SOA or SOA commingled editorial estimates. These cells are not used in my subsequent workpapers. Instead, Cells L67, L68, L69, L80, L81, L82, and L87 are used in subsequent volume and revenue calculations. See my computer spreadsheet designated 2C_RR_X9.XLS: page "TYBR Bill. Det." - cells B43, B44, B45, B57, B58, B59, and B64, and page "TYAR B.D." - cells C43, C44, C45, C59, C60, C61, and C65.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

Question 7.

Refer to witness Taufique's Workpaper RR-A, pages 1 and 2, and the associated computer spreadsheet designated 2C_RR_X9.XLS, page "Bill. Det. Reports." Row 18 is labeled "Nonadvertising - Including SOA & Commingled." Row 30 is labeled "SCI. OF AGRICULTURE - NONADVERTISING." Row 38 is labeled "SOA COMMNGLD NONSBSCRBR NONADVERTISING." Please confirm that the volume figures in Row 18 do include the volume figures in Rows 30 and 38.

RESPONSE

Confirmed.

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
TAUFIQUE TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 3

Question 6.

Workpaper RR-G, page 3, of witness Taufique, shows the removal of 1.2 cents per pound from the advertising rates for zones 7 and 8. Consistent with the proposal to obtain 41 percent of the revenue from the pound rates, please explain where the revenue loss attendant to the 1.2 cent reduction is recovered.

RESPONSE

The revenue loss attendant to the removal of 1.2 cents from the advertising pound rates for zones 7 and 8 is not explicitly recovered in the proposed rate design. Implicitly this revenue loss is recovered in the piece rates because the piece revenue target is derived by subtracting explained pound revenues from the target revenue. Please see line 6 in USPS-T-34 Workpaper RR-I.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORY OF DAVID B. POPKIN (REDIRECTED FROM THE UNITED
STATES POSTAL SERVICE)

DBP/USPS-101: Refer to your response to subpart I of DBP/USPS-37. [a] It appears that only 46% of those claims [3493 divided by 1603] that were filed have been paid by the Postal Service. [a] What were the reasons that the remaining 54% of the claims were not paid? [b] Provide a revised table showing the addition of the following column, "Total Amount Claimed". [c] With respect to a dollar amount of claims requested, what percentage were paid?

RESPONSE:

a. Reasons for rejection of Registered Mail claims include:

- Addressee acknowledges receipt
- Airline charges - some charges payable
- Article delivered as addressed
- Article delivered on return
- Article received/no exception
- Claim 1000 returned to customer
- Claim canceled per information submitted
- Claim filed after 1 year
- Claim previously paid
- Damage claim filed late
- Delivered on return to sender
- Delivered to authorized agent: business
- Formal letter created
- Inquiry only/original claim sent to Post Office
- Lost personal check/stop pay charges
- Lost securities/reissue charges
- Money order issued: variables
- No cooperation of the addressee
- No cooperation of the mailer
- No damage - customer retrieved article
- No damage without carton damage
- Official 30 day letter - no cooperation
- Official mailing - Not insured
- Properly delivered
- Properly delivered/variable
- Registered uninsured
- Replace postal money order
- Rifled/damaged article not inspected
- Wrapper and carton not examined

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
INTERROGATORY OF DAVID B. POPKIN (REDIRECTED FROM THE UNITED
STATES POSTAL SERVICE)

b-c. The Postal Service does not retain data on the amount claimed once the claim has been resolved.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

2. Refer to the attached Table 1.

- a. Please explain the method the Postal Service has used to develop the annual volumes of Special Handling transactions in Column 1.**
- b. Please explain the method the Postal Service has used to develop the annual revenue from Special Handling transactions in Column 9.**

RESPONSE:

a. Please note that the volume for 1984 used in Table 1 should be 2,189 instead of 3,189. The annual special handling volumes in Column 1 of Table 1 are from the special handling billing determinants.

b. The annual special handling revenues in Column 9 of Table 1 are from the special handling billing determinants.

Table 1
Special Handling

Year	Volume 1/		Total Cost 2/		Cost Per Piece 3/		Revenue 4/		Revenue Per Piece 5/		Cost Coverage 6/
	Amount	Annual	Amount	Annual	Amount	Annual	Amount	Annual	Amount	Annual	
	(000)	Growth	(000)	Growth	(Cents)	Growth	(000)	Growth	(Cents)	Growth	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1980	3,749		1,083		28.9		2,973		79.3		274.5%
1981	3,236	-13.7%	524	-51.6%	16.2	-43.9%	2,594	-12.7%	80.2	1.1%	495.0%
1982	2,649	-18.1%	865	65.1%	32.7	101.7%	2,270	-12.5%	85.7	6.9%	262.4%
1983	2,377	-10.3%	368	-57.5%	15.5	-52.6%	1,987	-12.5%	83.6	-2.5%	539.9%
1984	3,189	34.2%	563	53.0%	17.7	14.0%	1,859	-6.4%	58.3	-30.3%	330.2%
1985	1,812	-43.2%	1,157	105.5%	63.9	261.7%	1,931	3.9%	106.6	82.8%	166.9%
1986	1,359	-25.0%	126	-89.1%	9.3	-85.5%	1,771	-8.3%	130.3	22.3%	1405.6%
1987	876	-35.5%	119	-5.6%	13.6	46.5%	1,100	-37.9%	125.6	-3.6%	924.4%
1988	728	-16.9%	106	-10.9%	14.6	7.2%	1,049	-4.6%	144.1	14.8%	989.6%
1989	343	-52.9%	580	447.2%	169.1	1061.3%	674	-35.7%	196.5	36.4%	116.2%
1990	329	-4.1%	103	-82.2%	31.3	-81.5%	584	-13.4%	177.5	-9.7%	567.0%
1991	308	-6.4%	850	725.2%	276.0	781.5%	603	3.3%	195.8	10.3%	70.9%
1992	540	75.3%	1,530	80.0%	283.3	2.7%	1,057	75.3%	195.7	0.0%	69.1%
1993	421	-22.0%	2,274	48.6%	540.1	90.6%	839	-20.6%	199.3	1.8%	36.9%
1994	453	7.6%	3,112	36.9%	687.0	27.2%	863	2.9%	190.5	-4.4%	27.7%
1995	240	-47.0%	4,459	43.3%	1,857.9	170.4%	1,036	20.0%	431.7	126.6%	23.2%
1996	67	-72.1%	1,245	-72.1%	1,858.2	0.0%	397	-61.7%	592.5	37.3%	31.9%
1997F 7/	68	1.5%	1,272	2.2%	1,870.6	0.7%	421	6.0%	619.1	4.5%	33.1%
1998BR 8/	75	10.3%	1,285	1.0%	1,713.3	-8.4%	442	5.0%	589.3	-4.8%	34.4%
1998AR 9/	69	1.5%	1,283	0.9%	1,859.4	-0.6%	1,310	211.2%	1,898.6	206.7%	102.1%

1/ Source: Docket R97-1, LR H-187, Page 11 of 19.

2/ Source: CRA, Cost Segments and Components.

3/ COL(3) / COL(1) * 100

4/ Source: Docket R97-1, LR H-187, Page 11 of 19.

5/ COL(7) / COL(1) * 100

6/ COL(7) / COL(3)

7/ Docket R97-1, Postal Service forecast figures for FY 1997. Sources: Exhibit USPS-15C and USPS-T-30, W/P IV, Page 1 of 3 (Revised 7-23-97).

8/ Docket R97-1, Postal Service forecast figures for TYBR. Sources: Exhibit USPS-15F and USPS-T-39, WP 13 (Revised 11-20-97).

9/ Docket R97-1, Postal Service forecast figures for TYAR. Sources: Exhibit USPS-15I and USPS-T-39, WP 13 (Revised 11-20-97).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

3. Refer to the attached Table 1, Column 1. Special Handling volume has declined from 3,749,000 in FY 1980 to 67,000 in FY 1996 (a 98% decrease). Is the Postal Service aware of factors other than price that may have caused to dramatic reduction in the use of Special Handling?

RESPONSE:

The Postal Service believes that a significant portion of special handling volume was diverted to expedited mail services. This is not to say that expedited mail is a substitute for the true characteristics of special handling, but some products are used as alternatives to other products if the customers feel they are getting comparable service. Another possible non-price factor for the decline in special handling volume from 1980 to 1995 is a probable decline in the number of small businesses that rely on special handling for delivery.

Since the special handling fee increases on January 1, 1995, it has become apparent that the current prices for special handling are a major factor of the substantial volume decline. Those customers currently using special handling have little or no alternatives for transporting live animals. The other portion of the pre-1995 special handling customer base moved on to either other or no alternatives to special handling after the 1995 fee increases, thereby leaving special handling service with the costliest mail.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

4. Refer to the attached Table 1.
- a. Do the annual volumes in Column 1 include the volumes of Special Handling used by the Postal Service itself?
 - b. Please provide the USPS Special Handling transactions for all years in Table 1.
 - c. Please explain the method used to estimate the annual volume of USPS Special Handling transactions if that method is different from the method used to develop the annual volume of Special Handling transactions from all other sources.

RESPONSE:

- a. No.
- b. 1980 - 11,153
1981 - 3,607
1982 - 3,701
1983 - 1,729
1984 - 1,070
1985 - 1,920
1986 - 0
1987 - 9,335
1988 - 0
1989 - 13
1990 - 508
1991 - 1,387

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

4. Continued

1992 - 3,935

1993 - 1,271

1994 - 1,148

1995 - 14,274

1996 - 14,883

c. Not applicable.

RESPONSE OF POSTAL SERVICE WITNESS NEEDHAM TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

Question 1.

Refer to USPS LR-H-206, "Diskettes of witness Needham's (USPS-T-39) Testimony and Workpapers," WP-7, "Money Orders." Please provide the source of figures 609,186 and 163,019 which appear in the formula in Cell AD41. Also explain the difference between the FY 1996 Inquiry Fee transactions of 799,805 in Cell AD41 and 893,004 transactions reported in Table K-5 of USPS LR-H-145 "Billing Determinants, Fiscal Year 1996."

RESPONSE:

The source of the figures 609,186 and 163,019 which appear in the formula in Cell AD41 is the Docket No. R94-1 money order workpaper. The FY 1996 inquiry fee transactions figure of 799,805 in Cell AD41 is also from the Docket No. R94-1 money order workpaper and should be 893,004 as reported in the Fiscal Year 1996 Billing Determinants.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 12**

9. Refer to witness Needham's responses to POIR No. 8, Items 2.a and 2.b. These responses identify the source of Special Handling volume and revenue as being the billing determinants, but they do not explain the method used to develop the actual numbers. Please describe the method used to develop the Special Handling volume and revenue in billing determinants.

RESPONSE:

Generally, the billing determinant volumes and revenues for Standard (A) Single Piece, Standard (B) total (broken down by 10 pounds and under, and over 10 pounds), International, and USPS special handling come directly from detailed RPW analyses. The billing determinant volume breakdown for the Standard (B) subclasses is calculated using the Standard (B) totals and the FY 1989 proportions for each of the subclasses for 10 pounds and under and over 10 pounds, respectively (for 10 pounds and under, 69 percent for Parcel Post, 24 percent for Special, and 7 percent for Library, and for over 10 pounds, 89 percent for Parcel Post, 5 percent for Special, and 6 percent for Library), from the last year the information was available. The Standard (B) subclasses' revenues are calculated by multiplying the volume by the fee. From FY 1980 to FY 1989, the special handling volumes for the Standard (B) subclasses were available directly from RPW analyses. The government special handling volume is calculated by taking the revenue from RPW analyses, divided by the fee, and assuming that all government special handling mail is under 10 pounds; this volume is then distributed to the subclasses in proportion to the FY 1989 Standard (B) subclass proportions provided above. See my workpaper WP-13.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14

3. Refer to witness O'Hara's response to POIR No. 8, Item 15.

a. Please explain why the income figures for Correction and ZIP Coding of Mailing Lists, Meter Setting Fee, and Permit Imprint Fee in FY 1996 Billing Determinants, Section N, differ from the 1996 income balances of accounts 43381, 43330, and 43383 shown in the attachment to the response to POIR No. 8, Item 15.

RESPONSE:

a. When the FY 1996 Billing Determinants, Section N was prepared, final adjustments for the government fiscal year, for the income balances of accounts 43381, 43330, and 43383, were not available. This also applies to account 43370, Furnishing Address Changes to Election Boards and Registration Commissions.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NEEDHAM
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14

4. Witness Needham (USPS-T-39) proposes an increase in the fee for Carrier Sequencing of Address Cards without providing the volume and revenue for this service. Please provide the volume and revenue for FY 1996, TYBR and TYAR, and also identify where the revenue and cost for this service are included in witness O'Hara's summaries of finances.

RESPONSE:

An unknown portion of the Correction of Mailing Lists revenue and volume is for Carrier Sequencing of Address Cards. Therefore, although not broken out specifically, the FY 1996, TYBR, and TYAR Carrier Sequencing of Address Cards revenue and volume is included in USPS-T-39 WP-6. Consequently, the revenue for Carrier Sequencing of Address Cards is included in the "Other" special services line in Exhibit USPS-30A, revised 9-19-97.

**RESPONSE OF WITNESS PLUNKETT TO INTERROGATORIES OF DAVID B.
POPKIN (REDIRECTED FROM THE UNITED STATES POSTAL SERVICE)**

DBP/USPS-88 [i] Do you believe that the reason for the growth of Return Receipt service over the past ten years may be due in larger part to the increasing need for confirmation of delivery service by the public rather than the quality of the service? [j] If not, explain.

DBP/USPS-88 Response:

i-j. No. Absent an extensive study of customer opinions regarding return receipt, conclusions of the kind posited in this question are unwarranted. However, I do believe it is possible to make some broad inferences, as I have done by suggesting that strong volume growth despite relatively large fee increases implies that customers view the product as a good value.

REVISED RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

17. Refer to USPS LR H-207, "Diskettes of Witness Plunkett's (USPS-T-40) Testimony and Workpapers," WP-3 "Restricted Delivery," and WP-4 "Return Receipts." According to witness Needham's response to POIR No. 5, Question 2, the RPW FY 1996 Certified Mail volume of 270,832,000 transactions used by witness Plunkett to forecast restricted delivery and return receipts for Certified Mail includes return receipt for merchandise volume. Please confirm that the Certified Mail volume of 267,814,776 transactions from FY 1996 Billing Determinants, excludes return receipt for merchandise and USPS volumes, and should be used in the forecasts of restricted delivery and return receipts.

17. Response:

Confirmed.

REVISED RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

19. Refer to USPS LR H-207, "Diskette of Witness Plunkett's (USPS-T-40) Testimony and Workpapers, WP-4, "Return Receipts." Please explain why the TYAR Certified Mail volume (289,652,691), adjusted for Delivery Confirmation and Packaging Service, is used to forecast return receipts for Certified Mail; whereas the unadjusted TYAR Insurance volume (30,600,000) is used to forecast return receipts for insured mail.

19 Response:

As the TYAR Return Receipt volume contains explicit adjustments for Packaging Service and Delivery Confirmation the unadjusted numbers should be used for both the certified and insured mail volumes.

REVISED RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

2. Refer to USPS LR H-207, "Diskettes of Witness Plunkett's (USPS-T-40) Testimony and Workpapers," WP-13 "Summary of Special Services Cost Coverages" (revised 11/20/97). Please provide the after rates volume for Restricted Delivery in Column 1, and the after rates revenue for Insurance and Restricted Delivery in Column 4 to reflect changes made in response to POIR 5, questions 9 and 11.

2. Response:

See attached.

TEST YEAR AFTER RATES
SPECIAL SERVICES COST COVERAGES AND PERCENTAGE INCREASES

Service	After Rates Volume 1/	Cost Per Piece 2/ (\$)	Total Cost 3/	After Rates Revenue 1/	Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece (Col 4/Col 1)	Before Rates Revenue 1/	Before Rates Volume 1/	Before Rates Revenue Per Piece (Col 7/Col 8)	After Rates Percentage Increase (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CERTIFICATE OF MAILING	11,829,224	0.29	3,480,529	4,599,704	132.2%	0.39	4,013,043	11,891,493	0.337	15.2%
INSURANCE	31,122,768	1.56	48,549,042	74,662,833	153.8%	2.33	64,817	32,526	1.993	16.8%
RESTRICTED DELIVERY	4,052,789	1.71	6,930,269	11,145,170	160.8%	2.75	11,754,002	4,274,182	2.750	0.0%
RETURN RECEIPTS	244,274,066	1.00	243,558,272	358,080,557	147.0%	1.47	289,941	280,356	1.114	31.6%
DELIVERY CONFIRMATION	66,608,086	0.33	22,139,260	23,563,212	106.4%	0.35	NA	NA	NA	NA
MAILING FEES										
First-Class Presorted Mailing Fee	60,689	87.73	5,377,516	6,068,931	112.9%	100.00	5,183,405	60,981	85.000	17.6%
Periodicals Application Fees	9,764	81.12	596,821	767,249	128.6%	78.58	775,024	9,764	79.372	-1.0%
Standard (A) Bulk Mailing Fee	790,882	87.73	70,077,896	79,088,175	112.9%	100.00	67,790,460	797,535	85.000	17.6%
Standard (B) Special Mail Presort	908	87.73	80,413	90,752	112.9%	100.00	77,159	908	85.000	17.6%
Authorization to Use Permit Imprint	91,966	87.73	8,148,893	9,196,639	112.9%	100.00	7,817,143	91,966	85.000	17.6%
Merchandise Return Permit Fee	1,307	87.73	115,799	130,688	112.9%	100.00	111,085	1,307	85.000	17.6%
Destination Bulk Mail Center Fee	170	87.73	15,086	17025.88	112.9%	100.00	14472.00	170	85.000	17.6%

1/ From the special services workpapers USPS T-40 WP 1-12

2/ From Special Services Cost Studies LR-H-107, or (3)/(1) for insurance and delivery confirmation

3/ The cost per piece in Column 2 multiplied by the volume in Column 1 plus 1% Contingency, except insurance (WP-15) and delivery confirmation (WP-5)

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
THE PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

20. In LR H-106, page VI-8 (Revised 11/2/97), column (1) contains a cost figure of \$1,096,329 for First-Class non-carrier route and carrier route presort. This figure includes the cost of letters, flats, and parcels for First-Class non-carrier route mail and the cost of letters and flats for First-Class carrier route mail. This contrasts with the corresponding cost figure in column (6) of \$1,999,683 which includes the cost of all shapes for non-carrier route First-Class mail but only letter-shape cost for carrier route First-Class mail (See USPS Response to POIR No. 7, question 9, Table 1). Please discuss the reasons for eliminating the attributable cost of carrier route flats in column (6).

Response:

The forecasted cost for First-Class carrier route presort flats for FY 1997 and FY 1998 is zero. This is due to reclassification reform, which eliminated this category from First-Class Mail. See witness Thress, USPS-T-7, at page 190. As a result, the cost for this mail is set to zero as a part of the shape/presort adjustment to reflect the mail mix adjustment at page VI-3 of LR-H-106.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
THE PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

21. In LR -106, page VI-8 (Revised 11/2/97), the costs in column (1) reflect the base year adjusted to reflect the Workpaper B adjustments, premium pay, and changes in cost reductions and other programs. Column (2) contains the corresponding test year cost which is used to calculate the test year escalation factor. Why did the Postal Service include adjustments for cost reductions and other programs in column (1), instead of allowing an escalation factor based on column (2) to capture all differences (including cost reductions and other programs) between the base year and the test year?

Response:

I included cost reductions and other programs in column (1) to reflect the changes in the cost pool costs between the base year and test year. For instance, RBCS costs double while LSM costs greatly decline as shown in LR H-106, page VI-2, column 3.

Consequently, applying the adjustment ratio reflecting cost reductions and other programs (page VI-2, column 3) has an important impact on the test year unit costs for the cost pools "mods lsm" and "mods LD15" as shown on page II-5 of LR H-106.

Cost reductions and other programs are one of the sources of the change in costs between the base year and test year as indicated by witness Patelunas, USPS-T-15, pages 4 to 6. The escalation factor in column (3) of page VI-8, given the inclusion of cost reductions and other programs in column (1) as I've done, essentially accounts for the rest of the changes aside from cost reductions and other programs.

RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH TO
THE PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

22. Assume the Postal Service had chosen to begin the LR H-106 calculations of unit cost by shape with base year unit costs rather than aggregate costs. Would this eliminate the need for the mail mix adjustment incorporated into pages II-5, III-5, and IV-5? It appears that the adjustment is only necessary when working with aggregates since it only reflects changes in aggregate cost brought about by changes in volume. (See LR H-126, the basis for the adjustment, which calculates the Postal Service's target aggregate cost by presort category and shape using Base Year FY 1996 unit costs and FY 1997 volumes.)

Response:

No, calculations by shape with base year unit costs rather than aggregate costs wouldn't eliminate the need for the mail mix adjustment since there are changes in relative unit costs by shape between the base year and test year. For instance, the forecasted growth in the percentage of non-carrier route presort letters which are prebarcoded, between FY96 and FY97, reduces the average unit costs for non-carrier route presort letters in First-Class, Standard A Regular and Standard A Nonprofit. (See LR H-126, page IV-1 to IV-4 which shows FY96 and forecasted FY97 volumes.) Unless other factors have the same relative impact on flats and parcels unit costs, the growth in the prebarcoding of letters leads to a relative change in the unit costs by shape. As a result, volume adjustments alone while accounting for some of the changes reflected in the mail mix adjustment, will not eliminate the need for the mail mix adjustment.

**RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14**

1. USPS LR-H-126 calculates the changes in mail processing labor costs for First-Class and Standard (A) Mail stemming from reclassification reform and other mail volume mix changes that occurred between BY 1996 and FY 1997. It is stated that a number of changes in these cost adjustments were made too late to be included in the cost roll forward; however, it is indicated the library reference does reflect those changes (LR H-126 at II-3).

a. A comparison of table II-4 of LR H-126 which shows the calculated cost changes and witness Patelunas Workpaper B, table A6, page 83, which shows the cost adjustment implementation in the roll forward, does show differences. The amount of the adjustment in LR H-126 is \$-66.0 million and the amount in witness Patelunas Workpaper B is \$-77.5 million. Additionally, the First-Class cost adjustment in LR H-126 applies to presort letters and presort cards. The adjustment in witness Patelunas Workpaper B applies to single-piece letters and presort cards.

Please indicate which volume mix adjustment, LR H-126 or witness Patelunas Workpaper B, is the correct adjustment. If the adjustment shown in witness Patelunas Workpaper B is correct, please provide a revised LR H-126.

b. On page II-8, the unit mail processing labor cost for post-reclassification enhanced carrier route prebarcoded letters is 1.126 cents. The source for this number is given as page III-6. The unit cost for enhanced carrier route prebarcoded letters given on page III-6 is .2007. Please reconcile these numbers and provide the correct unit cost and cite for use in section II-8.

c. On page II-10, the unit mail processing labor cost for post -reclassification nonprofit enhanced carrier route prebarcoded letters is 1.092 cents. The source for this number is given as page III-8. The unit cost for enhanced carrier route prebarcoded letters given on page III-8 is .2197. Please reconcile these numbers and provide the correct unit cost and cite for use in section II-10.

d. Refer to page III-20. Please provide specific cites and any necessary calculations for the column (1) Total Cost figures.

e. Refer to chapter 8, section I, page 5. Please provide specific cites for column 2 (Bundle Sort Cost). If these costs are derived from the First-Class bundle sorting costs on page 4 of chapter 11, please provide all necessary calculations.

Response:

a. The volume mix adjustment shown in LR-H-126, corrected as indicated in part d, below, is the correct adjustment. Revised pages for LR-H-126 are being filed separately. The revised mail mix adjustment for Standard A Regular is \$34.673 million reduction instead of the originally reported reduction of \$32.499 million. The overall

**RESPONSE OF U.S. POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 14**

amount of the adjustment as shown on the revised page II-4 is \$-68.216 million, as compared with \$-66.042 million originally filed in LR-H-126.

b. The enhanced carrier route presort prebarcoded letter cost of 1.126 cents is the sum of the .2007 cents on page III-6 and the FY1996 mail processing unit cost for third-class carrier route presort letters of .925 cents from LR-H-106, Page V-2. The additional costs for prebarcoded carrier route presort (on page III-6) reflects the delivery point sequencing of this mail.

c. The nonprofit enhanced carrier route presort prebarcoded letter cost of 1.092 cents is the sum of the .2197 cents on page III-8 and the FY1996 mail processing unit cost for third-class nonprofit carrier route presort letters of .872 cents from LR-H-106, Page V-2. The additional costs for prebarcoded carrier route presort (on page III-8) reflects the delivery point sequencing of this mail.

d. Columns 1 and 3 of page III-20 are incorrect since they are inconsistent with page IX-3. In addition, in reviewing the calculation of the costs on page IX-3 it was determined that the October 1, 1997 revision to LR-H-134, Section 6, page 3 on bundle sorting costs also needed to be made to the bundle sorting costs shown on page IX-4 of LR-H-126. Revised pages for LR-H-126 reflecting the revised bundle sorting costs and the correct costs on page III-20 are being filed with the Commission.

e. The calculations for the Pre-reclassification reform bundle sorting costs for First-Class presort and Nonprofit Third-Class flats are being supplied as additional pages for Chapter XI of LR-H-126.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes, 1997

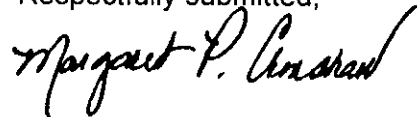
Docket No. R97-1

DESIGNATION OF INSTITUTIONAL
WRITTEN CROSS-EXAMINATION

<u>Party</u>	<u>Interrogatories</u>
Alliance of Nonprofit Mailers	ANM/USPS-18-19, 22-23
Direct Marketing Association, Inc.	DMA/USPS-11
Newspaper Association of America	NAA/USPS-21
Office of the Consumer Advocate	DBP/USPS-69-71, 93-95, 96a-b, 97-98, 102 DFC/USPS-19, 29-33 OCA/USPS-71-76 (revised) POIR No. 9, Questions 9-10 POIR No. 10
Parcel Shippers Association	PSA/UPS-1-3
Postal Rate Commission	Brooklyn Union Clarification ANM/USPS-28 UPS/USPS-T28-42-46 redirected to USPS USPS response to Presiding Officer's question posed during oral cross-examination at Tr. 26/10797-99
United States Postal Service	USPS/ABP-1-35 USPS/ANM-1-34 (corrected) USPS/CRPA-1-34 USPS/DJ-1-35 USPS/MH-1-34 USPS/MPA-1-35 USPS/NNA-1-35

USPS/OCA-1
USPS/TW-1-36
USPS/UPS-1-2
USPS/UPS-T4-33 redirected to USPS

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Margaret P. Crenshaw". The signature is fluid and cursive, with a large, sweeping initial "M".

Margaret P. Crenshaw
Secretary

Designating Parties:

USPS/ABP-32	USPS
USPS/ABP-33	USPS
USPS/ABP-34	USPS
USPS/ABP-35	USPS
USPS/ANM-1 (corrected)	USPS
USPS/ANM-2 (corrected)	USPS
USPS/ANM-3 (corrected)	USPS
USPS/ANM-4 (corrected)	USPS
USPS/ANM-5 (corrected)	USPS
USPS/ANM-6 (corrected)	USPS
USPS/ANM-7 (corrected)	USPS
USPS/ANM-8 (corrected)	USPS
USPS/ANM-9 (corrected)	USPS
USPS/ANM-10 (corrected)	USPS
USPS/ANM-11 (corrected)	USPS
USPS/ANM-12 (corrected)	USPS
USPS/ANM-13 (corrected)	USPS
USPS/ANM-14 (corrected)	USPS
USPS/ANM-15 (corrected)	USPS
USPS/ANM-16 (corrected)	USPS
USPS/ANM-17 (corrected)	USPS
USPS/ANM-18 (corrected)	USPS
USPS/ANM-19 (corrected)	USPS
USPS/ANM-20 (corrected)	USPS
USPS/ANM-21 (corrected)	USPS
USPS/ANM-22 (corrected)	USPS
USPS/ANM-23 (corrected)	USPS
USPS/ANM-24 (corrected)	USPS
USPS/ANM-25 (corrected)	USPS
USPS/ANM-26 (corrected)	USPS
USPS/ANM-27 (corrected)	USPS
USPS/ANM-28 (corrected)	USPS
USPS/ANM-29 (corrected)	USPS
USPS/ANM-30 (corrected)	USPS
USPS/ANM-31 (corrected)	USPS
USPS/ANM-32 (corrected)	USPS

Designating Parties:

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Interrogatory:Designating Parties:

USPS/UPS-1	USPS
USPS/UPS-2	USPS
USPS/UPS-T4-33 rd. to UPS	USPS
ANM/USPS-18	ANM
ANM/USPS-19	ANM
ANM/USPS-22	ANM
ANM/USPS-23	ANM
ANM/USPS-28	PRC
DBP/USPS-69	OCA
DBP/USPS-70	OCA
DBP/USPS-71	OCA
DBP/USPS-93	OCA
DBP/USPS-94	OCA
DBP/USPS-95	OCA
DBP/USPS-96a-b	OCA
DBP/USPS-97	OCA
DBP/USPS-98	OCA
DBP/USPS-102	OCA
DFC/USPS-19	OCA
DFC/USPS-29	OCA
DFC/USPS-30	OCA
DFC/USPS-31	OCA
DFC/USPS-32	OCA
DFC/USPS-33	OCA
DMA/USPS-11	DMA
NAA/USPS-21	NAA
OCA/USPS-71 (revised)	OCA
OCA/USPS-72 (revised)	OCA
OCA/USPS-73 (revised)	OCA
OCA/USPS-74 (revised)	OCA
OCA/USPS-75 (revised)	OCA
OCA/USPS-76 (revised)	OCA
UPS/USPS-T28-42 rd. to USPS	PRC
UPS/USPS-T28-43 rd. to USPS	PRC
UPS/USPS-T28-44 rd. to USPS	PRC
UPS/USPS-T28-45 rd. to USPS	PRC

Interrogatory:

UPS/USPS-T28-46 rd. to USPS

POIR No. 9, Questions 9-10

POIR No. 10

USPS response to Presiding Officer's
question posed during oral cross-examination
at Tr. 26/10797-99Designating Parties:

PRC

OCA

OCA

PRC

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-1. For each year fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by each member of your trade association and mailed at second-class regular or periodical regular rates.

ANSWER

USPS/ABP-1. ABP does not maintain back membership records in such a way that would permit us to answer this question. However, we are filing our current Member Roster as a library reference (ABP-LR-1).

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

ANSWER

USPS/ABP-2. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-3. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-4. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/6-digit presort rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-5. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-6. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-7. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-8. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-9. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-10. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-11. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-12. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-13. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded digit letter size discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-14. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5 digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-15. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1 & 2 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-16. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-17. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-18. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-19. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-20. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-21. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-22. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-23. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

ANSWER

USPS/ABP-24. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort digit pallets levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

ANSWER

USPS/ABP-25. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

ANSWER

USPS/ABP-26. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

ANSWER

USPS/ABP-27. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

ANSWER

USPS/ABP-28. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

ANSWER

USPS/ABP-29. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

ANSWER

USPS/ABP-30. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

ANSWER

USPA/ABP-31. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

ANSWER

USPS/ABP-32. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

ANSWER

USPS/ABP-33. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWERS OF AMERICAN BUSINESS PRESS TO INTERROGATORIES USPS/ABP-1-34

USPS/ABP-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

ANSWER

USPS/ABP-34. ABP does not compile data of this sort about its members. In several cases before this Commission, ABP has conducted surveys of its members' mailing characteristics. All data obtained were introduced in prior cases by witness James B. Kobak.

ANSWER OF AMERICAN BUSINESS PRESS TO INTERROGATORY USPS/ABP-35

USPS/ABP-35. In response to USPS/ABP-24-33, American Business Press indicates that the only specific data on members' mailing characteristics was provided in prior dockets by witness James B. Kobak.

- a. Does ABP know generally how its members' mailings are prepared and how that preparation has changed for each of the last ten years? If so, please explain fully.
- b. Does ABP have any general information about its members' mailings which would indicate, by year, the changes in make-up such as changes in average bundle size, changes in containerization, and the average number of bundles and pieces per container? If so, please explain fully.
- c. Does ABP have any general information about its members' mailings which would indicate in percentage terms, what savings, if any, its members have experienced in their mail preparation costs (excluding postage) due to changes in the make-up of their mailings. If so, please explain fully.
- d. Even if a percentage cannot be calculated for such savings, as requested in subpart (c) above, please indicate whether or not ABP knows or believes that its members have experienced savings.

ANSWER

USPS/ABP-35.

- a-d. ABP does not itself employ postal experts, does not collect this type of data, and does not have the kind of detailed information about its members' mailing practices that would permit it to answer these questions.

**RESPONSE OF THE ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORY USPS/ANM-1
[corrected February 6, 1998]**

USPS/ANM-1. For each year fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by each member of your trade association and mailed at second-class regular or periodical regular rates.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. However, in an attempt to be partially responsive, a listing of ANM members is attached. Information about the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF THE ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORY USPS/ANM-1
[corrected February 6, 1998]**

ALLIANCE MEMBERS

as of January 23, 1998

Adelphi University
Aerospace America Magazine
Air Force Association
Alabama Baptist, Inc.
ALSAC-St. Jude Children's
Research Hospital
Amateur Softball Association
American Academy of Medical
Administrators
American Academy of
Otolaryngology-Head and
Neck Surgery
American Arts Alliance
American Association for the
Advancement of Science
American Ass'n of Clinical
Chemistry
American Ass'n of Individual
Investors
American Ass'n of Museums
American Association of
Physics Teachers
American Association of
Retired Persons
American Cancer Society
American College of Healthcare
Executives
American College of OB/GYN
American College of Sports
Medicine
American Council on Education
American Council on Exercise
American Dental Association
American Diabetes Association
American Farm Bureau
Federation
American Institute of Chemical
Engineers
American Jewish Press Ass'n
American Library Association
American Lung Association
American Management Ass'n
American Mathematical Society

American Medical Association
American Museum of Natural
History
American Planning Association
American Prospect
American Public Power Ass'n
American Quarter Horse Ass'n
American Society of
Association Executives
American Society of Clinical
Pathologists
American Sociological
Association
American Symphony Orchestra
League
America's Public Television
Stations
Anti-Cruelty Society
Arthritis Foundation
Association of American
University Presses
Association of Brewers
Ass'n of Christian Schools Int'l
Ass'n of College Unions Int'l
Ass'n for Investment
Management and Research
Ass'n of the Miraculous Medal
Ass'n of Performing Arts
Presenters
Association of the U.S. Army
Baptist General Conv. of TX
Bethesda Lutheran Homes and
Services, Inc.
B'nai B'rith International
Boys & Girls Clubs of America
Boysville of Michigan, Inc.
California Alumni Association
California Farm Bureau
Federation
CARE
Catholic Press Association
Center for Science in the Public
Interest

Chesapeake Bay Foundation
Child Welfare League of
America
Children International
Children of the Night
Chosen People Ministries
Citizens for a Sound Economy
Foundation
CO-OP AMERICA
Columbia University
Company, A Jesuit Magazine
Compassion International, Inc.
Consumers Union of US, Inc.
Crohn's & Colitis Foundation
of America, Inc.
Detroit Institute of Arts
Founders Society
Disabled American Veterans
Divers Alert Network
Edmundite Missions
Elks Magazine
The Endocrine Society
Fletcher Allen Health Care
Florida State Elks Association
Foundation for National
Progress
Franciscan Mission Associates
Franciscan Missionary Union
Franciscan Province of the
Sacred Heart
Fraternal Order of Eagles
General Conference of Seventh-
day Adventists
Geological Society of America
Guideposts Associates-Peale
Center for Christian Living
Harper College
Harper's Magazine
Hazelden Foundation
Healthcare Financial Mgt Ass'n
Illinois Central College
Illinois Farm Bureau
Illinois State University

**RESPONSE OF THE ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORY USPS/ANM-1
[corrected February 6, 1996]**

Institute of Electrical and
Electronic Engineers
International and American
Ass'n's for Dental Research
International Association of
Fire Fighters (AFL-CIO)
International City/County
Management Association
Isaak Walton League of
America
Jewish Braille Institute of
America, Inc.
Jewish National Fund
Juvenile Diabetes Foundation
Little City Foundation
Manhattan School of Music
March of Dimes Birth Defects
Foundation
Marian Helpers Center
Maryknoll Fathers and Brothers
Massachusetts Bar Institute
Minnesota Public Radio
Missouri Baptist Convention
Missouri State Teachers Ass'n
Moose International
Multiple Sclerosis Foundation
National Association of College
and Univ. Business Officers
National Association of Counties
Research Foundation
National Association of Homes
and Services for Children
National Association of
Purchasing Management
National Association of Watch
and Clock Collectors, Inc.
National Audubon Society
National Catholic Development
Conference
National Committee to Preserve
Social Security and Medicare
National Council of Senior
Citizens
National Easter Seal Society
National Forensic League
National Geographic Society
National Grange

National Parkinson Foundation
National Public Radio
National Right to Life
Committee
National Rural Electric Coop
National School Board Ass'n
National Society of Fund
Raising Executives
National Trust for Historic
Preservation
National University Continuing
Education Association
Navigators
Navy League of the U.S.
New England Journal of
Medicine
New York Society of Certified
Public Accountants
Northern Arizona University
Northwestern University
Oklahoma State University
Optical Society of America
Oregon State University
Paralyzed Veterans of America
Penn State Geisinger Health
System
Pennsylvania Bar Association
Plainedge Public Library
Portland Marathon
The Progressive
Public Broadcasting Service
Redleaf Press - Resources for
Child Care
Reserve Officers Ass'n of US
Road Runners Club of America
Rockhurst College Continuing
Education Center
Rutgers University
Saint Joseph Corporation -
Catholic Diocese-Green Bay
Saint Joseph's Indian School
Saint Labre Indian School
Educational Association
Saint Meinrad Archabbey
Salvation Army
Sierra Magazine
Sisters of Providence Health

System
Society of American Military
Engineers
Society of Automotive
Engineers
SPIE - International Society for
Optical Engineering
Support Center of Washington
Supreme Council, Scottish Rite
Northern Masonic
United Methodist Publishing
House
Union of American Hebrew
Congregations
United Service Organizations,
Inc. (USO)
United States Sailing Ass'n
Unity School of Christianity
University Continuing
Education Association
University of California -
Los Angeles
University of California Press
Journals
University of Chicago Press
University of Idaho
University of Kansas
University of Maine
University of Missouri-Columbia
University of North Carolina -
Charlotte
University of Oklahoma
University of Southern
California Magazines
University of Texas Medical
Branch
US Naval Institute
Utah State University
Wake Forest University Baptist
Medical Center
Walk Thru the Bible Ministries
Wolf Trap Foundation for the
Performing Arts
World Wildlife Fund
YMCA of the USA

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1986]**

USPS/ANM-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1986]**

USPS/ANM-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) JCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates – not just the subset entered by ANM members – should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1998]**

USPS/ANM-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1986]**

USPS/ANM-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates -- not just the subset entered by ANM members -- should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

RESPONSE

ANM does not have the requested information (beyond any responsive information that ANM has previously submitted to the Postal Service in rate and classification cases since 1986). Nonprofit mailers are not asked to provide such information as a condition of membership in ANM. Responsive information for the entire universe of publications entered at second-class or periodical regular rates — not just the subset entered by ANM members — should be available on mailing statements in the possession of the Postal Service.

**RESPONSE OF ALLIANCE OF NONPROFIT MAILERS
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
[corrected February 6, 1996]**

USPS/ANM-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

RESPONSE

Not applicable.

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

RECEIVED

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Postal Rate and Fee Changes, 1997 :
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Docket No. R97-1

**CLARIFICATION OF
THE BROOKLYN UNION GAS COMPANY**

At the hearings held on February 18, 1998, The Brooklyn Union Gas Company's ("Brooklyn Union") Witness Richard E. Bentley, was asked whether the weight averaging methodology used by Brooklyn Union to count prepaid reply mail pieces during a "test" period was the same as the weight averaging methodology Brooklyn Union used prior to the test period to verify postage.¹ Counsel for Brooklyn Union undertook to "inquire and inform" the record on this matter. Brooklyn Union's response is as follows:

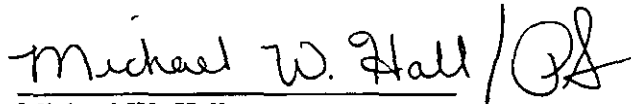
(1) In general, the weight averaging methodology used by Brooklyn Union before and during the test were the same. Moreover, that methodology was consistent with the weight averaging method the Postal Service used prior to the test. Specifically, Brooklyn Union would select 50 representative return envelopes (excluding heavier pieces which might include correspondence in addition to the customer's check and the remittance portion of the bill). After determining the weight of all mail pieces, that weight was divided by the average unit weight of the 50 sample pieces to arrive at the total number of return mail pieces.

¹ Tr. 21/11146.

(2) The methodology Brooklyn Union used during the test only differed from the methodology utilized prior to the test in one respect -- Brooklyn Union purchased a new high capacity postage scale. (Detecto Cardinal Scale Manufacturing Company, Model #285DF-5D) This scale automated the task of determining the number of return mail pieces. Specifically as before, Brooklyn Union selected 50 representative return mail pieces which were weighed on the new scale to confirm the count of 50 pieces. Then trays of return mail pieces were weighed. The scale automatically deducted the standardized tray weight and determine the number of pieces of return mail.

(3) As Mr. Bentley also testified, during the test, the Postal Service and Brooklyn Union used piece counts generated by independent third parties² to whom payment remittance were sent for processing in order to further verify the accuracy of the return mail piece counts derived by Brooklyn Union on a daily basis to determine postage due.

Respectfully submitted,



Michael W. Hall
Cullen and Dykman
1225 Nineteenth Street, N.W.
Suite 320
Washington, D.C. 20036
(202) 223-8890

Date: March 9, 1998
Washington, D.C.

² Tr.21/11142-43.

RESPONSES OF COALITION OF RELIGIOUS PRESS ASSOCIATIONS
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
(USPS/CRPA—1-34)

USPS/CRPA-1. For each year (sic) fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by each member of your trade association and mailed at second-class regular or periodical regular rates.

Response:

CRPA does not collect the information requested by this interrogatory, nor do the associations which comprise CRPA collect such information. The requested information might be acquired through survey research on the periodicals which are members of the associations which comprise CRPA, but such a study has never been conducted. The requested information is therefore unavailable.

USPS/CRPA-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please [provide] for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

Response:

Not applicable.

USPS/CRPA-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

Response:

Not applicable.

USPS/CRPA-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

Response:

Not applicable.

USPS/CRPA-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

Response:

Not applicable.

USPS/CRPA-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

Response:

Not applicable.

USPS/CRPA-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

Response:

Not applicable.

USPS/CRPA-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

Response:

Not applicable.

USPS/CRPA-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

Response:

Not applicable.

USPS/CRPA-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

Response:

Not applicable.

USPS/CRPA-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

Response:

Not applicable.

USPS/CRPA-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

Response:

Not applicable.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-1. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by your company and mailed at second-class regular or periodical regular rates.

RESPONSE:

Objection: In light of the fact that Dow Jones's Witness William B. Shew's (DJ-T1) testimony was concerned solely with assessing the strengths and weaknesses of the USPS' new methodology for estimating mail processing costs, Dow Jones objects to this question as being beyond the scope of, and not relevant to, Witness Shew's testimony. Witness Shew did not discuss the impact of the USPS proposal on the mail characteristics of Dow Jones's publications. The only reference to Dow Jones was, in fact, on the cover page of his direct testimony. Providing this information for the past twelve years will not aid the Postal Rate Commission in evaluating either Witness Shew's testimony or the USPS' mail processing cost methodology.

Nevertheless, Dow Jones is providing the requested information to the extent that it is available, while preserving its objection that the information is irrelevant to Witness Shew's testimony.

Response:

<u>Calendar Year</u>	<u>Publications</u>
1986	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1987	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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1988	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1989	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1990	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1991	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1992	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1993	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly
1994	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly National Business Employment Weekly
1995	The Wall Street Journal Barron's The Asian Wall Street Journal Weekly National Business Employment Weekly
1996	The Wall Street Journal

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

Barron's
The Asian Wall Street Journal Weekly
National Business Employment Weekly

1997 The Wall Street Journal
 Barron's
 The Asian Wall Street Journal Weekly
 National Business Employment Weekly

1998 The Wall Street Journal
 Barron's
 The Asian Wall Street Journal Weekly
 National Business Employment Weekly

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

(a)

Calendar Year	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	254	52	52	Not Available
1987	255	52	52	Not Available
1988	254	52	52	Not Available
1989	253	52	52	Not Available
1990	254	53	53	Not Available
1991	254	52	52	Not Available
1992	256	52	52	Not Available
1993	255	52	52	Not Available
1994	254	52	52	49
1995	253	52	52	52
1996	255	53	52	52
1997	254	52	51	52

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

(b)

Calendar Year	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	4.31	1.85	1	Not Available
1987	4.93	1.92	1	Not Available
1988	6.59	1.90	1	Not Available
1989	8.43	1.92	1	Not Available
1990	10.54	2.15	1	Not Available
1991	10.95	2.31	1	Not Available
1992	10.50	3.31	1	Not Available
1993	11.12	3.35	1	Not Available
1994	11.67	3.52	1	1
1995	12.02	2.52	1	1
1996	12.00	2.08	1	1
1997	11.24	1.52	1	1

(c) Dow Jones only maintains this information for The Wall Street Journal and Barron's.

From 1986 until December 1996, The Wall Street Journal published four (4) major daily editions, the Eastern, Midwest, Southwest, and Western Editions. Starting in January 1997, the Southwest and Midwest Editions were combined to form the Central Edition, making three (3) major editions daily. In addition to the major editions, The Wall Street Journal currently publishes 18 regional advertising editions on Mondays and Fridays and four (4) special editorial and advertising editions available on Wednesdays in selected markets. The first regional edition started in 1986 and the others were added over the past 10 years.

Barron's publishes one national edition and periodically prints regional advertising editions in the East, Midwest, Southwest and West.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: \ See objection to USPS/DJ-1.

Response:

<u>Calendar Year</u>	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	257549810	7803325	Not Available	Not 2 nd Class
1987	245163165	7827633	Not Available	Not 2 nd Class
1988	220776119	6987724	Not Available	Not 2 nd Class
1989	211573517	6742711	Not Available	Not 2 nd Class
1990	208888846	7033439	Not Available	Not 2 nd Class
1991	199164158	6951063	Not Available	Not 2 nd Class
1992	188784198	7476119	Not Available	Not 2 nd Class
1993	182428662	7996002	286936	Not 2 nd Class
1994	164495525	8321628	301852	395300
1995	155097856	8286115	292848	584475
1996	151019172	8829392	292370	528264
1997	135768364	8269815	257604	460463

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-4. For each fiscal year (or calendar year if year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

Calendar Year	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	Not Available	Not Available	Not Available	Not 2 nd Class
1987	8170313	1067874	Not Available	Not 2 nd Class
1988	8132322	1038961	Not Available	Not 2 nd Class
1989	8227425	1044062	Not Available	Not 2 nd Class
1990	8283011	1086695	Not Available	Not 2 nd Class
1991	8357373	1080288	Not Available	Not 2 nd Class
1992	8615909	1109705	Not Available	Not 2 nd Class
1993	8855461	1136890	Not Available	Not 2 nd Class
1994	8423137	1159991	Not Available	Not Available
1995	8312491	1141464	Not Available	Not Available
1996	8416402	1178568	Not Available	Not Available
1997	8215313	1153891	Not Available	Not Available

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-5. For each fiscal year (or calendar year if year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5 digit presort rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

Calendar Year	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	Not Available	Not Available	Not Available	Not 2 nd Class
1987	231063025	6655540	Not Available	Not 2 nd Class
1988	207385478	5863868	Not Available	Not 2 nd Class
1989	198207154	5627586	Not Available	Not 2 nd Class
1990	195890416	5894774	Not Available	Not 2 nd Class
1991	186665278	5821698	Not Available	Not 2 nd Class
1992	176332214	6330560	Not Available	Not 2 nd Class
1993	170053189	6821388	Not Available	Not 2 nd Class
1994	149732509	7088629	Not Available	Not Available
1995	134804242	7082311	Not Available	Not Available
1996	123574494	7595920	Not Available	Not Available
1997	105551709	7063324	Not Available	Not Available

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

<u>Calendar Year</u>	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	Not Available	Not Available	Not Available	Not 2 nd Class
1987	5494921	74002	Not Available	Not 2 nd Class
1988	4811208	57069	Not Available	Not 2 nd Class
1989	4776539	47123	Not Available	Not 2 nd Class
1990	4352288	27730	Not Available	Not 2 nd Class
1991	3795276	25776	Not Available	Not 2 nd Class
1992	3501002	13214	Not Available	Not 2 nd Class
1993	3146737	12692	Not Available	Not 2 nd Class
1994	5998846	56261	Not Available	Not Available
1995	11707548	52527	Not Available	Not Available
1996	18948758	46437	Not Available	Not Available
1997	21940274	45089	Not Available	Not Available

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: None of the publications listed in response to USPS/DJ-1 are sorted at the level necessary to qualify for the destination delivery office discount rates.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

Calendar Year	<u>WSJ</u>	<u>Barron's</u>	<u>Asian Weekly</u>	<u>NBEW</u>
1986	105440265	1157247	Not Available	Not 2 nd Class
1987	100564568	1601969	Not Available	Not 2 nd Class
1988	96793179	1538844	Not Available	Not 2 nd Class
1989	104728584	1485367	Not Available	Not 2 nd Class
1990	108314419	1750679	Not Available	Not 2 nd Class
1991	108054224	1829832	Not Available	Not 2 nd Class
1992	108934678	2084036	Not Available	Not 2 nd Class
1993	111004635	2631602	Not Available	Not 2 nd Class
1994	101869516	3052943	Not Available	Not Available
1995	98145532	3128530	Not Available	Not Available
1996	97134430	3403702	Not Available	Not Available
1997	86406417	3313447	Not Available	Not Available

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: None of the publications listed in response to UPS/DJ-1 qualify for high density discount rates.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: None of the publications listed in response to UPS/DJ-1 qualify for saturation discount rates.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: None of the publications listed in response to UPS/DJ-1 qualify for prebarcoded discount rates.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: See response to USPS/DJ-11.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit/5-digit volumes mailed at second class regular or periodical prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: See response to USPS/DJ-11.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: See response to USPS/DJ-11.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: See response to USPS/DJ-11.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response of interrogatory number 1.

RESPONSE:

Objection: In light of the fact that Dow Jones's Witness William B. Shew's (DJ-T1) testimony was concerned solely with assessing the strengths and weaknesses of the USPS' new methodology for estimating mail processing costs, Dow Jones objects to this question as being beyond the scope of Witness Shew's testimony. Witness Shew did not discuss the impact of the USPS' proposal on Dow Jones's business operations. The only reference to Dow Jones was, in fact, on the cover page of his direct testimony. Providing this information for the past twelve years will not aid the Postal Rate Commission in evaluating either Witness Shew's testimony or the USPS' mail processing cost methodology.

Dow Jones also objects to this question as it seeks information which is readily obtainable by the USPS from its own files, as this information is submitted weekly to the USPS on form 3541. Any information which Dow Jones could provide in response to this interrogatory would be of no more probative value than the same information which is already in the possession of the USPS.

Nevertheless, Dow Jones is providing the requested information to the extent that it is available, while preserving its objection that the information is irrelevant to Witness Shew's testimony.

Response: Dow Jones does not maintain volume, total weight and advertising weight information for any of its publications for deliveries by zone.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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OF UNITED STATES POSTAL SERVICE**

USPS/DJ-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objections to USPS/DJ-16.

Response: See response to USPS/DJ-16.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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USPS/DJ-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response:

- (a) None of the publications listed in response to USPS/DJ-1 are palletized.
- (b) None of the publications listed in response to USPS/DJ-1 are palletized.
- (c) None of the publications listed in response to USPS/DJ-1 are palletized.
- (d) None of the publications listed in response to USPS/DJ-1 are palletized.
- (e) None of the publications listed in response to USPS/DJ-1 are palletized.
- (f) None of the publications listed in response to USPS/DJ-1 are palletized.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a) - (f) See response to USPS/DJ-24.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a) - (f) See response to USPS/DJ-24.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a) - (h) Dow Jones does not use sacks in distributing The Wall Street Journal, Barron's or National Business Employment Weekly. Some local mail distribution for The Asian Wall Street Journal Weekly is placed in sacks, but Dow Jones does not maintain volume information for this publication as it relates to sacks.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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OF UNITED STATES POSTAL SERVICE**

USPS/DJ-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a) - (h) See response to USPS/DJ-27.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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USPS/DJ-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a) - (h) None of the publications listed in response to USPS/DJ-1 are mailed in trays.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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OF UNITED STATES POSTAL SERVICE**

USPS/DJ-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: (a)-(h) See response to USPS/DJ-29.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: Dow Jones does not maintain volume information as it relates to bundles.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: See response to USPS/DJ-31.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: Dow Jones does not maintain information relating to volumes plant loaded in USPS provided transportation.

**OBJECTIONS AND RESPONSES OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

RESPONSE:

Objection: See objection to USPS/DJ-1.

Response: Because Dow Jones has provided little data in response to USPS/DJ-1-33, it is not currently responding to this question upon advice of counsel for the USPS. However, if upon review of these responses, the USPS still wishes to receive this data in electronic format, Dow Jones will respond accordingly.

**RESPONSE OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS
OF UNITED STATES POSTAL SERVICE**

USPS/DJ-35. In response to USPS/DJ-25-30, Dow Jones & Company, Inc. indicates it does not use pallets, sacks or trays in preparing its publications for mailing.

- a. Please describe generally how its mailings are prepared and how that preparation has changed for each of the last ten years.
- b. Please indicate, by year, the changes in make-up such as changes in average bundle size, changes in containerization, and the average number of bundles and pieces per container.
- c. Please indicate in percentage terms, what savings, if any, Dow Jones & Company, Inc. has experienced in its mail preparation costs due to changes in the make-up of its mailings.
- d. Even if a percentage cannot be calculated for such savings, as requested in subpart (c) above, please indicate whether or not Dow Jones & Company, Inc. have experienced savings.

RESPONSE:

a. Mailings of The Wall Street Journal and Barron's are processed through automated mailing equipment which bundles copies in quantities of six or more based on the level of sortation. The bundles are then strapped and wrapped in plastic for delivery to entry post offices. For many entries, bundles are containerized based on volume.

The basic preparation process has not changed during the last ten years. Beginning in 1994, as the result of the installation of post-press equipment, Dow Jones was able to significantly improve the number of copies of The Wall Street Journal and Barron's qualifying for carrier presort rates. Over the same ten year period, an increasing percentage of bundled copies have been containerized. See response to USPS/DJ-35(b).

b. Dow Jones does not have any information from this period for the average number of bundles and pieces per container.

Information is available for average bundle size and percentage of mail copies containerized for some of the indicated years. This information is derived from a single one-day snapshot during each applicable year.

**RESPONSE OF
DOW JONES & COMPANY, INC. TO INTERROGATORIES AND
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OF UNITED STATES POSTAL SERVICE**

<u>Year</u>	<u>Avg. Bundle Size</u>	<u>% Containerized</u>
1987	24.0	Not Available
1988	24.1	45.8%
1989	24.6	47.7%
1990	24.4	49.6%
1991	23.7	51.1%
1992	23.6	53.2%
1993	22.9	59.0%
1994	20.8	60.0%
1995	20.2	Not Available
1996	17.9	Not Available
1997	Not Available	Not Available

c. Dow Jones did not experience any savings in mail preparation costs due to changes in the make-up of its mailings during the past ten years. To the contrary, Dow Jones has experienced additional mail preparation costs. Dow Jones has invested significant funds in automated equipment, software and additional labor in order to qualify additional copies for carrier-sort discounted periodical rates.

d. See response to USPS/DJ-35(c).

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-1. For each year fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by your company and mailed at second-class regular or periodical regular rates.

RESPONSE: See Partial Objection of the McGraw-Hill Companies to Interrogatories USPS/MH-1-34, filed February 3, 1998. Subject to that Objection, and the agreement of the Postal Service reflected therein, McGraw-Hill attaches hereto a list of its current publications and their annual frequency, with the exception of approximately 125 F.W. Dodge publications (which provide current information about construction projects in various regions) and the sixteen publications within McGraw-Hill's Standard & Poor's Financial Information Group.

**PERIODICALS CLASS PUBLICATIONS
THE MCGRAW-HILL COMPANIES
FEBRUARY, 1998**

<i>TITLE</i>	<i>ANNUAL FREQUENCY</i>
Architectural Record	12
Aviation Week & Space Technology	51
Business Week	50
Business & Commercial Aviation	12
BYTE	12
Chemical Engineering	12
Data Communications	17
Electrical World	12
Electrical Power International	4
Engineering News Record	51
Healthcare Informatics	12
Hospital Practice	12
Infocare	6
Information Technologies for Utilities	6
Lan Times	26
Modern Plastics	12
Modern Plastics International	12
Overhaul & Maintenance	8
Postgraduate Medicine	12
Physician Sports Medicine	12
Power	6
Tele.Com	14

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

RESPONSE: See Response to USPS/MH-1.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Partial Objection of the McGraw-Hill Companies to Interrogatories

USPS/MH-1-34 (filed February 3, 1998), in which the Postal Service has acquiesced.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
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USPS/MH-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

RESPONSE: ~~See~~ Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
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USPS/MH-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE: McGraw-Hill retains sack and pallet counts, generally for about nine months, for certain of its publications. All such information which is presently available to McGraw-Hill is provided in library reference MH-LR-1, which is being filed today.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE: McGraw-Hill retains sack and pallet counts, generally for about nine months, for certain of its publications. All such information which is presently available to McGraw-Hill is provided in library reference MH-LR-1, which is being filed today.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE: McGraw-Hill retains sack and pallet counts, generally for about nine months, for certain of its publications. All such information which is presently available to McGraw-Hill is provided in library reference MH-LR-1, which is being filed today.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE: McGraw-Hill retains sack and pallet counts, generally for about nine months, for certain of its publications. All such information which is presently available to McGraw-Hill is provided in library reference MH-LR-1, which is being filed today.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks

RESPONSE: McGraw-Hill retains sack and pallet counts, generally for about nine months, for certain of its publications. All such information which is presently available to McGraw-Hill is provided in library reference MH-LR-1, which is being filed today.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays

RESPONSE: McGraw-Hill does not generally mail its Periodicals Regular publications in trays (although there may be exceptions for certain publications referred to, but not listed, in response to USPS/MH-1). And see Response to MH/USPS-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publications listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays

RESPONSE: See Response to USPS/MH-29.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

RESPONSE: See Response to USPS/MH-3.

**RESPONSE OF THE MCGRAW-HILL COMPANIES
TO INTERROGATORIES AND DOCUMENT REQUESTS
OF THE UNITED STATES POSTAL SERVICE**

USPS/MH-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

RESPONSE: See Response to USPS/MH-3.

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-1. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by each member of your trade association and mailed at second-class regular or periodical regular rates.

Response:

Pursuant to discussions between counsel for MPA and counsel for the Postal Service, MPA will submit a list of its domestic members and their publications which is current as of February 3, 1998, as MPA-LR-5.

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class, regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to p resent, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide -the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets Mixed-BMC pallets.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets Mixed-BMC pallets.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets Mixed-BMC pallets.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

Response:

As indicated in its objection filed February 2, 1998, the information requested by this interrogatory is not within the custody and control of MPA nor is it available to MPA. Attached hereto, however, is a document designated "Magazine Publishers of America Responses to USPS/MPA-2-33", consisting of a copy of a confidential survey conducted by MPA of its members, the "1997 MPA Postal Profile," with results of the survey reported in the aggregate. MPA provided results of similar surveys in conjunction with proceedings in Docket No. R90-1 (MPA-LR-1) and Docket No. MC95-1 (Tr. 29/13412-13442).

1977 MPA Postal Profile

Revised 2/18/98

**Magazine Publishers of America
Responses to USPS/MPA-2-33**

1997 MPA POSTAL PROFILE

[Consisting of 7 pages]

Revised 2/18/98

1997 MPA POSTAL PROFILE

1997 MPA Postal Profile **March 1997**

Name of Company	<u>163 Total Respondents</u>		
Name of Publication	_____		
Postal Manager	_____		
Person Completing Survey	_____		
Telephone Number	_____ FAX _____		
E-Mail Address	_____		

1. Periodical class subclass: Regular Rate (143) Nonprofit (17) Classroom (2) Within County (1)
2. Number of issues in 1996: Median (12) Mean (14.5)
3. Total circulation in 1996 (for the 161 respondents to this question):

		Foreign		
	Domestic	Canada	Mexico	Other
Mailed				
Subscriber	2,381,487,886			
Requester	70,152,560			
Other (e.g., samples or bulk mailings to retail outlets)	20,228,910			
Alternate Delivery	22,116,214			
Newsstand Sales	433,429,747			
Returns/Other Copies	486,662,466			
Total Print Order	3,414,077,783			

4. Average percentage of content in 1996 (on a pound basis):

Nonadvertising 53.9% + Advertising 46.1% = 100% (Median)

Nonadvertising 54.9% + Advertising 45.1% = 100% (Mean)

5. Average weight per copy, in pounds, in 1996 (e.g., 7 ounces = .4375 pounds):

0 . 5 3 5 8 pounds (mean response for all 163 respondents)

Revised 2/18/98

1997 MPA POSTAL PROFILE**6. Annual pound distribution of mailed copies in 1996 (for all 163 respondents):**

Zone	Subscriber / Requester Copies	Other Copies	Total Copies	Total Pounds	Advertising Pounds
DD				45,314	24,630
SCF				577,144,842	277,065,117
Z1&2				170,366,726	82,262,077
Z3				105,843,931	47,797,912
Z4				156,007,202	65,253,764
Z5				144,591,971	56,368,033
Z6				34,992,664	12,965,963
Z7				35,779,502	13,314,155
Z8				31,079,287	11,338,374
Total				1,255,851,439	566,390,025

7. Annual piece distribution in 1996 (for all 163 respondents). (Within presort levels A and B, use bundle presort levels to distinguish between 3-digit, 5-digit, and all other. For automation categories, only count pieces that receive the automation discount):

Level	Automation	Number of Copies	Number Qualified Addressed Pieces
Level A			
3-Digit	Nonautomation		
	Automation		
All Other	Nonautomation		
	Automation		
Total Level A	Nonautomation		71,546,610
	Automation		65,690,005
Level B			
3-Digit	Nonautomation		
	Automation		
5-Digit	Nonautomation		
	Automation		
Total Level B	Nonautomation		246,286,546
	Automation		455,688,483
Level C			
	Carrier Route		
	High-Density Walk Sequence		
	Saturation Walk Sequence		
Total Level C			1,529,470,229
Total Levels A, B, and C			2,368,681,873

Revised 2/18/98

1997 MPA POSTAL PROFILE

8. Piece discounts per issue - total number of addressed pieces in 1996 entered at:

Delivery unit rate 26.7 SCF rate 455,167
 (mean response for all 163 respondents)

9. Editorial discount per piece (average for all 163 respondents in 1996): 3.1 ¢

10. Dimensions (in inches):	Median	Max	Min
10a. Height (perpendicular to binding)	<u>8"</u>	<u>13.5"</u>	<u>5.125"</u>
10b. Length (parallel to binding)	<u>10.5"</u>	<u>13.5"</u>	<u>3.75"</u>
10c. Thickness	<u>0.20"</u>	<u>3.1875"</u>	<u>0.0625"</u>

11. Shape: ☐ Flat (152) ☐ If not flat, please specify other 1 (Digest)12. Is this magazine folded for mailing? ☐ Yes (2) ☐ No (161)13. Is this magazine polywrapped for mailing? ☐ Yes (56) ☐ No (107)

13a. If yes, what percentage of mailed pieces in an average issue is polywrapped? 32.5 %
 (mean percentage for the 56 publications that are polywrapped)

14. Type of Containers for a typical issue (percent of weight not including container weight):

Pallets 90.3% + Sacks 8.4% + APCs 1.3% = 100%
 (mean response for all 163 publications)

15. Number of postal entry points: 59 (mean response for all 163 publications)

15a. If the number of entry points has varied or is expected to vary in the future, please
 provide a range: 303 to 1

16. To save money and achieve better service, publishers may use private transportation to enter magazines closer to the final destination. Please answer the following questions concerning dropshipping:

16a. Do you dropship at least a portion of your magazine? ☐ Yes (94) ☐ No (69)16b. If yes, what percentage did you dropship in 1996 (in pounds)? N/A16c. What was the average cost per issue in 1996 to dropship? \$ 21.102

(mean cost per issue for the 94 respondents that dropship)

16d. Is your magazine merged with other magazines for dropshipping purposes?

☐ Yes (41) ☐ No (97) ☐ Don't Know (25)

1997 MPA POSTAL PROFILE

Revised 2/18/98

17. Some publishers enter publications into the USPS system at the mailer's facility with the USPS providing plant-load service.

17a. Is your magazine plant-loaded? ☐ Yes (129) ☐ No (34)

17b. If yes, is every issue plant-loaded? ☐ Yes (126) ☐ No (3)

How many issues in 1996? 78.0% of all issues for all 163 respondents

17c. On average, what percentage of pieces is plant-loaded? 33.0% of all pieces mailed
(mean response for all 163 respondents)

18. Creating separate editions may raise postage by lowering presort levels if separate editions are not combined for mailing. Do you combine demographic editions for mailing through selective binding or off-line comailing? ☐ Yes (50) ☐ No (113)

18a. If yes, please provide the approximate percentage of pieces combined 81.0 %

18b. Approximate percentage of pieces mailed separately 19.0 %

(mean response for the 50 publications that create separate editions)

19. Postage per issue in 1996:

19a. Average total domestic postage per issue, in dollars: \$ 226,298

19b. Average total foreign postage per issue, in dollars: \$ 6,672

(mean response for the 150 respondents to this question)

20. Please answer the following questions about barcoding:

20a. Does your magazine meet Postal machinability requirements?

☐ Yes (97) ☐ No (28) ☐ Sometimes (27) ☐ Don't know (11)

20b. Please check all that apply for copies not barcoded:

☐ Magazine is over 1 pound (28)

☐ Magazine is tabloid size (8)

☐ Magazine is polywrapped (48)

☐ Portion of mailing carrier route presorted (106)

☐ Portion of mailing includes Level B/carrier route pieces combined on a 5-digit pallet (41)

☐ Not cost effective (5)

☐ Other (please specify) Incomplete or bad addresses, not enough room on labels, bar codes not available for all addresses, magazine doesn't meet current rigidity standards

Revised 2/18/98

1997 MPA POSTAL PROFILE

21. Some publishers comail their magazine to achieve higher presort (i.e., copies of a magazine are commingled into 3-digit, 5-digit, and carrier-route packages with copies of other magazines).

21a. Is this magazine comailed with other magazines? ☐ Yes (34) ☐ No (111)
☐ Sometimes (6) ☐ No response (12)

21b. If yes, please indicate off-line or in-line: ☐ Off-line (35) ☐ In-line (3)
☐ No response (2)

21c. How many issues were comailed in 1996? 269 (total comailed issues for all respondents)

21d. What percentage of pieces were comailed in 1996? 3.78 %
 (mean response for all 163 respondents)

21e. If you do not currently comail, or only comail a portion of your issues, please indicate why:

- ☐ Printer does not offer comailing services (66)
If you do not comail because your printer does not currently offer the service, would you comail if the service were available? ☐ Yes (29) ☐ No (37)
- ☐ Timeliness of delivery (39)
☐ Competitive concerns (12)
☐ Not cost effective (32)
☐ Other (please specify) (16)

22. Please provide the following information regarding Standard A (third class) matter (e.g., samples) mailed with all magazines in 1996:

- 22a. Total postage for Standard A class matter mailed in or with all magazines \$ 4,288,859
 22b. Total number of pieces subject to Standard A piece rates: 24,404,279
 22c. Number of issues containing Standard A class matter 88 (for the 26 publications that sent Standard (A) mail)

(Total figures for all respondents; 27 publications provided Standard (A) postage data and 26 publications provided data on the number of Standard (A) pieces mailed)

22d. Please list the types of Standard A matter mailed with your magazine:

- ☐ Product samples (2)
☐ CD/Diskette (10)
☐ Non-qualifying loose enclosures (13)
☐ Other (please specify) (5)

Revised 2/18/98

1997 MPA POSTAL PROFILE

23. Please provide an estimate of the total number of pieces and postage paid by class for all magazines in 1996 (total figures for the 149 respondents to this question):

Class	Total Number of Pieces		Total Postage in 1996	
First	96,640,994	(35)	\$ 27,340,919	(43)
Second (Periodicals)	2,278,469,697	(145)	\$ 522,743,139	(146)
Standard A (Third)	395,173,902	(53)	\$ 78,277,179	(63)
Standard B (Fourth)	107,500	(7)	\$ 426,823	(8)
Total Postage for all classes	2,770,392,093		\$ 628,788,060	

(Number of responses in parentheses)

Please return this survey by April 30, 1997 to:

Rita Cohen
 Vice President, Economic and Legislative Analysis
 Magazine Publishers of America
 1211 Connecticut Avenue, NW
 Suite 610
 Washington, DC 20036
 Phone: (202) 296-7277
 FAX: (202) 296-0343

**MAGAZINE PUBLISHERS OF AMERICA
RESPONSES TO INTERROGATORIES OF USPS**

USPS/MPA-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

Response:

A disk containing the aggregate information from the "1997 MPA Postal Profile" is being provided to the Postal Service and being filed as a Library Reference (MPA-LR-7).

**INSTITUTIONAL RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA
TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/MPA-35. In response to USPS/MPA-24-33, Magazine Publishers of America provided aggregate "1997 MPA Postal Profile" results.

- a. Does MPA know generally how its members' mailings are prepared and how that preparation has changed for each of the last ten years? If so, please explain fully.
- b. Does MPA have any general information about its members' mailings which would indicate, by year, the changes in make-up such as changes in average bundle size, changes in containerization, and the average number of bundles and pieces per container? If so, please explain fully.
- c. Does MPA have any general information about its members' mailings which would indicate in percentage terms, what savings, if any, its members have experienced in their mail preparation costs (excluding postage) due to changes in the make-up of their mailings. If so, please explain fully.
- d. Even if a percentage cannot be calculated for such savings, as requested in subpart (c) above, please indicate whether or not MPA knows or believes that its members have experienced savings.

Response to (a) through (d):

In its objections to interrogatories USPS/MPA-3-33¹ the Magazine Publishers of America (MPA) stated it did not have in its custody and control, nor did it have available to it, the information required to respond to questions such as those posed here. Id. at 2. Pursuant to discussions between counsel for MPA and counsel for the Postal Service, however, in response to those earlier interrogatories MPA did provide on February 5,

¹Objections of Magazine Publishers of America to Postal Service Interrogatories USPS/MPA-3-33 AND USPS/MPA-T1-3-33, February 2, 1998.

**INSTITUTIONAL RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA
TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

1998, aggregate results from a confidential survey of its members' mailing practices, the "1997 MPA Postal Profile," and record references to similar surveys which MPA provided in conjunction with proceedings in dockets R90-1 and MC95-1.²

The tables contained in the attached one-page document, designated "Attachment to Response to USPS/MPA-35", summarize the information provided in the 1997 survey and the two surveys provided in conjunction with Dockets R90-1 and MC95-1, and give an indication of the changes in mail preparation activities of its members with respect to such matters as container type, degree of presort, weight, advertising and nonadvertising content, and piece distribution by automation level.

MPA has no information as to the costs its members incur with respect to mail preparation efforts.

²Institutional Responses of Magazine Publishers of America to Interrogatories of United States Postal Service (USPS/MPA-1-34)(February 5, 1998); Revised aggregate results were filed on February 18, 1998, Supplemental Response of Magazine Publishers of America Revising February 5, 1998, Responses to USPS/MPA-2-33.

Characteristics of Periodicals Mail Based on Three MPA Surveys

Attachment to Response
to USPS/MPA-35

Average Weight per Copy (lbs)

R90-1	MC95-1	R97-1
0.5669	0.5286	0.5358

Average Percentage of Content

	R90-1	MC95-1	R97-1
Advertising	49.9%	43.1%	45.1%
Nonadvertising	50.1%	56.9%	54.9%

Annual Advertising Pound Distribution

Zone	R90-1		MC95-1		R97-1	
	Pounds	Distribution	Pounds	Distribution	Pounds	Distribution
DD	0	0.0%	0	0.0%	24,630	0.0%
SCF	70,176,157	15.9%	233,938,125	37.2%	277,065,117	48.9%
1 & 2	110,840,804	25.2%	93,256,142	14.8%	82,262,077	14.5%
3	55,206,160	12.5%	62,434,187	9.9%	47,797,912	8.4%
4	82,760,704	18.8%	93,528,718	14.9%	65,253,764	11.5%
5	75,833,887	17.2%	88,230,369	14.0%	56,368,033	10.0%
6	16,615,914	3.8%	19,054,046	3.0%	12,965,963	2.3%
7	17,330,406	3.9%	23,028,639	3.7%	13,314,155	2.4%
8	11,738,297	2.7%	16,070,625	2.6%	11,338,374	2.0%
Total	440,502,329	100.0%	629,540,851	100.0%	566,390,025	100.0%

Type of Container

	MC95-1	R97-1
Pallets	89.0%	90.3%
APCs	1.0%	1.3%
Sacks	10.0%	8.4%

Piece Distribution by Presort Level

Presort Level	R90-1		MC95-1		R97-1	
	Pieces	Distribution	Pieces	Distribution	Pieces	Distribution
Basic	113,080,571	7.3%	155,825,612	6.0%	137,236,615	5.8%
3-digit	0	0.0%	248,266,705	9.5%	0	0.0%
5-digit	821,870,299	52.7%	635,899,747	24.4%	0	0.0%
3/5-digit	0	0.0%	0	0.0%	701,975,029	29.6%
Carrier Route	623,289,548	40.0%	1,566,607,531	60.1%	1,529,470,229	64.6%
Total	1,558,240,418	100.0%	2,606,599,595	100.0%	2,368,681,873	100.0%

Piece Distribution by Automation Level

Presort Level	Automation Level	MC95-1		R97-1	
		Pieces	Distribution	Pieces	Distribution
Basic	Nonautomation	96,376,006	61.8%	71,546,610	52.1%
	Automation	59,449,606	38.2%	65,690,005	47.9%
3/5-digit	Nonautomation	294,904,274	33.4%	246,286,546	35.1%
	Automation	589,262,178	66.6%	455,688,483	64.9%
Total	Nonautomation	391,280,280	37.6%	317,833,156	37.9%
	Automation	648,711,784	62.4%	521,378,488	62.1%

USPS/NNA-1. For each year fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by each member of your trade association and mailed at second-class regular or periodical regular rates.

RESPONSE.

A list of members as of February 4, 1998, is provided as NNA Library Reference 4. NNA does not maintain member records on mail usage. For the data available, please refer to NNA's response to USPS/NNA T1-5.

USPS/NNA-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please for each publication listed in response to interrogatory number 1 the following information:

- (a) The number of issues mailed.
- (b) The average number of editions (versions) per issue.
- (c) An indication of the kind or type of each version.

RESPONSE.

(a) NNA does not maintain records on the number of issues published, but it believes that of the total of 3,612 titles provided in NNA's Library Reference Number 4, there are 535 dailies and 3,077 weeklies. Within NNA's definitions, a "daily" newspaper is a newspaper with five or more issues per week and a "weekly" newspaper is any newspaper with fewer than five issues. Some percentage of "weekly" newspapers actually publish two or three times per week, but NNA does not maintain data on these frequencies.

(b) NNA does not maintain information on numbers of editions published per issue, but believes that multiple edition publishing is rare within its membership.

(c) NNA does not maintain information indicating the kind or type of each version.

USPS/NNA-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodicals regular required presort rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA has no information responsive to this request.

USPS/NNA-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA has no information responsive to this request.

USPS/NNA-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high-density discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to NNA/USPS T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA has no information responsive to this request, but notes that most newspaper mail is flat mail and would not qualify for these discounts.

USPS/NNA-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA has no information responsive to this request, but believes that few newspapers within its membership have attempted barcoding for addressing purposes, but are awaiting deployment of FSM-1000 sorting machines with bar code readers.

USPS/NNA-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not maintain individual member records responsive to the request. Some information responsive to this request was received by NNA by some newspapers in 1995, pursuant to a mail usage study. Please see NNA's response to USPS/NNA T1-5. Please see the response to USPS/NNA-1.

USPS/NNA-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA has no information responsive to this request, but notes that most newspaper mail is flat mail.

USPS/NNA-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

RESPONSE.

Please see NNA's response to USPS/NNA-12.

USPS/NNA-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1 & 2 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on newspaper mail usage by periodical zone.

USPS/NNA-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have any information on average advertising/nonadvertising content for its members.

USPS/NNA-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- (a) 5-digit pallets**
- (b) 3-digit pallets**
- (c) SCF pallets**
- (d) ADC/SDC pallets**
- (e) BMC pallets**
- (f) Mixed-MBC pallets**

RESPONSE.

NNA does not have information responsive to this request, but believes palletizing is uncommon in the small newspaper universe.

USPS/NNA-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE.

NNA does not have information responsive to this request, but believes palletizing is uncommon in the small newspaper universe.

USPS/NNA-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- (a) 5-digit pallets
- (b) 3-digit pallets
- (c) SCF pallets
- (d) ADC/SDC pallets
- (e) BMC pallets
- (f) Mixed-BMC pallets.

RESPONSE.

NNA does not have information responsive to this request, but believes palletizing is uncommon in the small newspaper universe.

USPS/NNA-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE.

NNA does not have information responsive to this request.

USPS/NNA-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- (a) Carrier route(s) sacks**
- (b) Firm sacks**
- (c) 5-digit sacks**
- (d) 3-digit unique city sacks**
- (e) 3-digit sacks**
- (f) SCF sacks**
- (g) ADC/SDC sacks**
- (h) Mixed sacks.**

RESPONSE.

NNA does not have information responsive to this request.

USPS/NNA-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- (a) Carrier route(s) sacks
- (b) Firm sacks
- (c) 5-digit sacks
- (d) 3-digit unique city sacks
- (e) 3-digit sacks
- (f) SCF sacks
- (g) ADC/SDC sacks
- (h) Mixed sacks.

RESPONSE.

NNA does not have information responsive to this request, but notes that most newspaper mail is flat mail.

USPS/NNA-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1985 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- (a) Carrier route(s) trays
- (b) Firm trays
- (c) 5-digit trays
- (d) 3-digit unique city trays
- (e) 3-digit trays
- (f) SCF trays
- (g) ADC/SDC trays
- (h) Mixed trays.

RESPONSE.

NNA does not have information responsive to this request, but notes that most newspaper mail is flat mail.

USPS/NNA-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have information responsive to this request.

USPS/NNA-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

RESPONSE.

NNA does not have information responsive to this request

USPS/NNA-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

RESPONSE.

NNA does not have information responsive to this request, but believes plant loading is uncommon within its membership.

USPS/NNA-34. Please also provide all data furnished in response to interrogatories 1 through 33 above in electronic format.

RESPONSE.

A diskette with the NNA membership list will be available with the Library Reference 4.

USPS/NNA-35. In response to USPS/NNA-1, the National Newspaper Association provided a list of its members and indicated that it did not maintain member records on mail usage.

- a. Does NNA know generally how its members' mailings are prepared and how that preparation has changed for each of the last ten years? If so, please explain fully.
- b. Does NNA have any general information about its members' mailings which would indicate, by year, the changes in make-up such as changes in average bundle size, changes in containerization, and the average number of bundles and pieces per container? If so, please explain fully.
- c. Does NNA have any general information about its members' mailings which would indicate in percentage terms, what savings, if any, its members have experienced in their mail preparation costs (excluding postage) due to changes in the make-up of its mailings? If so, please explain fully.
- d. Even if a percentage cannot be calculated for such savings, as requested in subpart (c) above, please indicate whether or not NNA knows or believes that its members have experienced savings.

RESPONSES:

- a. NNA has not surveyed its members over a time period of 10 years. The information NNA has acquired about mail preparation has been provided in response to USPS/NNA T1-5 and Attachment 2 submitted with Interrogatories USPS/NNA T1-1 to 49. NNA notes that its witness Heath writes a regular column for NNA's trade newspaper, Publishers' Auxiliary, advising of changes in mail preparation requirements and in techniques mailers might use to improve list hygiene, sacking and drop shipping. Witness Heath also conducts regular seminars on this subject for the industry. Therefore, NNA would make a calculated guess that mail preparation has improved in quality over the decade, in the sense that mailers take advantage of presort discounts and comply with various new documentation requirements.

b. NNA does not have specific information responsive to this question. It notes its belief, however, that containerization is likely the same over the decade in the sense that sacks--as opposed to pallets or trays--have been used.

c. NNA does not have specific information responsive to this question. However, NNA notes that its members have undergone significant operational changes as a result of Docket MC95-1 and many have invested hours of training in order to comply with new changes. NNA notes that one such training event occurred through the joint sponsorship of USPS and NNA via a satellite conference in June, 1996. The time involved in training alone would indicate an increase in costs, at least in the latter part of the period discussed here.

d. Please see response to c.

ANSWER OF OCA TO INTERROGATORY USPS/OCA-1

USPS/OCA-1. Please provide a description of and documentation of all alternative mail processing variability analyses considered by OCA witness Smith and/or any other outside consultants contacted by OCA, but not used in OCA testimony. For any analyses conducted by someone other than witness Smith, please identify the individual(s) involved.

A. Witness Smith is the only OCA consultant to consider the mail processing variability analysis of witness Bradley.

OCA is providing a response to the "Notice of Inquiry No. 4 on Mail Processing Variability".

Witness Smith has examined witness Bradley's models, but has performed no analyses not mentioned in his testimony other than to develop some logarithmic plots of data.

The programs used to generate the plots are as follows:

OCR2, LSM2, MANL2, and MANF2: Programs used to generate logarithmic plots for all locations. Plot 9999 in the programs is meaningless.

OCR2O, LSM2O, MANL2O, MANF2O: Output of the above programs.

OCR3, LSM3, MANL3, and MANF3: Programs used to generate logarithmic plots for plot 9999. Any other plots in conjunction with these programs should be ignored.

OCR3O, LSM3O, MANL3O, and MANF3O: Output of the above programs.

The programs and output are on the four attached disks. In addition, hard copy printouts are attached.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-1. For each year fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide a list of publications published by your company and mailed at second-class regular or periodical regular rates.

Response

1986:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
MONEY
PEOPLE
DISCOVER
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
CREATIVE IDEAS FOR LIVING
PARENTING
WORKING MOTHER
MC CALL'S
WORKING WOMAN

1987:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
MONEY
PEOPLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
CREATIVE IDEAS FOR LIVING
PARENTING
WORKING MOTHER
MC CALL'S
WORKING WOMAN

1988:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
MONEY
PEOPLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
TRAVEL SOUTH
PARENTING
BABY
WORKING MOTHER
MC CALL'S
WORKING WOMAN

1989:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
TRAVEL SOUTH
SOUTHPOINT
PARENTING
HIPPOCRATES
WORKING MOTHER
WORKING WOMAN

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USPS/TW-1 Response Continued1990:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
TRAVEL SOUTH
SOUTHPOINT
PARENTING
HIPPOCRATES
IN HEALTH
WORKING WOMAN
WORKING MOTHER
SUNSET

1992:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
TRAVEL SOUTH
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
WORKING WOMAN
WORKING MOTHER
SUNSET
MARTHA STEWART LIVING

1991:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
TRAVEL SOUTH
PARENTING
BABY TALK
HIPPOCRATES
IN HEALTH
WORKING WOMAN
WORKING MOTHER
SUNSET
MARTHA STEWART LIVING

1993:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
SUNSET
MARTHA STEWART LIVING
VIBE

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USPS/TW-1 Response Continued1994:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
IN STYLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
SUNSET
MARTHA STEWART LIVING
VIBE

1996:

TIME
TIME FOR KIDS
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
IN STYLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
WEIGHT WATCHERS
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
SUNSET
MARTHA STEWART LIVING
THIS OLD HOUSE
VIBE

1995:

TIME
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
IN STYLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
SUNSET
MARTHA STEWART LIVING
THIS OLD HOUSE
VIBE

1997:

TIME
TIME FOR KIDS
LIFE
FORTUNE
SPORTS ILLUSTRATED
SPORTS ILLUSTRATED FOR KIDS
MONEY
PEOPLE
ENTERTAINMENT WEEKLY
IN STYLE
PROGRESSIVE FARMER
SOUTHERN LIVING
COOKING LIGHT
SOUTHERN ACCENTS
WEIGHT WATCHERS
COASTAL LIVING
PARENTING
BABY TALK
HIPPOCRATES
HEALTH
SUNSET
THIS OLD HOUSE

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USPS/TW-2. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please [provide] for each publication listed in response to interrogatory number 1 the following information:

- a) The number of issues mailed
- b) The average number of editions (versions) per issue.
- c) An indication of the kind or type of each version.

Response

In keeping with regulations established by the U.S. Postal Service, Time Inc. only retains mailing data for three years. Therefore the attached electronic spreadsheet reflects the data for calendar years 1995, 1996, and 1997. We have also located a limited amount of data from 1988 and 1989 which has been incorporated into the spreadsheet.

- a) See the attached electronic spreadsheet. The data are in a Microsoft Excel file titled "Interog". This spreadsheet contains data for TIME, TIME FOR KIDS, SPORTS ILLUSTRATED, SPORTS ILLUSTRATED FOR KIDS, PEOPLE, ENTERTAINMENT WEEKLY, LIFE, FORTUNE, MONEY, AND IN STYLE. We are attempting to compile data for the other titles listed in the USPS/TW-1 response and will submit that data as soon as it becomes available.
- b) Time Inc. does not track or retain information on the average number of editions (versions) per issue. The number of editions or versions is no longer a relevant statistic for Time Inc. magazines, since we invested millions of dollars to utilize selective binding starting on January 1, 1990. Selective binding allows us to combine multiple editions into a single bundle. As an example, prior to the start of selective binding, a given carrier route could have received three separate bundles of TIME Magazine, one containing the Top Income edition, one containing the Students edition, and one containing the Regular edition. With selective binding, this

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-2 Response Continued

same carrier would receive one bundle containing all three editions. To illustrate this point, we have compared the percent of carrier route mail from 1988 versus 1997 and the improvements are significant. TIME Magazine had 69% of its copies sorted to the carrier route level in 1988 versus 87% carrier route in 1997. SPORTS ILLUSTRATED's carrier route percentage increased from 73% in 1988 to 87% in 1997. PEOPLE's carrier route percentage rose from 57% in 1988 to 76% in 1997. Money's carrier route percentage grew 10%, LIFE grew 7%, while FORTUNE increased from 18% to 41% during this same nine year period. Overall, the Time Inc. New York based magazines increased their carrier route presort levels from 65% in 1988 to 82% in 1997. Surely, this type of improvement should have had a positive impact upon mail processing costs. Instead, Periodicals Class mail processing costs have outpaced postal wages, inflation, and all other classes of mail during this period. An Excel electronic spreadsheet titled "Inter" details this information and is attached.

- c) No data are available. Time Inc. does not track the types of versions, but each version is differentiated by one or more of the following characteristics: Consumer Marketing efforts such as cover wraps which indicate the subscriber's expire information, Demographic Advertising which can be split similarly to the example used in item (b) above or via a custom list match, or an Editorial Edition such as Golf Plus which is included in copies of SPORTS ILLUSTRATED that are delivered to golfers. In spite of this demographic complexity, by employing selective binding we provide fewer bundles to the Postal Service. Once again, this can be seen in the dramatic increase in carrier route presort as noted in the response to item (b) above.

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USPS/TW-3. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the total volumes mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response

In keeping with regulations established by the U.S. Postal Service, Time Inc. only retains mailing data for three years. Therefore the attached electronic spreadsheet reflects the data for calendar years 1995, 1996, and 1997. We have also located a limited amount of data from 1988 and 1989 which has been incorporated into the spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-4. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular required presort rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet. It should be noted that basic presort levels increased slightly in 1996 and 1997 as the result of reclassification implementation in June, 1996. At that time, the USPS mandated separate packaging of barcoded and unbarcoded mail. Prior to reclassification, both barcoded and unbarcoded copies could be combined into the same bundle as long as the copies had the same presort level. Reclassification required the segregation of barcoded and unbarcoded copies which diluted presort and caused an increase in basic presort levels.

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USPS/TW-5. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular 3-digit city/5-digit presort rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

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USPS/TW-6. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular carrier route presort rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

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USPS/TW-7. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination delivery office discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-8. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular destination SCF discount rates for each publication listed in response to interrogatory number 1.

Response

While data for each of the years requested are not available, we were able to locate some statistics for 1988. These data indicate that SCF volumes increased significantly between 1988 and 1997. .

TIME Magazine had 31% of its copies entered at the SCF level in 1988 versus 63% in 1997.

SPORTS ILLUSTRATED's SCF percentage increased from 22% in 1988 to 54% in 1997.

PEOPLE's SCF percentage rose from 10% in 1988 to 49% in 1997. Money's SCF percentage grew 35%, LIFE grew 14%, while FORTUNE increased by 7% during this same nine year period.

Overall, the Time Inc. New York based magazines increased their SCF levels from 23% in 1988 to 54% in 1997. This type of improvement should have had a positive impact upon mail processing costs, since SCF mail requires less handling than mail entered in more distant zones. Instead, Periodicals Class mail processing costs have outpaced postal wages, inflation, and all other classes of mail during this period.

An Excel electronic spreadsheet titled "Inter" details this information and is attached. For information on the other years requested, please see response to USPS/TW-3 and attached electronic spreadsheet.

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USPS/TW-9. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular high density discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

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USPS/TW-10. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular saturation discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-11. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the required presort volumes mailed at second-class regular or periodical regular prebarcoded letter size discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-12. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-13. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 3-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-14. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded 5-digit letter size discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-15. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the 3-digit city/5-digit volumes mailed at second-class regular or periodical regular prebarcoded flat size discount rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-16. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zones 1&2 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-17. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 3 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-18. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 4 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-19. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 5 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-20. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 6 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-21. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 7 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-22. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volume, total weight and advertising weight mailed at second-class regular or periodical regular rates for zone 8 for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-23. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the average percentage of nonadvertising content mailed at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response

See response to USPS/TW-3 and attached electronic spreadsheet.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-24. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed on pallets at second -class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following pallet presort levels:

- a) 5-digit pallets
- b) 3-digit pallets
- c) SCF pallets
- d) ADC/SDC pallets
- e) BMC pallets
- f) Mixed-BMC pallets

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-25. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per pallet by the following pallet presort levels:

- a) 5-digit pallets
- b) 3-digit pallets
- c) SCF pallets
- d) ADC/SDC pallets
- e) BMC pallets
- f) Mixed-BMC pallets

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-26. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed on pallets at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average pallet weight by the following pallet presort levels:

- a) 5-digit pallets
- b) 3-digit pallets
- c) SCF pallets
- d) ADC/SDC pallets
- e) BMC pallets
- f) Mixed-BMC pallets

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-27. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following sack presort levels:

- a) Carrier route(s) sacks
- b) Firm sacks
- c) 5-digit sacks
- d) 3-digit unique city sacks
- e) 3-digit sacks
- f) SCF sacks
- g) ADC/SDC sacks
- h) Mixed sacks

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-28. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in sacks at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per sack by the following sack presort levels:

- a) Carrier route(s) sacks
- b) Firm sacks
- c) 5-digit sacks
- d) 3-digit unique city sacks
- e) 3-digit sacks
- f) SCF sacks
- g) ADC/SDC sacks
- h) Mixed sacks

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-29. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1 by the following tray presort levels:

- a) Carrier route(s) trays
- b) Firm trays
- c) 5-digit trays
- d) 3-digit unique city trays
- e) 3-digit trays
- f) SCF trays
- g) ADC/SDC trays
- h) Mixed trays

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-30. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in trays at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per tray by the following tray presort levels:

- a) Carrier route(s) trays
- b) Firm trays
- c) 5-digit trays
- d) 3-digit unique city trays
- e) 3-digit trays
- f) SCF trays
- g) ADC/SDC trays
- h) Mixed trays

Response

The data requested in these questions is required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data becomes irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-31. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1.

Response

Time Warner prepares 100% of its copies in bundles with the exception of backdated copies which, because of their small volume, are mailed out as single pieces. The volumes mailed as backdates represent less than .002% of the total volume.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-32. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, for those volumes mailed in bundles at second-class regular or periodical regular rates for each publication listed in response to interrogatory number 1, please provide the average number of pieces per bundle.

Response

The data requested in these questions are required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data become irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-33. For each fiscal year (or calendar year if fiscal year is unavailable) from 1986 to present, please provide the volumes mailed at second-class regular or periodical regular rates that were plant loaded in USPS provided transportation for each publication listed in response to interrogatory number 1.

Response

The data requested in these questions are required by the Postal Service's DMU clerk upon acceptance of the mail. Once the copies are accepted and the USPS begins processing the mail, the data become irrelevant since there are no longer pallets, sacks and bundles to check against the report. Each of these reports is approximately 900 pages long, and they are not retained. As an alternative, we have selected a representative issue which approximates the average weight and circulation of each title to provide the requested data.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-34. Please provide all data furnished in response to interrogatories 1 through 33 in electronic format.

Response

See the attached electronic spreadsheets and word processing files. The data are in two Microsoft Excel files, "Inter" and "Interog", and a Microsoft Word file, "Interog".

TIME

Attachment to Time Warner
Responses to USPS/TW-1-34,
page 1 of 11.

INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
TIME MAGAZ	Average Weight Per Copy	0.3620	0.3229	0.3265	0.3702	0.3682
INTERROGATO	DESCRIPTION	1997	1996	1995	1989	1988
USPS/TW-2 (a)	# OF ISSUES	53	54	53	52	52
USPS/TW-2 (b)	AVG # OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	216,740,992	221,524,642	209,316,551	223,851,462	246,599,967
USPS/TW-4	REQ PRESORT RATE VOLUME	4,304,121	2,915,764	2,389,481	7,314,161	7,312,827
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	21,506,592	21,879,201	22,493,336	65,144,140	66,665,776
USPS/TW-6	CARRIER ROUTE VOLUME	188,826,139	194,435,511	181,725,924	147,777,848	168,972,475
USPS/TW-7	DDU VOLUME	-	-	-	-	-
USPS/TW-8	SCF VOLUME	136,428,596	138,485,814	131,258,196	116,134,138	124,779,583
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-	-	-
USPS/TW-12	REQ PRESORT PRE-BC FLATS	3,004,426	2,682,212	2,055,602	-	-
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	19,144,792	18,603,885	19,545,358	-	-
USPS/TW-16	ZONE 1&2	43,224,262	41,491,789	39,357,833	159,266,846	170,880,155
USPS/TW-17	ZONE 3	21,170,225	24,419,510	23,502,321	38,850,854	46,030,625
USPS/TW-18	ZONE 4	13,452,483	15,118,406	13,692,313	24,705,340	28,510,170
USPS/TW-19	ZONE 5	2,136,671	1,897,162	1,333,142	972,964	1,159,832
USPS/TW-20	ZONE 6	99,929	50,406	42,325	8,108	7,577
USPS/TW-21	ZONE 7	49,249	10,558	42,832	5,898	6,804
USPS/TW-22	ZONE 8	169,577	50,889	87,789	41,452	5,004
USPS/TW-23	NON-ADVERTISING CONTENT	52.18%	55.72%	54.09%	45.48%	48.70%
USPS/TW-24 (a)	5 DIGIT pallets	494,127	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	1,095,878	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets	2,538,412	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets	13,822	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets	42,534	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	5 DIGIT pallets	1,160	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	3,665	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets	3,284	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets	1,536	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets	1,849	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	5 DIGIT pallets	420	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1,327	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets	1,189	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets	556	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets	669	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-26 (f)	mixed BMC pallets	-	N/A	N/A	N/A	N/A
USPS/TW-27 (a)	CR sacks	21,225	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks	18,352	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks	5,277	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks	9,899	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks	5,674	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack	41	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack	20	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack	13	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack	12	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack	11	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a-h)	Volume mailed in trays	-	-	-	N/A	N/A
USPS/TW-30 (a-h)	Pieces per tray	-	-	-	N/A	N/A
USPS/TW-31	VOLUMES MAILED IN BUNDLES	216,740,992	221,524,642	209,316,551	223,851,462	246,599,967
USPS/TW-32	AVERAGE PIECES PER BUNDLE	16	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	33,274,089	N/A	N/A	N/A	N/A

SI

Attachment to Time Warner
Responses to USPS/TW-1-34,
page 2 of 11.

INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
SI	Average Weight Per Copy	0.3847	0.3761	0.3561	0.416	0.437
INTERROGATOR	DESCRIPTION	1997	1998	1999	2000	2001
USPS/TW-2 (a)	# OF ISSUES:	52	53	53	54	54
USPS/TW-2 (b)	AVG.# OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	163,306,820	168,552,760	162,362,118	189,521,925	174,873,496
USPS/TW-4	REQ. PRESORT RATE VOLUME	3,029,606	2,067,696	2,236,497	6,652,886	6,693,417
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	17,460,954	19,466,599	17,561,497	42,071,842	40,605,626
USPS/TW-6	CARRIER ROUTE VOLUME	142,391,475	146,571,049	139,811,165	140,277,607	127,140,054
USPS/TW-7	DDU VOLUME	-	-	-	-	-
USPS/TW-8	SCF VOLUME	88,618,027	89,319,707	83,867,204	64,835,451	37,824,776
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-	-	-
USPS/TW-12	REQ. PRESORT PRE- BC FLATS	1,954,399	1,737,071	1,293,056	-	-
USPS/TW-13	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-14	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	16,442,980	17,536,393	16,618,059	-	-
USPS/TW-16	ZONE 1&2:	41,875,166	42,252,999	38,477,688	113,600,199	101,252,663
USPS/TW-17	ZONE 3:	20,451,867	23,203,285	23,405,854	47,584,775	47,745,195
USPS/TW-18	ZONE 4:	10,772,363	12,097,093	13,314,525	23,474,923	23,013,352
USPS/TW-19	ZONE 5:	1,340,512	1,451,235	1,967,517	3,690,521	2,289,378
USPS/TW-20	ZONE 6:	12,345	34,360	455,446	186,629	35,411
USPS/TW-21	ZONE 7:	198,418	158,193	622,841	618,342	535,764
USPS/TW-22	ZONE 8:	38,122	35,888	251,043	366,536	1,733
USPS/TW-23	NON-ADVERTISING CONTENT	53.81%	53.34%	53.83%	53.94%	53.30%
USPS/TW-24 (a)	5 DIGIT pallets:	363,737	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	800,809	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	1,925,927	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	10,746	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	27,590	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	5 DIGIT pallets:	764	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	2,705	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	2,514	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	1,075	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	1,452	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	5 DIGIT pallets:	294	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1,041	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	967	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	413	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	559	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-	N/A	N/A
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-	N/A	N/A
USPS/TW-27 (a)	CR sacks:	9,114	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	8,637	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	158	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	1,854	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	85	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	30	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	15	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	19	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	29	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	7	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-	N/A	N/A
USPS/TW-30 (a-h)	Pieces per tray	-	-	-	N/A	N/A
USPS/TW-31	VOLUMES MAILED IN BUNDLES	163,306,820	168,552,760	162,362,118	189,521,925	174,873,496
USPS/TW-32	AVERAGE PIECES PER BUNDLE	14	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	29,346,720	N/A	N/A	N/A	N/A

PEOPLE

Attachment to Time Warner
Responses to USPS/TW-1-34,
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INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
PEOPLE	Average Weight Per Copy	0.4919	0.4332	0.4291	0.4829	0.4902
INTERROGATORY	DESCRIPTION	1997	1996	1995	1989	1988
USPS/TW-2 (a)	# OF ISSUES	51	52	52	53	51
USPS/TW-2 (b)	AVG.# OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	110,150,982	108,478,383	99,526,764	84,908,086	80,379,058
USPS/TW-4	REQ. PRESORT RATE VOLUME	4,712,176	4,339,135	4,797,637	4,364,064	4,382,343
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	20,189,159	22,737,069	23,257,776	31,209,190	28,725,195
USPS/TW-6	CARRIER ROUTE VOLUME	84,237,866	81,402,179	71,148,906	47,716,142	45,570,072
USPS/TW-7	DDU VOLUME	-	-	-	-	-
USPS/TW-8	SCF VOLUME	54,083,846	49,148,501	42,412,278	-	8,118,285
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	2,397,780	2,677,740	2,897,885	-	-
USPS/TW-13	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-14	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	18,263,040	19,262,464	18,987,301	-	-
USPS/TW-16	ZONE 1&2	23,884,780	23,868,326	22,256,279	43,265,643	42,186,408
USPS/TW-17	ZONE 3	19,545,228	19,907,543	18,765,686	25,732,793	21,723,978
USPS/TW-18	ZONE 4	11,833,686	14,058,227	13,664,780	13,429,773	14,199,332
USPS/TW-19	ZONE 5	591,578	1,225,763	2,037,119	1,799,349	1,760,301
USPS/TW-20	ZONE 6	47,656	136,334	266,927	380,278	252,812
USPS/TW-21	ZONE 7	101,863	72,197	64,617	256,594	251,444
USPS/TW-22	ZONE 8	62,345	61,492	59,078	43,656	8,300
USPS/TW-23	NON-ADVERTISING CONTENT	48.80%	50.08%	50.92%	48.34%	45.50%
USPS/TW-24 (a) (VOL)	5 DIGIT pallets:	289,851	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	590,547	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	1,376,490	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	12,597	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	33,881	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a) (AVG)	5 DIGIT pallets:	656	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	2,051	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	1,840	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	840	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	892	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-26 (a) (WT)	5 DIGIT pallets:	323	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1,009	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	905	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	413	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	439	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-	-	-
USPS/TW-27 (a)	CR sacks:	4,728	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	9,245	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	5,269	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	13,233	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks	3,050	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	21	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	10	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	19	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	20	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	10	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-	N/A	N/A
USPS/TW-30 (a-h)	Pieces per tray	-	-	-	N/A	N/A
USPS/TW-31	VOLUMES MAILED IN BUNDLES	110,150,982	108,478,383	99,526,764	84,908,086	80,379,058
USPS/TW-32	VERAGE PIECES PER BUNDLE	12	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	30,582,813	N/A	N/A	N/A	N/A

EW

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Responses to USPS/TW-1-34,
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INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)				
ENT. WEEKLY	Average Weight Per Copy	0.3622	0.3503	0.3547
INTERROGATORY	DESCRIPTION	1997	1996	1995
USPS/TW-2 (a)	# OF ISSUES:	48	50	48
USPS/TW-2 (b)	AVG.# OF EDITIONS:	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	60,711,647	59,618,968	55,192,265
USPS/TW-4	REQ. PRESORT RATE VOLUME	2,829,376	2,253,110	2,452,618
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	24,740,011	25,270,407	24,603,236
USPS/TW-6	CARRIER ROUTE VOLUME	32,622,104	31,786,850	28,136,411
USPS/TW-7	DDU VOLUME	-	-	-
USPS/TW-8	SCF VOLUME	17,357,997	8,796,169	8,160,303
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	2,137,311	2,156,226	2,291,894
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	24,456,250	24,557,782	24,500,080
USPS/TW-16	ZONE 1&2:	22,864,730	15,827,702	14,539,462
USPS/TW-17	ZONE 3:	11,151,238	7,078,234	6,926,369
USPS/TW-18	ZONE 4:	6,067,611	12,413,262	12,413,507
USPS/TW-19	ZONE 5:	2,856,165	13,214,038	11,691,562
USPS/TW-20	ZONE 6:	204,121	1,824,057	1,076,885
USPS/TW-21	ZONE 7:	194,213	252,066	215,663
USPS/TW-22	ZONE 8:	15,572	213,440	168,514
USPS/TW-23	NON-ADVERTISING CONTENT	60.76%	61.77%	65.65%
USPS/TW-24 (a) (VOL)	5 DIGIT pallets:	21,438	N/A	N/A
USPS/TW-24 (a)	Unique city pallet:	376,341	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	701,474	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	120,222	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	153,087	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-25 (a) (AVG)	5 DIGIT pallets:	1,949	N/A	N/A
USPS/TW-25 (a)	Unique city pallet:	3,085	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	2,551	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	1,794	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	2,251	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-26 (a) (WT)	5 DIGIT pallets:	706	N/A	N/A
USPS/TW-26 (a)	Unique city pallet:	1,117	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	924	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	650	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	815	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-
USPS/TW-27 (a) (VOL)	CR sacks:	10,009	N/A	N/A
USPS/TW-27 (b)	FIRM sacks:	-	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	12,268	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	4,738	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	11,169	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	3,957	N/A	N/A
USPS/TW-27 (h)	Mixed sacks:	-	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	21	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	13	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	14	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	14	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	13	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-
USPS/TW-30 (a-h)	Pieces per tray	-	-	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	60,711,647	59,618,968	56,648,766
USPS/TW-32	AVERAGE PIECES PER BUNDLE	12	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	24,808,032	N/A	N/A

FORTUNE

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INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
FORTUNE	Average Weight Per Copy	0.8548	0.8451	0.8422	0.8221	0.7631
INTERROGATOR	DESCRIPTION	1997	1996	1995	1989	1988
USPS/TW-2 (a)	# OF ISSUES:	25	25	25	28	27
USPS/TW-2 (b)	AVG # OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	17,112,553	18,180,830	17,381,213	17,535,358	17,017,529
USPS/TW-4	REQ. PRESORT RATE VOLUME	1,343,054	984,147	1,115,541	2,017,031	2,082,565
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	8,311,575	8,828,689	8,997,497	12,001,650	11,594,456
USPS/TW-6	CARRIER ROUTE VOLUME	6,988,557	8,080,738	7,268,175	3,322,966	3,131,411
USPS/TW-7	DDU VOLUME	0	0	0	-	-
USPS/TW-8	SCF VOLUME	4,482,474	4,800,743	4,552,668	2,763,572	3,216,313
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	489,667	585,456	423,963	-	-
USPS/TW-13	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-14	DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	5,374,607	6,499,283	4,968,357	-	-
USPS/TW-16	ZONE 1&2:	7,912,623	8,525,761	8,250,752	13,207,310	11,269,165
USPS/TW-17	ZONE 3:	2,414,651	2,610,990	2,331,521	2,411,657	2,260,441
USPS/TW-18	ZONE 4:	1,411,074	1,416,238	1,376,338	1,190,126	2,075,407
USPS/TW-19	ZONE 5:	540,489	479,650	462,616	217,342	998,929
USPS/TW-20	ZONE 6:	22,966	17,555	100,136	131,529	155,049
USPS/TW-21	ZONE 7:	135,267	141,046	141,407	77,297	67,212
USPS/TW-22	ZONE 8:	193,009	188,847	165,775	300,097	191,326
USPS/TW-23	NON-ADVERTISING CONTENT	40.84%	40.21%	37.45%	34.59%	36.42%
USPS/TW-24 (a) (vol)	5 DIGIT pallets:	17,564	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	205,373	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	264,377	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	55,522	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	87,793	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a) (avg)	5 DIGIT pallets:	1,255	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	1,630	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	1,528	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	957	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	1,111	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-26 (a) (wt)	5 DIGIT pallets:	1,072	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1,393	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	1,306	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	818	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	850	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-	-	-
USPS/TW-27 (a)	CR sacks:	1,189	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	5,506	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	1,778	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	3,106	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	1,355	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	15	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	12	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	18	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	17	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	8	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-	-	-
USPS/TW-30 (a-h)	Pieces per tray	-	-	-	-	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	17,112,553	18,180,830	17,381,213	17,535,358	17,017,529
USPS/TW-32	VERAGE PIECES PER BUNDLE	12	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES:	2,401,775	N/A	N/A	N/A	N/A

MONEY

Attachment to Time Warner
Responses to USPS/TW-1-34,
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INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
MONEY	Average Weight Per Copy	0.657	0.6105	0.617	0.6272	0.6534
INTERROGATORY:	DESCRIPTION	1987	1996	1995	1989	1988
USPS/TW-2 (a)	# OF ISSUES:	13	13	13	13	13
USPS/TW-2 (b)	AVG # OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	23,036,676	23,654,172	22,137,780	22,395,478	21,811,502
USPS/TW-4	REQ. PRESORT RATE VOLUME	1,395,665	962,338	1,124,833	809,561	943,858
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	6,617,107	6,597,766	6,951,666	8,514,448	8,337,763
USPS/TW-6	CARRIER ROUTE VOLUME	15,005,886	16,023,273	14,010,136	1,306,403	11,928,665
USPS/TW-7	DDU VOLUME	0	0	0	-	-
USPS/TW-8	SCF VOLUME	10,204,229	10,523,261	9,553,210	2,649,385	2,028,470
USPS/TW-9	HIGH DENSITY VOLUME	0	0	0	0	0
USPS/TW-10	SATURATION VOLUME	0	0	0	0	0
USPS/TW-11	PREBARCODED LETTER	0	0	0	0	0
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	577,213	636,400	618,150	0	0
USPS/TW-13	3 DIGIT PREBARCODED LETTER	0	0	0	0	0
USPS/TW-14	5 DIGIT PREBARCODED LETTER	0	0	0	0	0
USPS/TW-15	3/5 PREBARCODED FLATS	5,254,821	5,689,789	5,716,624	-	-
USPS/TW-16	ZONE 1&2:	7,847,356	8,109,928	7,650,834	12,597,142	9,821,241
USPS/TW-17	ZONE 3:	1,821,164	1,903,761	1,777,589	2,816,963	4,199,787
USPS/TW-18	ZONE 4:	2,161,166	2,202,219	2,157,522	3,510,583	3,818,327
USPS/TW-19	ZONE 5:	673,716	644,956	656,873	1,909,579	2,052,262
USPS/TW-20	ZONE 6:	62,250	59,389	66,629	605,549	669,476
USPS/TW-21	ZONE 7:	96,318	71,845	99,266	759,224	960,673
USPS/TW-22	ZONE 8:	170,477	138,813	175,857	196,538	289,736
USPS/TW-23	NON-ADVERTISING CONTENT	-	-	-	40,25%	21,811,502
USPS/TW-24 (a) (vol)	5 DIGIT pallets:	69,814	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	473,051	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	993,541	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	42,964	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	78,112	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a) (avg)	5 DIGIT pallets:	851	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	1,714	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	1,693	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	1,074	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	1,149	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-26 (a) (wt)	5 DIGIT pallets:	559	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet:	1,126	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	1,112	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	706	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	755	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-	-	-
USPS/TW-27 (a) (vol)	CR sacks:	3,576	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	17,561	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	7,031	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	24,567	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	2,139	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	20	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	9	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	24	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	21	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	12	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-	-	-
USPS/TW-30 (a-h)	Pieces per tray	-	-	-	-	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	23,036,676	23,654,172	22,137,780	22,395,478	21,811,502
USPS/TW-32	AVERAGE PIECES PER BUNDLE	9	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES:	258,532	N/A	N/A	N/A	N/A

LIFE

Attachment to Time Warner
Responses to USPS/TW-1-34,
page 7 of 11.

INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)						
LIFE	Average Weight Per Copy	0.4981	0.5087	0.4807	0.7472	0.8220
INTERROGATORY	DESCRIPTION	1997	1996	1995	1989	1988
USPS/TW-2 (a)	# OF ISSUES:	13	13	13	14	14
USPS/TW-2 (b)	AVG.# OF EDITIONS	N/A	N/A	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	16,317,159	16,059,623	15,614,935	16,178,475	17,039,673
USPS/TW-4	REQ. PRESORT RATE VOLUME	1,077,582	579,507	853,787	1,556,375	1,685,385
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	6,970,079	7,453,935	6,872,187	8,307,390	7,990,286
USPS/TW-6	CARRIER ROUTE VOLUME	8,210,918	7,954,053	7,838,961	6,260,245	7,314,094
USPS/TW-7	DDU VOLUME	-	-	-	-	-
USPS/TW-8	SCF VOLUME	2,525,709	2,514,316	2,417,803	110,014	204,476
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	551,279	497,293	454,917	-	-
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	5,910,235	6,294,722	6,013,450	-	-
USPS/TW-16	ZONE 1&2:	2,128,271	2,116,089	2,060,927	1,126,348	3,757,597
USPS/TW-17	ZONE 3:	2,688,918	2,766,061	2,825,400	821,765	2,159,070
USPS/TW-18	ZONE 4:	4,079,207	4,071,438	3,984,174	3,069,391	2,865,335
USPS/TW-19	ZONE 5:	3,029,691	2,870,631	2,708,881	4,034,397	3,045,247
USPS/TW-20	ZONE 6:	1,153,606	1,065,114	977,674	5,424,925	1,528,294
USPS/TW-21	ZONE 7:	501,301	489,115	474,978	1,173,046	775,167
USPS/TW-22	ZONE 8:	210,456	166,859	165,125	527,623	2,908,963
USPS/TW-23	NON-ADVERTISING CONTENT	58.60%	60.86%	-	57.40%	60.53%
USPS/TW-24 (a) (vol)	5 DIGIT pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	268,436	N/A	N/A	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	559,130	N/A	N/A	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	138,514	N/A	N/A	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	135,581	N/A	N/A	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	0	N/A	N/A	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	0	N/A	N/A	N/A	N/A
USPS/TW-25 (a) (avg)	5 DIGIT pallets:	-	N/A	N/A	N/A	N/A
USPS/TW-25 (a)	Unique city pallet	2,294	N/A	N/A	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	2,086	N/A	N/A	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	1,649	N/A	N/A	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	1,784	N/A	N/A	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	0	N/A	N/A	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	0	N/A	N/A	N/A	N/A
USPS/TW-26 (a) (wt)	5 DIGIT pallets:	1143	N/A	N/A	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1039	N/A	N/A	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	821	N/A	N/A	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	889	N/A	N/A	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	0	N/A	N/A	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	0	0	0	-	-
USPS/TW-26 (f)	mixed BMC pallets:	0	0	0	-	-
USPS/TW-27 (a)	CR sacks:	1,701	N/A	N/A	N/A	N/A
USPS/TW-27 (b)	FIRM sacks	-	N/A	N/A	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	57,326	N/A	N/A	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	6,117	N/A	N/A	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	25,759	N/A	N/A	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	1,357	N/A	N/A	N/A	N/A
USPS/TW-27 (h)	Mixed sacks	-	N/A	N/A	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	19	N/A	N/A	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	11	N/A	N/A	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	20	N/A	N/A	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	32	N/A	N/A	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	9	N/A	N/A	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	0	0	0	-	-
USPS/TW-30 (a-h)	Pieces per tray	0	0	0	-	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	16,317,159	16,059,623	15,614,935	16,178,475	17,039,673
USPS/TW-32	AVERAGE PIECES PER BUNDLE	12	N/A	N/A	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	1020334	N/A	N/A	N/A	N/A

SIK

Attachment to Time Warner
Responses to USPS/TW-1-34,
page 8 of 11.

INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)				
SI FOR KIDS	Average Weight Per Copy	0.3805	0.3887	0.3499
INTERROGATORY	DESCRIPTION	1997	1996	1995
USPS/TW-2 (a)	# OF ISSUES:	13	12	12
USPS/TW-2 (b)	AVG # OF EDITIONS	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	13,296,506	10,923,199	11,628,594
USPS/TW-4	REQ. PRESORT RATE VOLUME	3,145,013	2,506,438	2,666,247
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	5,263,467	4,010,277	5,448,680
USPS/TW-6	CARRIER ROUTE VOLUME	4,948,026	4,406,484	3,513,667
USPS/TW-7	DDU VOLUME	-	-	-
USPS/TW-8	SCF VOLUME	141,784	124,866	125,791
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	438,150	389,070	389,619
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	5,129,641	3,413,076	4,685,998
USPS/TW-16	ZONE 1&2:	415,747	308,512	313,838
USPS/TW-17	ZONE 3:	727,759	575,158	595,043
USPS/TW-18	ZONE 4:	4,366,273	3,569,438	3,788,994
USPS/TW-19	ZONE 5:	5,224,519	4,306,386	4,579,155
USPS/TW-20	ZONE 6:	518,777	431,064	480,254
USPS/TW-21	ZONE 7:	353,471	302,068	328,730
USPS/TW-22	ZONE 8:	1,548,176	1,305,707	1,416,789
USPS/TW-23	NON-ADVERTISING CONTENT	65.59%	65.05%	68.83%
USPS/TW-24 (a) (VO)	5 DIGIT pallets:	-	N/A	N/A
USPS/TW-24 (a)	Unique city pallet	157,532	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	325,568	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	200,535	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	325,068	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-25 (a) (AVG)	5 DIGIT pallets:	-	N/A	N/A
USPS/TW-25 (a)	Unique city pallet:	2,716	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	2,736	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	2,332	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	2,390	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-26 (a) (WT)	5 DIGIT pallets:	-	N/A	N/A
USPS/TW-26 (a)	Unique city pallet	1,033	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	1,041	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	887	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	909	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-
USPS/TW-27 (a) (VOL)	CR sacks:	1,131	N/A	N/A
USPS/TW-27 (b)	FIRM sacks	-	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	12,631	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	469	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	2,291	N/A	N/A
USPS/TW-27 (f)	SCF sacks	-	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks	1,430	N/A	N/A
USPS/TW-27 (h)	Mixed sacks	-	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	18	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	33	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	10	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	14	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	13	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	N/A	N/A
USPS/TW-30 (a-h)	Pieces per tray	-	N/A	N/A
USPS/TW-31	VOLUMES MAILED IN BUNDLES	13,296,506	11,948,651	11,628,594
USPS/TW-32	AVERAGE PIECES PER BUNDLE	14	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	-	N/A	N/A

TFK

Attachment to Time Warner
Responses to USPS/TW-1-34,
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INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)				
TIME FOR KIDS	Average Weight Per Copy	0.03420	0.02930	
		(96/97 school)	(95/96 school)	not published
INTERROGATORY	DESCRIPTION	1997	1996	1995
USPS/TW-2 (a)	# OF ISSUES:	28	26	-
USPS/TW-2 (b)	AVG. # OF EDITIONS	N/A	N/A	-
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	-
USPS/TW-3	TOTAL VOLUME	34,401,921	20,569,262	-
USPS/TW-4	REQUIRED PRESORT RATE VOLUME	435,904	297,570	-
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	839,888	435,292	-
USPS/TW-6	CARRIER ROUTE VOLUME	-	-	-
USPS/TW-7	DDU VOLUME	-	-	-
USPS/TW-8	SCF VOLUME	10,338,420	3,553,992	-
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-
USPS/TW-12	REQUIRED PRESORT PREBARCODED FLATS	-	-	-
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	-	-	-
USPS/TW-16	ZONE 1&2:	19,993,228	12,958,436	-
USPS/TW-17	ZONE 3:	3,130,595	2,856,024	-
USPS/TW-18	ZONE 4:	677,452	1,083,030	-
USPS/TW-19	ZONE 5:	64,885	87,360	-
USPS/TW-20	ZONE 6:	0	0	-
USPS/TW-21	ZONE 7:	13,720	10,244	-
USPS/TW-22	ZONE 8:	183,621	10,166	-
USPS/TW-23	NON-ADVERTISING CONTENT	100.00%	100.00%	-
USPS/TW-24 (a) (VOL)	5 DIGIT pallets:	-	N/A	-
USPS/TW-24 (a)	Unique city pallet	215,769	N/A	-
USPS/TW-24 (b)	3 DIGIT pallets:	647,971	N/A	-
USPS/TW-24 (c)	SCF pallets:	374,878	N/A	-
USPS/TW-24 (d)	ADC/SDC pallets:	450,374	N/A	-
USPS/TW-24 (e)	BMC pallets:	-	N/A	-
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	-
USPS/TW-25 (a) (AVG)	5 DIGIT pallets:	-	N/A	-
USPS/TW-25 (a)	Unique city pallet	6,743	N/A	-
USPS/TW-25 (b)	3 DIGIT pallets:	7,714	N/A	-
USPS/TW-25 (c)	SCF pallets:	6,046	N/A	-
USPS/TW-25 (d)	ADC/SDC pallets:	9,007	N/A	-
USPS/TW-25 (e)	BMC pallets:	-	N/A	-
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	-
USPS/TW-26 (a) (WT)	5 DIGIT pallets:	-	N/A	-
USPS/TW-26 (a)	Unique city pallet	231	N/A	-
USPS/TW-26 (b)	3 DIGIT pallets:	264	N/A	-
USPS/TW-26 (c)	SCF pallets:	207	N/A	-
USPS/TW-26 (d)	ADC/SDC pallets:	308	N/A	-
USPS/TW-26 (e)	BMC pallets:	-	N/A	-
USPS/TW-26 (f)	mixed BMC pallets:	-	N/A	-
USPS/TW-27 (a) (VOL)	CR sacks:	-	N/A	-
USPS/TW-27 (b)	FIRM sacks:	-	N/A	-
USPS/TW-27 (c)	5 DIGIT sacks:	150,979	N/A	-
USPS/TW-27 (d)	3Dig Uni City sacks:	-	N/A	-
USPS/TW-27 (e)	3 DIGIT sacks:	-	N/A	-
USPS/TW-27 (f)	SCF sacks:	-	N/A	-
USPS/TW-27 (g)	ADC/SDC sacks:	-	N/A	-
USPS/TW-27 (h)	Mixed sacks:	-	N/A	-
USPS/TW-28 (a)	Pieces per CR sack:	-	N/A	-
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	-
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	93	N/A	-
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	-	N/A	-
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	-	N/A	-
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	-
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	-	N/A	-
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	-
USPS/TW-29 (a-h)	Volume mailed in trays	-	N/A	-
USPS/TW-30 (a-h)	Pieces per tray	-	N/A	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	34,401,921	N/A	-
USPS/TW-32	AVERAGE PIECES PER BUNDLE	26	N/A	-
USPS/TW-33	PLANT LOADED VOLUMES	-	N/A	-

IN

Attachment to Time Warner
Responses to USPS/TW-1-34,
page 10 of 11.

INTERROGATORY RESPONSE OF TIME WARNER INC. (USPS/TW-1-34)				
IN STYLE	Average Weight Per Copy	0.9726	0.6848	0.5467
INTERROGATORY	DESCRIPTION	1997	1996	1995
USPS/TW-2 (a)	# OF ISSUES:	13	12	12
USPS/TW-2 (b)	AVG.# OF EDITIONS	N/A	N/A	N/A
USPS/TW-2 (c)	VERSION TYPE	N/A	N/A	N/A
USPS/TW-3	TOTAL VOLUME	4,957,051	3,626,116	1,911,448
USPS/TW-4	RE. PRESORT RATE VOLUME	627,133	423,789	352,092
USPS/TW-5	3 DIGIT/5 DIGIT VOLUME	3,491,075	2,794,602	1,472,723
USPS/TW-6	CARRIER ROUTE VOLUME	838,843	406,343	86,001
USPS/TW-7	DDU VOLUME	-	-	-
USPS/TW-8	SCF VOLUME	56,384	42,591	19,133
USPS/TW-9	HIGH DENSITY VOLUME	-	-	-
USPS/TW-10	SATURATION VOLUME	-	-	-
USPS/TW-11	PREBARCODED LETTER	-	-	-
USPS/TW-12	REQ. PRESORT PRE-BC FLATS	123,238	263,450	216,655
USPS/TW-13	3 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-14	5 DIGIT PREBARCODED LETTER	-	-	-
USPS/TW-15	3/5 PREBARCODED FLATS	1,489,396	2,673,349	1,358,620
USPS/TW-16	ZONE 1&2:	266,384	194,680	104,635
USPS/TW-17	ZONE 3:	277,076	215,450	113,680
USPS/TW-18	ZONE 4:	679,386	525,852	283,972
USPS/TW-19	ZONE 5:	1,963,619	1,409,848	749,054
USPS/TW-20	ZONE 6:	450,194	319,297	170,695
USPS/TW-21	ZONE 7:	1,212,387	878,152	447,623
USPS/TW-22	ZONE 8:	51,621	40,246	22,656
USPS/TW-23	NON-ADVERTISING CONTENT	52.73%	55.41%	61.37%
USPS/TW-24 (a) (vol)	5 DIGIT pallets:	26,879	N/A	N/A
USPS/TW-24 (a)	Unique city pallet:	110,363	N/A	N/A
USPS/TW-24 (b)	3 DIGIT pallets:	195,313	N/A	N/A
USPS/TW-24 (c)	SCF pallets:	19,411	N/A	N/A
USPS/TW-24 (d)	ADC/SDC pallets:	26,677	N/A	N/A
USPS/TW-24 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-24 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-25 (a) (avg)	5 DIGIT pallets:	390	N/A	N/A
USPS/TW-25 (a)	Unique city pallet:	783	N/A	N/A
USPS/TW-25 (b)	3 DIGIT pallets:	708	N/A	N/A
USPS/TW-25 (c)	SCF pallets:	347	N/A	N/A
USPS/TW-25 (d)	ADC/SDC pallets:	430	N/A	N/A
USPS/TW-25 (e)	BMC pallets:	-	N/A	N/A
USPS/TW-25 (f)	mixed BMC pallets:	-	N/A	N/A
USPS/TW-26 (a) (wl)	5 DIGIT pallets:	379	N/A	N/A
USPS/TW-26 (a)	Unique city pallet:	761	N/A	N/A
USPS/TW-26 (b)	3 DIGIT pallets:	688	N/A	N/A
USPS/TW-26 (c)	SCF pallets:	337	N/A	N/A
USPS/TW-26 (d)	ADC/SDC pallets:	418	N/A	N/A
USPS/TW-26 (e)	BMC pallets:	-	-	-
USPS/TW-26 (f)	mixed BMC pallets:	-	-	-
USPS/TW-27 (a)	CR sacks:	771	N/A	N/A
USPS/TW-27 (b)	FIRM sacks:	-	N/A	N/A
USPS/TW-27 (c)	5 DIGIT sacks:	10,073	N/A	N/A
USPS/TW-27 (d)	3Dig Uni City sacks:	9,656	N/A	N/A
USPS/TW-27 (e)	3 DIGIT sacks:	20,869	N/A	N/A
USPS/TW-27 (f)	SCF sacks:	-	N/A	N/A
USPS/TW-27 (g)	ADC/SDC sacks:	6,027	N/A	N/A
USPS/TW-27 (h)	Mixed sacks:	-	N/A	N/A
USPS/TW-28 (a)	Pieces per CR sack:	15	N/A	N/A
USPS/TW-28 (b)	Pieces per FIRM sack:	-	N/A	N/A
USPS/TW-28 (c)	Pieces per 5 DIGIT sack:	9	N/A	N/A
USPS/TW-28 (d)	Pieces per 3Dig Uni City sack:	16	N/A	N/A
USPS/TW-28 (e)	Pieces per 3 DIGIT sack:	15	N/A	N/A
USPS/TW-28 (f)	Pieces per SCF sack:	-	N/A	N/A
USPS/TW-28 (g)	Pieces per ADC/SDC sack:	13	N/A	N/A
USPS/TW-28 (h)	Pieces per Mixed sack:	-	N/A	N/A
USPS/TW-29 (a-h)	Volume mailed in trays	-	-	-
USPS/TW-30 (a-h)	Pieces per tray	-	-	-
USPS/TW-31	VOLUMES MAILED IN BUNDLES	4,957,051	3,626,116	1,911,448
USPS/TW-32	AVERAGE PIECES PER BUNDLE	10	N/A	N/A
USPS/TW-33	PLANT LOADED VOLUMES	377,365	N/A	N/A

INTERROGARORY ANALYSIS BACKUP

2/3/98

	1997						
	TIME	SI	PEOPLE	MONEY	FORTUNE	LIFE	TOTAL
TOTAL VOLUME	216,740,992	163,306,820	110,150,982	23,036,676	17,112,553	16,317,159	546,665,182
C/R PRESORT	188,826,139	142,391,475	84,237,866	15,005,886	6,988,557	8,210,918	445,660,841
% C/R	87%	87%	76%	65%	41%	50%	82%
SCF VOLUME	136,428,596	88,618,027	54,083,846	10,204,229	4,482,474	2,525,709	296,342,881
% SCF	63%	54%	49%	44%	26%	15%	54%
	1988						
	TIME	SI	PEOPLE	MONEY	FORTUNE	LIFE	TOTAL
TOTAL VOLUME	246,599,967	174,873,496	80,379,058	21,811,502	17,017,529	17,039,673	557,721,225
C/R PRESORT	168,972,475	127,140,054	45,570,072	11,928,665	3,131,411	7,314,094	364,056,771
% C/R	69%	73%	57%	55%	18%	43%	65%
SCF VOLUME	75,459,590	37,947,549	8,118,285	2,028,470	3,216,313	204,476	126,974,682
% SCF	31%	22%	10%	9%	19%	1%	23%

SUPPLEMENTAL RESPONSE OF TIME WARNER INC.
TO UNITED STATES POSTAL SERVICE

USPS/TW-34. Please provide all data furnished in response to interrogatories 1 through 33 in electronic format.

SUPPLEMENTAL RESPONSE

Pursuant to agreement between Postal Service and Time Warner counsel and technical discussions between Postal Service consultants and Time Warner personnel, Time Warner has supplied to the Postal Service and is today filing as a library reference TW LR H-5 the database "Mail.dat" in electronic format for the February 23, 1998 issue of TIME magazine.

"Mail.dat" consists of twelve files linked by Key Fields. Each file has its own record type:

- Header File
- Segment File
- Mail Pc. Unit File
- Mail Pc. Unit/Component Relationship File
- Component File
- Container Summary File
- Container Label File
- Container Quality File
- Package Quality File
- Walk Sequence Record
- Seed Name Record
- Package Label File

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-35. In response to USPS/TW-24-28, Time Warner provided certain information for a representative issue which approximates the average weight and circulation of each title.

- a) Please describe generally how Time Warner Inc.'s mailings are prepared and how that preparation has changed for each of the last ten years.
- b) Please indicate, by year, the changes in make-up such as changes in average bundle size, changes in containerization, and the average number of bundles and pieces per container.
- c) Please indicate in percentage terms, what savings, if any, Time Warner Inc. has experienced in its mail preparation costs (excluding postage) due to changes in the make-up of its mailings.
- d) Even if a percentage cannot be calculated for such savings, as requested in subpart c) above, please indicate whether or not Time Warner Inc. has experienced savings.

Response

- a) Our first step in the preparation of mail is to clean and update the subscriber database.

This function is accomplished by running all of the subscriber addresses through several address correction programs including National Change of Address (NCOA), Address Change Service (ACS), Address Element Correction (AEC), Group One - Code One Plus, and Pitney Bowes - Finalist. It is our firm belief that by investing time, effort and dollars into address quality, we reduce USPS mail processing costs and help provide timely service to our customers. The cost of address quality includes the software purchases, increased CPU time on our mainframe to run the addresses through the correction programs, and the cost of using outside correction services such as the USPS' operation in Memphis. Estimated annual cost for address cleanup is \$1.2 million. Once the subscriber files are prepared, the names are then grouped together by entry point, pallet, and finally package level per DMM regulations. This

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

grouping of names takes place regardless of any differences in advertising, editorial, or consumer marketing content, since the use of selective binding allows us to create single packages for the USPS that contain multiple editions of our magazines. The utilization of selective binding began on January 1, 1990. While we do not have specific information on how mailing preparation has changed for each of the last ten years, our response to interrogatory USPS/TW-2 (b) clearly indicates the benefits of selective binding. As an example, Time Magazine's carrier route sortation level improved from 69% in 1988 to 87% in 1997. In addition, Time Warner's percentage of SCF mail also increased significantly during this same period from 23% in 1988 to 54% in 1997. With the increase in mail entered at the SCF level, we experienced a corresponding increase in transportation costs. In fact, each year Time Inc. incurs over \$5 million in subscriber copy transportation costs for TIME, SPORTS ILLUSTRATED, PEOPLE, ENTERTAINMENT WEEKLY, FORTUNE, MONEY, AND LIFE. This increase in mail entered at the SCF should have resulted in reduced handling of our products within the Postal Service and a reduction in mail processing costs.

Two additional mail preparation changes in the past ten years have been the addition of barcodes to our flat mail in 1993 and the changes which were required as the result of reclassification. Once again, both of these changes were initiated by the Postal Service with a goal of utilizing automation and streamlining mail processing operations, yet the cost data submitted by the Postal Service indicates that neither change positively influenced the rising mail processing cost problem.

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

- b) This data is not available other than the representative issue data supplied in the responses to USPS/TW-1-34.
- c) Time Warner has made a substantial investment in the utilization of selective binding technology. Not only are there zero savings in mail preparation costs, our operating costs are significantly higher. Selective binding is 13.5% more expensive than conventional binding. In addition to increased binding costs incurred on an ongoing basis, Time Warner also paid \$37,873,000 in capital costs to our printers for the installation of selective binding equipment. Once again, this clearly demonstrates the great lengths that mailers have gone to over the past ten years to increase mailer worksharing and drive costs out of the Postal Service.
- d) See response to USPS/TW-35 c).

RESPONSES OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE

USPS/TW-36. In response to USPS/TW-24-28, Time Warner Inc. provided pallet and sack information for a representative issue which approximates the average weight and circulation of each title. If possible, please provide a similar table of pallet and sack information only for mail that was dropshipped to destination.

RESPONSE

Please see attached spreadsheets.

Attachment To
Response to USPS/TW-36
(Page 1 of 7)

TIME

	<u>Dropship</u>
5 DIGIT pallets:	479851
Unique city pallet:	926887
3 DIGIT pallets:	2131374
SCF pallets:	13018
ADC/SDC pallets:	29582
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	1162
Pieces Per Unique city pallet:	3678
Pieces Per 3 DIGIT pallet:	3394
Pieces Per SCF pallet:	1627
Pieces Per ADC/SDC pallet:	1972
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	421
Average Weight of Unique city pallets:	1331
Average Weight of 3 DIGIT pallets:	1229
Average Weight of SCF pallets:	589
Average Weight of ADC/SDC pallets:	714
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	19166
FIRM sacks:	-
5 DIGIT sacks:	16658
3Dig Uni City sacks:	2098
3 DIGIT sacks:	4944
SCF sacks:	-
ADC/SDC sacks:	2398
Mixed sacks:	-
Pieces per CR sack:	48
Pieces per FIRM sack:	-
Pieces per 5 DIGIT sack:	25
Pieces per 3Dig Uni City sack:	12
Pieces per 3 DIGIT sack:	14
Pieces per SCF sack:	-
Pieces per ADC/SDC sack:	9
Pieces per Mixed sack:	-
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 2 of 7)

SPORTS ILLUSTRATED

	<u>Dropship</u>
5 DIGIT pallets:	319276
Unique city pallet:	663903
3 DIGIT pallets:	1542970
SCF pallets:	7111
ADC/SDC pallets:	20102
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	739
Pieces Per Unique city pallet:	2645
Pieces Per 3 DIGIT pallet:	2457
Pieces Per SCF pallet:	1016
Pieces Per ADC/SDC pallet:	1546
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	284
Average Weight of Unique city pallets:	1018
Average Weight of 3 DIGIT pallets:	945
Average Weight of SCF pallets:	391
Average Weight of ADC/SDC pallets:	595
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	8694
FIRM sacks:	0
5 DIGIT sacks:	7760
3Dig Uni City sacks:	134
3 DIGIT sacks:	1776
SCF sacks:	
ADC/SDC sacks:	77
Mixed sacks:	
Pieces per CR sack:	33
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	16
Pieces per 3Dig Uni City sack:	19
Pieces per 3 DIGIT sack:	31
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	8
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 3 of 7)

PEOPLE

	<u>Dropship</u>
5 DIGIT pallets:	285729
Unique city pallet:	426967
3 DIGIT pallets:	1012812
SCF pallets:	5710
ADC/SDC pallets:	14899
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	646
Pieces Per Unique city pallet:	1832
Pieces Per 3 DIGIT pallet:	1685
Pieces Per SCF pallet:	634
Pieces Per ADC/SDC pallet:	709
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	318
Average Weight of Unique city pallets:	901
Average Weight of 3 DIGIT pallets:	829
Average Weight of SCF pallets:	312
Average Weight of ADC/SDC pallets:	349
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	3023
FIRM sacks:	0
5 DIGIT sacks:	7547
3Dig Uni City sacks:	3784
3 DIGIT sacks:	10353
SCF sacks:	0
ADC/SDC sacks:	2058
Mixed sacks:	0
Pieces per CR sack:	19
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	10
Pieces per 3Dig Uni City sack:	21
Pieces per 3 DIGIT sack:	22
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	9
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 4 of 7)

EW

	<u>Dropship</u>
5 DIGIT pallets:	20840
Unique city pallet:	213053
3 DIGIT pallets:	373946
SCF pallets:	90413
ADC/SDC pallets:	108492
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	2084
Pieces Per Unique city pallet:	2567
Pieces Per 3 DIGIT pallet:	2527
Pieces Per SCF pallet:	1773
Pieces Per ADC/SDC pallet:	2646
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	755
Average Weight of Unique city pallets:	930
Average Weight of 3 DIGIT pallets:	915
Average Weight of SCF pallets:	642
Average Weight of ADC/SDC pallets:	958
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	7242
FIRM sacks:	0
5 DIGIT sacks:	9556
3Dig Uni City sacks:	1901
3 DIGIT sacks:	5561
SCF sacks:	0
ADC/SDC sacks:	1286
Mixed sacks:	0
Pieces per CR sack:	25
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	15
Pieces per 3Dig Uni City sack:	14
Pieces per 3 DIGIT sack:	16
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	15
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 5 of 7)

FORTUNE

	<u>Dropship</u>
5 DIGIT pallets:	17564
Unique city pallet:	184490
3 DIGIT pallets:	257683
SCF pallets:	44475
ADC/SDC pallets:	74676
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	1255
Pieces Per Unique city pallet:	1662
Pieces Per 3 DIGIT pallet:	1562
Pieces Per SCF pallet:	988
Pieces Per ADC/SDC pallet:	1149
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	1072
Average Weight of Unique city pallets:	1421
Average Weight of 3 DIGIT pallets:	1335
Average Weight of SCF pallets:	845
Average Weight of ADC/SDC pallets:	982
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	499
FIRM sacks:	0
5 DIGIT sacks:	1377
3Dig Uni City sacks:	889
3 DIGIT sacks:	1025
SCF sacks:	0
ADC/SDC sacks:	610
Mixed sacks:	0
Pieces per CR sack:	14
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	9
Pieces per 3Dig Uni City sack:	17
Pieces per 3 DIGIT sack:	12
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	7
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 6 of 7)

MONEY

	<u>Dropship</u>
5 DIGIT pallets:	68369
Unique city pallet:	401720
3 DIGIT pallets:	872135
SCF pallets:	34264
ADC/SDC pallets:	51898
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	855
Pieces Per Unique city pallet:	1732
Pieces Per 3 DIGIT pallet:	1776
Pieces Per SCF pallet:	1105
Pieces Per ADC/SDC pallet:	1128
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	561
Average Weight of Unique city pallets:	1138
Average Weight of 3 DIGIT pallets:	1167
Average Weight of SCF pallets:	726
Average Weight of ADC/SDC pallets:	741
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	3305
FIRM sacks:	0
5 DIGIT sacks:	15466
3Dig Uni City sacks:	5210
3 DIGIT sacks:	15350
SCF sacks:	0
ADC/SDC sacks:	310
Mixed sacks:	0
Pieces per CR sack:	20
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	9
Pieces per 3Dig Uni City sack:	30
Pieces per 3 DIGIT sack:	30
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	8
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

Attachment To
Response to USPS/TW-36
(Page 7 of 7)

LIFE

	<u>Dropship</u>
5 DIGIT pallets:	0
Unique city pallet:	64772
3 DIGIT pallets:	156620
SCF pallets:	10239
ADC/SDC pallets:	16418
BMC pallets:	0
Mixed BMC pallets:	0
Pieces Per 5 DIGIT pallet:	0
Pieces Per Unique city pallet:	2234
Pieces Per 3 DIGIT pallet:	2373
Pieces Per SCF pallet:	1463
Pieces Per ADC/SDC pallet:	1493
Pieces Per BMC pallet:	0
Pieces Per Mixed BMC pallet:	0
Average Weight of 5 DIGIT pallets:	0
Average Weight of Unique city pallets:	1113
Average Weight of 3 DIGIT pallets:	1182
Average Weight of SCF pallets:	729
Average Weight of ADC/SDC pallets:	743
Average Weight of BMC pallets:	0
Average Weight of Mixed BMC pallets:	0
CR sacks:	558
FIRM sacks:	0
5 DIGIT sacks:	16899
3Dig Uni City sacks:	656
3 DIGIT sacks:	3690
SCF sacks:	0
ADC/SDC sacks:	49
Mixed sacks:	0
Pieces per CR sack:	19
Pieces per FIRM sack:	0
Pieces per 5 DIGIT sack:	13
Pieces per 3Dig Uni City sack:	19
Pieces per 3 DIGIT sack:	38
Pieces per SCF sack:	0
Pieces per ADC/SDC sack:	8
Pieces per Mixed sack:	0
Volume mailed in trays:	0
Pieces per tray:	0

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE PARCEL SHIPPERS ASSOCIATION**

PSA/UPS-1. In its Intervenor's Statement filed January 8, 1998, UPS identified the following package services that it provides to customers: service, air, and international services, and states that it competes with the Postal Service in:

- (a) International express mail;
- (b) Other international services;
- (c) Domestic express mail;
- (d) Priority mail;
- (e) Parcel post; and
- (f) Other package services provided by the Postal Service.

Please provide for the latest period for which this information is available, the numbers of parcels that UPS transported for customers broken down by the identifiable categories above; and furthermore please subdivide the parcel post type packages which are delivered by ground shipment on a non-expedited basis between commercial and residential delivery.

Response to PSA/UPS-1. UPS does not know how many parcels sent by UPS's various services would have been sent by each of the postal services identified in the interrogatory and, as a result, UPS is unable to provide the information requested in this interrogatory.

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE UNITED STATES POSTAL SERVICE**

PSA/UPS-2. On page 3 of its Intervenor's Statement, UPS states that in 1994 it paid the Postal Service in excess of \$38.9 million for its mailings, primarily in First Class Mail and Standard (A) mail. Please provide the total number of parcels and the dollar value of the postage on such parcels that were shipped as Standard (A) mail which met the Postal Service definition of non-letter, non-flat mail. Also, please identify what portion, in volume and revenue, of the parcels shipped in Standard (A) were parcels that had been deposited with United Parcel Service by UPS customers for delivery.

Response to PSA/UPS-2. UPS does not compile postage cost on the basis of class or shape. It is UPS's policy not to deposit with the Postal Service any parcels given to UPS for delivery.

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE UNITED STATES POSTAL SERVICE**

PSA/UPS-3. On page 3 of its Intervenor's Statement UPS states that it faces greater financial risks than does the Postal Service. Please state for the record whether the Postal Service's proposed parcel post rates in this proceeding will have an adverse financial impact on United Parcel Service. If the answer is in the affirmative, please supply specifically the extent of the impact, including the number of packages it anticipates it will lose because of the proposed rates and the revenues represented by that lost volume.

Response to PSA/UPS-3. Any postal rates that are below attributable costs plus a fair share of institutional costs are contrary to the Postal Reorganization Act and therefore would be likely to attract volume and revenue that would not otherwise be attracted to the Postal Service if the statute were followed. The testimony of the witnesses sponsored by UPS in this proceeding indicate that the proposed Parcel Post rates are contrary to the Postal Reorganization Act. Consequently, UPS anticipates that, if the Postal Service's proposed Parcel Post rates were approved, it will lose volume and revenue as a result of those rates. However, UPS does not have any estimates of (1) the number of packages it will lose because of the proposed Parcel Post rates or (2) the revenues represented by that lost volume.

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE UNITED STATES POSTAL SERVICE**

USPS/UPS-1. Please provide a description of and documentation of all alternative mail processing variability analyses considered by any outside consultants contacted by UPS other than witness Neels, but not used in UPS testimony. For any analyses conducted by someone other than witness Neels, please identify the individual(s) involved.

Response to USPS/UPS-1. Although UPS believes this interrogatory is not proper discovery under the work product doctrine, UPS provides the following answer without waiving its right to object to other discovery requests on the basis of the work product doctrine: NONE.

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE UNITED STATES POSTAL SERVICE**

USPS/UPS-2. Please provide data showing United Parcel Service's market share in the overnight, two-day, and ground package delivery markets. Please provide market share data by volume and revenue. Please provide the information separately for the following products: UPS Next Day Air, UPS Next Day Air Early A.M., UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS 3 Day Select, UPS Ground (residential), and UPS Ground (non-residential). Please provide the data for the period covering GFY 1996, October 1, 1995 through September 1996 and GFY 1997, October 1, 1996 through September 30, 1997. If the information is not available for the periods requested, please provide the data aggregated for the most recently available twelve month period.

Response to USPS/UPS-2. Since UPS does not know the total volume handled by all carriers in the specified "markets," UPS does not have the requested information.

**ANSWER OF UNITED PARCEL SERVICE
TO INTERROGATORY OF
THE UNITED STATES POSTAL SERVICE**

USPS/UPS-T4-33. If you are unable to answer the following questions, please redirect them to someone at United Parcel Service who can answer them on behalf of the company.

(a) Does UPS provide any service which allows customers to retrieve electronically stored information regarding the status of their shipments? If so, please list the types of delivery services with which this service is offered and the fees charged for this service with each of those delivery services.

(b) For any such charge which is currently zero, has UPS in the past ever charged customers to retrieve electronically stored information regarding the status of their shipments? If so, please specify the types of delivery service for which there was a charge for this service.

Response to USPS/UPS-T4-33 (redirected from UPS witness Luciani). (a) Yes, for all of UPS's services. There is no fee.

(b) Yes, for UPS's ground transportation delivery services.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-18. Please confirm that the Postal Service first published regulations in the Federal Register to implement Section 705(a) of Public Law 103-123, codified at 39 U.S.C. § 3626(j)(1)(D), on May 5, 1995. If you do not confirm fully, please provide a Federal Register citation to any prior regulations.

RESPONSE: Confirmed that the Postal Service published notice of its final rule on May 5, 1995. The proposed rule was published on March 7, 1995.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE ALLIANCE OF NONPROFIT MAILERS

AMN/USPS-19. Please confirm that the first Postal Service handbook explaining Section 705(a) of Public Law 103-123 and the regulations promulgated on May 5, 1995, was Publication 417, published on or about October 1, 1995 – i.e., the first month of FY96. If you do not confirm fully, please produce a copy of any prior handbook.

RESPONSE: Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-22. Please produce all Postal Service rules, regulations, operations manuals, handbooks and similar documents in effect during any part of the period from May 5, 1995 through March 8, 1997, which dealt with any of the following topics:

- (a) The accounting treatment (in RPW data and elsewhere) of mail bearing Standard A (or third-class) nonprofit indicia, but entered at commercial rates;
- (b) The accounting treatment (in RPW data and elsewhere) of mail bearing Standard A (or third-class) nonprofit indicia, but later giving rise to a payment of back postage on the ground that the mail was ineligible for nonprofit rates.

RESPONSE: Library References H-55, CODES RPW Data Entry User's Guide, and H-72, Permit System User Guide, contain instructions on recording Standard A mail. These materials, however, do not specifically address the conditions described in (a) and (b), above.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-23. With respect to all IOCS tallies used in this rate case, what instructions were given to IOCS tally takers concerning the classification of a mail piece that bore Standard A nonprofit indicia but was in fact entered at another rate? If the instructions were other than to record the piece as Standard A nonprofit mail, please produce documents setting forth the instructions in full.

RESPONSE: IOCS data collectors are instructed to record the postage, indicia, markings and endorsements from the mailpiece. A piece bearing Standard A Nonprofit indicia and endorsements should be recorded in IOCS as Standard A Nonprofit.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE ALLIANCE OF NONPROFIT MAILERS

ANM/USPS-28. Assume that several mailings bearing Nonprofit Standard Mail (A) (or nonprofit third-class) indicia later gave rise to payment of back postage on grounds that each affected mailing was ineligible for nonprofit rates.

- a. When a check is received for payment of the back postage, would the payment be credited to a Standard Mail (A) (commercial) revenue account, or to a Nonprofit Standard Mail (A) revenue account? Please identify the account to which the payment would be credited, and explain why the Postal Service accounts for such payments in this way.
- b. Assume that the checks for payment of back postage were all received *within the same time frame, but in different cities*. Would the payment always be credited in the same manner as described in response to preceding part (a), or is it possible that in one city it would be credited one way, but in another city it would be credited differently? Please explain.
- c. If your response to preceding part (b) is that such payments are systematically credited in the same way, please:
 - i. identify the accounting regulation, rule, standard, guideline, instruction, or procedure that specifies the account to which the receipt of payment of back postage (under the circumstances specified here) should be credited, and
 - ii. produce a copy of the accounting regulation, rule, standard, guideline, instruction, or procedure.
- d. When the payment is credited to a revenue account in the manner described in response to preceding part (a), is a new or revised form 3602 filled out? If not, what record(s) is (are) filled out in conjunction with receipt of payment? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies when a new or revised form 3602 is to be filled out, and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.
- e. Assume that the check for payment of back postage is received and credited to a revenue account (as described in your response to part (a)) in an office that is part of the PERMIT system. Please describe how the PERMIT system would pick up and reflect these additional revenues in the RPW system. For example, would the PERMIT system pick up revenues without any corresponding mail volumes? If not, how is the situation handled? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies how the PERMIT system would pick up and reflect these additional

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE ALLIANCE OF NONPROFIT MAILERS

revenues, and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.

f. If a revised form 3602 is filled out, does it have the effect of removing the volume for which the payment of back postage is made from the nonprofit category and transferring it to the commercial rate category?

g. Assume that a nonprofit organization has made a payment for back postage within the same year when the mail was entered and the "case" has been closed. How are the revenues and volumes for the affected mail finally recorded in the revenue accounts and the RPW system? Please identify the regulation, rule, standard, guideline, instruction, or procedure that specifies how the revenues and volumes for mail affected in this manner should be recorded and produce a copy of the regulation, rule, standard, guideline, instruction, or procedure.

RESPONSES:

a. No. According to official USPS accounting procedures, when the revenue deficiency is identified, revenue is recorded in revenue account 41511, revenue postage other (AIC 119, "Revenue Deficiency Found"), with an offset to an accounts receivable, general ledger account 13412 (AIC 814, "Suspense"). The recording of the account receivable in AIC 814 is made at the same time the revenue deficiency is booked into AIC 119. Entries are made in AIC 119 and 814 simultaneously, as part of the double entry accounting system used by the USPS.

When a check is received for postage due to revenue deficiencies, it is debited to general ledger account 11211, AIC 802 (cash received). A corresponding credit is made to the accounts receivable account 13412, AIC 814 (suspense account).

Revenues in general ledger account 41511 are used in developing revenue and volume estimates in RPW through the revenue control. This revenue account is not class specific, and so revenues in account 41511 would not be credited to

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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either nonprofit or regular Standard (A) categories. Account 41511 goes into the overall revenue control, and so minimally affects all revenue-controlled rate categories. The overall level of revenue in AIC 119 is so small (only \$12.8 million in FY96), it impacts revenues for revenue-controlled rate categories only 0.04 percent. The revenues and volumes from the original nonprofit entry will remain as nonprofit.

b. Yes.

c. Attached is the Management Instruction titled "Collecting Revenue Deficiencies." Also attached are the pages of the F-1 Handbook ("Post Office Accounting Procedures") concerning suspense accounts.

d. In the case that the postage due is recorded in AIC 119 (as described in (a.)), a revised Form 3602 is not needed, although one may be filled out as a worksheet to calculate the postage due. A Form 3544 (Cash Receipt) will be filled out and provided to the mailer.

e. Any nonprofit-related revenue deficiencies recorded in AIC 119 (general ledger account 41511) and payments subsequently debited to AIC 802 (general ledger account 11211) will not be entered into the PERMIT system in a revenue account, since that would result in double recording of revenue. The PERMIT system revenues and volumes will remain as originally entered: there will be no shifting of volumes between nonprofit and regular rate categories. The adjustments made through AIC 119 are reflected in overall RPW revenue control for stamped and metered mail. The overall level of revenue in AIC 119 in FY96 was only \$12.8 million, but AIC 119 includes all revenue deficiencies, not just those associated with nonprofit ineligibility. We cannot isolate revenue deficiency transactions due to ineligibility for nonprofit Standard (A) rates within the time available. At most, payments for postage due on ineligible nonprofit

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE ALLIANCE OF NONPROFIT MAILERS

transactions impact stamped and metered mail revenues by 0.04 percent (conservatively assuming all revenues in AIC 119 are due to nonprofit-related deficiencies).

- f. No. When revenue deficiencies are recorded in AIC 119 (as in (a.)), a revised Form 3602 would not be filled out, except as a worksheet to calculate the postage due that is charged to the revenue deficiency account (as discussed in (d.)). No volume changes would be recorded in PERMIT as a result.


Revised Form 3602s are occasionally entered into the PERMIT system. These are entered to correct errors in the original entries, and are rarely used for revenue deficiencies. Official USPS accounting procedures require treatment of revenue deficiencies as described in (a). In infrequent cases where an error is caught in the original Form 3602 (locally, and shortly after mailing) or when a regular rate mailing is sent pending approval for nonprofit status, a revised Form 3602 is filled out and the data subsequently entered into the PERMIT system. As a result, permit imprint volumes would be moved from nonprofit to regular rate (or from regular rate to nonprofit, in the case where the mailer later is approved for nonprofit status).

Using FY96 PERMIT system transaction-level data, an estimated 6.1 million pieces were moved from nonprofit to regular rate. This represents only 0.05 percent of all nonprofit volumes. The transaction-level data for FY96 also show that an estimated 12.9 million pieces were moved from regular rate to nonprofit, which represents 0.02 percent of all regular rate volume.

- g. See (e.) above.

Management Instruction



Title	Date Issued 6-16-88 Filing Number DM-140-89-2
Collecting Revenue Deficiencies	Effective Date Immediately Obsolete MI DM-140-85-2 (7-26-85)
Originating Organization & OCC Code Rates and Classification Dept. RC210	
Signature & Title  Frank R. Haselton Assistant Postmaster General, R&CD	

I. Purpose

To establish procedures for the uniform and expeditious handling of revenue deficiencies.

II. Procedures

A. Documenting the Deficiency

The postal inspector or other postal employee who discovers a revenue deficiency must document the amount and the circumstances involved in a memorandum to the postmaster. The amount of the deficiency cited in the letter will be posted immediately to AIC 119, Revenue Deficiency Found. This AIC is a receipt entry only and cannot be used on the disbursement side of the accountbook. The general ledger account number is 41511.

B. Collection by Postmaster

1. Postmasters must take immediate action to collect amounts due. The postmaster must send a letter to the customer indicating the amount and basis of the deficiency and requiring payment 30 days from the customer's receipt of the letter. The letter must instruct the customer that a statement of intention to pay or a formal appeal contesting the deficiency must be made within 15 days of receipt of the letter.

2. The letter must also advise the customer that, in the event an appeal is not filed within 15 days, the letter will constitute the final Postal Service decision on the existence and amount of the deficiency. The letter must be delivered to the customer via certified mail, return receipt requested. If such delivery cannot be made within 30 days (if, for example, the customer refuses to sign for certified mail), a duplicate letter must be delivered as First-Class Mail. The postmaster must make a

written record of the date of delivery and the previous attempts to deliver it.

3. If no appeal is filed and the deficiency is not collected within 45 days of delivery of the letter, the postmaster must refer the case to the Field Division Controller. Copies of all letters to the customer must be sent to the General Manager, Rates and Classification Center (RCC). A second copy is sent to the Inspection Service if the revenue deficiency was discovered by a postal inspector.

4. If the revenue deficiency is paid or partial payments (see E) are received after the Field Division Controller has been notified that a revenue deficiency exists, the postmaster must promptly advise the Controller.

C. Appeal Process

1. An appeal of a deficiency notice must be in writing and addressed to the postmaster. Postmasters must forward all appeals immediately to the General Manager, Rates and Classification Center (RCC), who will make the final Postal Service decision concerning the amount of the deficiency and advise the customer and the postmaster of the decision in writing. This notification should occur within 30 days after the receipt of any additional information or assistance requested by the General Manager. The postmaster will not initiate collection action before the RCC decision on the appeal.

2. Based upon the facts and regulations involved, the General Manager's decision will specify whether a deficiency should be assessed and, if so, its amount. A complete statement supporting the decision must be included.

Distribution Standard Distribution plus Headquarters, Headquarters Administrative Support Facilities, including Rates and Classification Centers, Regions, Management Sectional Centers, and Bulk Mail Centers	Special Instructions Organizations listed under Distribution may order additional copies from material distribution centers. Use Form 7380, MDC Supply Requisition, and specify the filing number. You may redistribute this document by photocopying it, but do not paraphrase or otherwise revise it.
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D. Customer Responsibility to Respond

Customers must fully respond to all Postal Service correspondence concerning revenue deficiency matters within 15 days. Failure to respond within that time will be assumed as customer agreement that the assessed deficiency is correct and that the amount is due.

E. Payment of Deficiencies

1. The full amount due should be paid in a lump sum. When warranted, the deficiency may be settled through equal monthly payments for up to 3 years with interest computed each month on the unpaid balance. The interest rates to be applied (as set by the Secretary of the Treasury) will be published in the *Postal Bulletin* before each new calendar year.

2. An agreement to pay a deficiency by installments must be in writing and should include a provision for the acceleration of the balance due upon default in the payment of any installment. (Advice should be sought from the Field Division Controller before entering into such agreements.)

F. Uncollected Deficiencies

1. Postmasters must forward uncollected deficiency cases to the Field Division Controller as soon as the customer's response period has ended, or when the customer refuses to pay the amount due.

2. The Field Division Controller, with advice from the Regional Counsel, if necessary, will promptly attempt to collect outstanding amounts. If such efforts are unsuccessful, the Field Division Controller will refer the matter to the Regional Counsel for legal action.

3. If customers, in discussions with Field Division Controllers, offer to pay a partial amount in lieu of the full amount (or seek total relief), the Controller has authority to deny the request. If the Controller believes that a partial payment should be accepted, the Controller must document this recom-

mendation to the Regional Director, Finance. The Regional Director will decide whether to accept a settlement offer or to accept a request for total relief.

a. The customer must provide detailed financial records sufficient for the Regional Director, Finance, to make such determination if the basis for the requested relief is financial hardship. Postal employees will not initiate an offer to settle disputed deficiency cases for less than the full amount.

b. In making a decision, the Regional Director, Finance, may consider whether the underpayment (1) was made because of incorrect instructions given in writing by a postmaster or mail classification manager or (2) existed before a previous Postal Service review or audit of related mailer records, but was not identified at that time.

c. If the Regional Director, Finance, decides to accept a settlement offer, the Field Division Controller will establish a payment schedule and interest charges for the deficiency and will advise the customer, the postmaster, and the General Manager, RCC, of the amount due. The Field Division Controller will also advise these officials if the Regional Director, Finance, grants total relief for a postage deficiency.

4. In handling deficiency cases, Finance personnel are not to revise the established amount of the deficiency which was determined in the final Postal Service decision.

5. For uncollected deficiencies, the Regional Director, Finance, will either (a) hold the postmaster responsible for the deficiency in whole or in part or (b) relieve the postmaster of accountability for the deficiency.

6. The Postal Data Center must be informed of the necessary accounting adjustments.

52 Suspense Items

Suspense items are defined as stamp credits, money orders, banking shortages, travel and salary advances, external and internal audit discrepancies, revenue deficiencies, Form 1412 differences, and miscellaneous cash items. Units must report the totals in AIC 814 at the accountbook level. Records for suspense are maintained at the accountbook unit.

This section describes how to report the different types of suspense, when to use suspense for adjustment purposes, and what forms to use when reporting activity and maintaining control.

521 Maintaining Suspense at the Form 1412 Level

521.1 Non IRT Offices

- 1> Use AIC 814 to report suspense entries in the disbursement side of the daily Form 1412 and the accountbook.
- 2> To clear suspense, report AIC 814 in the receipt side of the daily Form 1412, but make a reduction only to AIC 814 in the analysis section of the accountbook.

521.2 IRT Offices

- 1> Use AICs 754–770, except for AIC 762, to report suspense items on the Form 1412. AIC 814 is a roll-up of all sub-AICs for the accountbook entry.
- 2> Use AICs 354–370 to clear suspense items of Form 1412.

Example: Enter a salary advance for \$100.00 as AIC 754 on the Form 1412 or the IRT. When you collect the salary advance, clear the suspense item by using AIC 354 on the Form 1412.

522 Controlling Suspense at the Accountbook Level

- >> Use AIC 814, the controlled account for suspense in the accountbook and statement of account (SOA) to report suspense balance.

AICs 754–770 increase AIC 814 at the accountbook level. AICs 354–370 decrease AIC 814 at the accountbook level.

523 Controlling Suspense Items Internally

523.1 For Non-SFAP Units

- 1> Maintain a master suspense on Form 25.
- 2> Record increases and decreases on the form to calculate the ending balance.
- 3> Compare and verify the balance to AIC 814 in the accountbook daily.

The accountbook unit uses Form 1556, *Suspense Items Support Information* (exhibit 523.1), to identify each suspense item in sufficient detail to provide an audit trail for reporting purposes. The total of all individual Forms 25 by type must equal the Form 1556 master record and AIC 814.

523.2 For SFAP Units

The district accounting office (DAO) maintains the individual records for each suspense entry for offices reporting under SFAP procedures.

- >> Use the trust and suspense system (TASS) worksheet to make entries or to clear suspense items at the local Form 1412 level. Sufficient information must be noted to identify the individual or the exact reason for the suspense entry.

524 Maintaining Form 1556

524.1 For Non-SFAP Units

- 1> Maintain a Form 1556 to list each individual suspense item outstanding on the last business day of a postal quarter (PQ).
- 2> In chronological order, fill in the original date entered to suspense, a brief description, action taken to clear, and amount.
- 3> Submit the original as support for the entry to AIC 814 on the statement of account at the end of the PQ to the DAO. Retain the duplicate as support for the office copy of the SOA.

524.2 For SFAP Units

The DAO maintains the Form 1556 for all SFAP units. Within the SFAS, all suspense items are identified by unit number, AIC, description, and amount in the TASS module.

The SFAS generates a Form 1556 with all information required in date order by AIC.

525 Clearing Suspense Items

- >> Use the guidelines below for clearing suspense items whenever possible.

Note: Suspense items cannot be cleared expeditiously in every case. However, you must not ignore any item.

Type of Items	Item	Time Limit or Other Instructions/Requirement
Advances	Salary	Must be collected no later than receipt of check containing the adjustment.
	Travel	Must be collected no later than receipt of the reimbursement check.
Shortages	Stamp credit	Collect upon resolution.
	Banking	Must be cleared when the unit collects from the responsible employee, clears the amount due for a nonsufficient funds (NSF) check, sends the NSF check to CSC for collection, or provides support that the item is uncollectible (claim for loss).
Audit differences	External	The ASC issues statement of differences for these discrepancies. They should not be carried in suspense beyond 30 days unless the DAO directs it.
	Internal	These discrepancies (not to be confused with revenue deficiencies) are those discovered at the post office, usually by an inspector. They are limited to 30 days unless otherwise directed by the DAO.
Revenue deficiencies	Revenue deficiencies	Management Instruction DM-140-89-2, Revenue Deficiency, governs the length of time you may carry deficiencies.
Form 1412 differences	Item reported on Form 1908	Clear by entry to a subsequent Form 1412 by the responsible employee.
Miscellaneous	Suspense items classified as such	Should be held for no longer than 30 days before requesting assistance from the district.

526 Applying Tolerances

526.1 Banking

Shortages

- >> District accounting offices may clear banking shortages of \$5 with an offset to AIC 406, Unidentified Difference Short, when responsibility for the shortage cannot be determined.

Trust, Suspense, and Audit Differences

531.1

Overages

- >> District accounting offices may clear banking overages of \$5 or less and offset to AIC 306, Unidentified Difference Over, when responsibility for the overage cannot be determined.

528.2 Miscellaneous

- >> District accounting offices may clear Form 1412 shortages of \$5 and less with an offset to AIC 406, Unidentified Difference Short, when responsibility for the shortage cannot be determined.

527 Monitoring Suspense**527.1 District Accounting Office**

The district accounting office is responsible for monitoring all Forms 1556 from all statement of account offices within the district.

- 1> Compare the total on Form 1556 with the total in AIC 814 on the statement of account.
- 2> Review the Forms 1556 and resolve outstanding items with the individual office.
- 3> Submit semi-annual district summary suspense report to the area finance office.

527.2 Area Finance Office

- 1> Consolidate the district summary suspense reports.
- 2> Submit summary of suspense data to post office accounting, Headquarters.

53 Statement of Difference

The statement of account is audited by the Minneapolis Accounting Service Center (MNASC). When information from the SOA is matched against information obtained from internal and/or external sources, differences may arise. The various internal and external sources include stamp stock shipments, banking, debit or credit cards, money order differences, and centralized trust activity. If not already discovered by the post office, resolution will be initiated by the MNASC.

531 Responsibilities**531.1 Minneapolis Accounting Service Center**

The MNASC is responsible for auditing the statements of account and issuing statements of differences for discrepancies.

715.5

Post Office Accounting Procedures

disks used for operation needs, such as weighing, rate information, and customer information, to ensure that there is no financial activity.

- 2> Rolls of blank PVI labels must be controlled by the supervisor. Keep unused labels in original plastic bags and shipping carton until needed, for protection and to prevent undue exposure.

715.5 Consolidating and Closing Out the Unit

- 1> The unit close-out person is responsible for verifying the receipt of PVI activity reports from individual clerks and the consolidated unit PVI activity report.
- 2> Each day, consolidate all clerk disks that have been "booted up" on an IRT with a PVI.
- 3> Review the unit Form 1412 "PVI Activity Report" and make the necessary adjustments to AIC 109 on the unit Form 1412 if you discover an out-of-balance condition.

72 Mail Without Postage Affixed

Mallers may be authorized to mail material without affixing postage. Procedures detailing acceptance requirements are in DMM Module P.

721 Handling Payment

721.1 Accepting Payments

Customers pay at the time they mail or through an advance deposit account. Checks accepted at bulk mail entry units (BMEUs) must have "BMEU" recorded on the front of the check. Postmasters will apply the usual criteria for accepting business checks for new permit holders and clients of permit holders.

- >> Examine checks before acceptance to be sure that the payee is either the U.S. Postal Service or the postmaster. See section 312.1.

721.2 Recording Payments

Non-IRT

Receipt	Disposition	
Form 3544	Original	Customer
	Duplicate	Support to Form 1412
	Triplicate	Unit maintaining accounts

IRT

Receipt	Disposition	
Form 3544	Original	Customer
	Duplicate	Unit maintaining accounts
	Unit list	Support to Form 1412

721.3 Collecting on Nonsufficient Funds Checks

The Postal Service may contact the check writer of returned checks or may immediately submit nonsufficient funds (NSF) checks to a collection agency after a second deposit attempt. NSF checks go to the check collection agency for collection without further collection efforts by the Postal Service. Collection efforts will be pursued only against the writer of the check, whether the permit holder or client of the permit holder.

721.4 Additional Collection Alternatives

If the writer of the NSF check is the permit holder, the Postal Service, after notification, may reduce the permit holder's accounts by the amount of the NSF check and applicable surcharge if the permit holder does not pay upon demand. If the amount in the permit holder's account does not cover the whole amount of the NSF check, the remainder of the amount owed is treated as a revenue deficiency. The procedures for handling revenue deficiencies are in Management Instruction DM-140-89-2, *Collecting Revenue Deficiencies*, June 16, 1989.

722 Handling Revenue

722.1 Recording Revenue

>> To control payments and mailings, use Forms 1412, 3083, and Individual account forms related to the specific revenue category.

Revenue Category	Form	Descriptions
Permit Imprint	Form 3609	Record of permit imprint
Periodicals	Form 3543	Record of periodical postage
Express Mail	Form 25	Express Mail corporate accounts
Postage dup/business reply:	Form 25	Additional postage required/business reply mail

Offices using approved automated systems such as the permit system and express mail reporting system (EMRS) will not transfer data to the Postal Service forms listed above.

722.2 Reporting Revenue

BMEU employees must prepare Form 3083, entering for each category the beginning balance, the total of all applicable Forms 3544 as deposits, the

RESPONSES OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-69 The response to DBP/USPS-9 subpart I referred to retail windows that are open 24 hours a day. Are there any other instances other than that?

Response:

Yes, there are some Post Offices in rural areas where mail is accepted after a cut-off time signifying the last dispatch of the day, so while the mail may be postmarked locally on that day it would not necessarily be processed that same day.

RESPONSES OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-70 The response to DBP/USPS-9 subpart j referred to instances where the mail might be delayed. [a] Are there any instances where the normal activity of the carrier would result delayed mail (sic)? In other words, are there any offices where the last dispatch is earlier than the normal latest return time of the carrier. [b] If your response to subpart a is yes, explain how this would meet the requirements and service standards. [c] Provide any specific instructions which indicate that the late returning carrier should bring the collected mail to the processing center.

Response:

- a. Generally, the scheduled time for last dispatch to the plant is later than scheduled time for the last carrier to return to the office. However, there are collection routes in which the carrier takes collection mail directly to the plant, so the carrier could arrive back at the delivery unit after the scheduled time for last dispatch of mail to the plant. Of course, this would not result in mail being delayed since it would have been already deposited at the plant.
- b. N/A.
- c. N/A.

RESPONSES OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-71 The response to DBP/USPS-9 indicates that Sunday and holiday mail collections are made and that there is no mail processing on Sunday and holidays. [a] What is the logic of making the collection without having the mail processed? [b] Wouldn't a Monday collection be better utilization of the manpower.

Response:

- (a) As mentioned in the response to DBP/USPS-9, the number and location of Sunday collections are limited. Generally, local sites determine when it is practical to perform Sunday collections and often utilize the same resources that are being used to perform other functions. See part (b) for more details. The logic in these instances where Sunday collections are performed is that there are minimal additional costs since the resources are already being used for other functions. Also, it is important to recognize that a Sunday collection could also be something as simple as an employee walking outside from a processing plant to remove mail from a collection box located at that building.
- (b) As mentioned in part (a), the resources (e.g., employees and transportation) that are used to collect and transport collection mail on Sundays are not limited to just those functions. Often, the same resources that are used to perform collections are also used to deliver Express Mail. Likewise, the same resources that are used to transport the collections to the plant are also used to transport other non-collection mail as well as empty equipment to and from the plant.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-93 In your response to subpart c of DBP/USPS-19, you indicated that the object was to generate as much net revenue as is practicable. Elaborate and explain the meaning of the words "as is practicable."

RESPONSE:

Practicable is defined in The American Heritage Dictionary as "capable of being effected, done, or executed; feasible". The Postal Service's use of the word is consistent with that definition.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN**

DBP/USPS-94

Refer to your response to subpart (f) of DBP/USPS-58. (a) Indicate the approximate percentage of letters that are sampled in this manner. (b) Confirm, or explain if you are unable to do so, that you would be able to confirm my original interrogatory if I had put the exception you related in your response into my interrogatory. (c) Approximately how many pieces of mail are checked during one of these random checks? (d) Explain any mail delays which are caused by the quality checks related in your response.

RESPONSE:

- a. The Postal Service does not have data aggregated in a manner that would permit an estimate of the percentage of letters sampled nationwide.
- b. Not confirmed. Letter carriers and box section clerks also examine letters for proper postage.
- c. The quality checks referred to in response to DBP/USPS-58(f) vary in the manner in which they are conducted locally. This makes it difficult to say how many pieces are checked during one of these checks.
- d. The checks are supposed to be conducted in a manner which does not delay the mail being sampled. The explanation of any particular delay would depend on the unique circumstances of any particular check which caused a delay. Beyond that, delivery of shortpaid pieces may be delayed pending collection of postage due.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN**

DBP/USPS-95

Refer to your response to subpart (g) of DBP/USPS-58. Approximately what percentage of the mail which meets the specifications shown will be handled by automation?

RESPONSE

For an indication of the percentage of automation-compatible letter mail which is processed on automation for the various mail processing operations, please review the mailflows depicted in the testimony of witness Hatfield, USPS-T-25.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN**

DBP/USPS-96

Refer to your response to subpart p of DBP/USPS-6.

- (a) Since the words "to the extent practicable" are included in the rule, why wasn't your response an unqualified yes?

RESPONSE

- (a) Because that was not deemed to be the only option in responding affirmatively to the question.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN**

DBP/USPS-96

Refer to your response to subpart (p) of DBP/USPS-6. (a) Since the words "to the extent practicable" are included in the rule, why wasn't your response an unqualified yes? (b) Elaborate on the meaning of the words "to the extent practicable."

RESPONSE

- a. Objection filed.
- b. The phrase have a plain, self-evident meaning.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN**

DBP/USPS-97

Refer to your response to subpart (u) of DBP/USPS-6. (a) Does this mean that if there was a weather forecast predicting disruptive adverse weather conditions then the Postal Service should make the collection early? (b) Explain your response to subpart (a). (c) Out of all the collection boxes and all of the collection times for each of the boxes throughout all the country, approximately what percentage of these would have to be collected early in anticipation of disruptive adverse weather conditions? (d) Approximately what percentage would have to be collected early for any other exigent circumstances? (e) Elaborate on what might result in the early collections referred to in subpart (d). (f) Are you stating that the collection times of all boxes throughout the country should be changed to 12:01 AM so that in the event that there was exigent circumstances to collect mail early, such as in anticipation of disruptive adverse winter weather conditions, there would not be a failure for that box by collecting it early? (g) If so, explain how this would meet the conditions of the level of service contemplated by the referenced sections of the POM. (h) If not, provide a meaningful response to subparts (t) and (u) which relates to the normal conditions and not to the rare occurrence of some emergency condition.

RESPONSE:

- a. No.
- b. It means that a post office could make the collection early.
- c. The question asks what percentage "would have to be" collected early under the conditions described in part (a). In light of the response to part (b), the response to this question is none, since there is no early collection requirement under conditions described in part (a).
- d. See the response to part (c).
- e. There is no policy of mandatory early collection in anticipation of exigent circumstances. Therefore, it is impossible to elaborate on "what might result in the non-existent mandatory early collections referred to in subpart (d).
- f. No.

**REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN**

Response to DBP/USPS-97 (continued)

- g. N/A
- h. Insert "also" after "may" in the first line of the response and it can be read to cover both "normal" and "rare" circumstances.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN**

DBP/USPS-98

Refer to your response to subparts n and o of DBP/USPS-7.

- (a) For a period of time following the change in delivery standards, did the Postal Service make a specific request to mailers for suggestions regarding changes in delivery standards?
- (b) If so, why was this practice stopped?

RESPONSE

- (a) Yes.
- (b) The solicitation was made in conjunction with the changes. It was not intended to be part of a recurring or periodic practice.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-102. Refer to your response to subpart r of DBP/USPS-68. Please respond to this interrogatory if I were to add the words "the need for the service is greatly" inserted before the word "reduced."

RESPONSE:

The response to DBP/USPS-68 would not change whether the need for special handling service is "reduced" or is "greatly reduced" by virtue of the implementation of new fees for special handling service. As stated in the response to DBP/USPS-68, refunds are not offered for special handling stamps; however, customers may exchange special handling stamps under DMM P014.1.1 if they are "damaged, defective, or otherwise unserviceable." To the extent that customers possessing special handling stamps determine that they do not intend to use special handling service anymore, such customers may request to exchange their special handling stamps for regular postage stamps.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY
OF DOUGLAS F. CARLSON, DFC/USPS-19

DFC/USPS-19. This interrogatory refers to the response to DFC/USPS-9 and the system revealed in that response that will "monitor whether respective facilities meet their box cut off times."

- a. When did the Postal Service begin planning this system?
- b. Please provide all documents and other information relating to the reasons why this system was developed.
- c. Please describe the meaning of "in the process of rolling out." Please provide a timetable for implementation to the extent that one is known.
- ...
- e. Will this system require all post offices to post a cutoff time for box mail?
- f. If the answer to part (e) is not an unqualified yes, will a post office be able to opt out of or otherwise avoid this new system by removing its signs that indicate cutoff times for box mail? Please explain.
- g. Please explain the difference, if any, between the "scheduled" time for box mail to be finalized and available to customers and the "posted" time.
- h. Will a unit be considered to be on time only if the box mail is *distributed to the boxes* not later than the scheduled and posted cutoff time?
- ...

RESPONSE:

- a-c. The monitoring of box cut off times is part of a larger system that collects information regarding mail delivery in those facilities equipped with the necessary software and hardware. Such facilities tend to be the largest delivery units and now number over 8,000. This system is still being rolled out to additional facilities, with the roll-out constrained by budgetary and business necessities. A theoretical final roll-out would extend to all delivery units, although there is little expectation that a business case can be developed justifying the inclusion of the smallest facilities. Some postal officials believe the system will ultimately be implemented in all delivery offices that are EAS-15 and larger, although no specific timetable has been defined.

The information collected lies at the heart of postal operations, and so is

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY
OF DOUGLAS F. CARLSON, DFC/USPS-19

treated as commercially sensitive; it is rolled up daily and made available to executives and others as necessary, primarily via queries from desktop computers.

While the system continues to evolve, its creation was requested after the reorganization in 1992. A senior postal official who moved from a regional position before the reorganization to a national one afterwards directed that a system be created which provided data elements he specifically required. An early version of the system was implemented that fiscal year.

- e. No. See the responses to DFC/USPS-7 and 8(a).
- f-g. No. Each delivery unit has a scheduled cut off time for First-Class Mail going to boxes regardless of whether it is posted on a sign in the lobby.
- h. Yes, except that the cut off time does not actually apply to all mail intended for delivery to boxes. See the response to DFC/USPS-8(a).

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-29. For each of the categories and subcategories listed in the response to DFC/USPS-16, please provide the number of problems that were reported via Consumer Service Cards in 1995, 1996, and 1997.

RESPONSE: Please see Attachment 1 to this response.

ATTACHMENT 1

<u>Category</u>	<u>Reported Problems</u>		
	1995	1996	1997
Change of Address			
Address Correction Service	144	127	82
Change of Address Problems	<u>53064</u>	<u>54361</u>	<u>49084</u>
	53208	54488	49166
Collection			
Collection Boxes	3827	3404	3550
No Pick Up from Mail Box	<u>4000</u>	<u>3973</u>	<u>2458</u>
	7827	7377	6008
Damaged			
Letter	8042	8285	7310
Package	4764	4715	4562
Newspapers	1780	1577	1602
Advertisement	106	164	232
Electronic Mail	3	5	4
Flat/Large Envelope	<u>15</u>	<u>82</u>	<u>246</u>
	14710	14828	13956
Delay			
First Class	41006	28780	31446
Newspaper/Magazine	38083	35208	51719
Priority	4592	5329	7387
Special Delivery	184	99	123
Certified	1568	1345	1690
Registered	346	265	319
Insured	487	311	420
Express Mail	3670	4040	4248
Other	<u>3558</u>	<u>3463</u>	<u>7290</u>
	93494	78840	104642

ATTACHMENT 1

Delivery Problems

Attempted Delivery	3599	3589	2747
General Delivery	105	119	92
Improper delivery	8766	8715	7934
Improperly Returned Mail	19194	17545	14510
Daily Delivery Time Variation	18713	14914	11991
Misdelivery	67440	52961	43206
Mode of Delivery	2813	1818	1945
Central Delivery Point	507	514	697
No Carrier Delivery Available	59	43	15
Non-Delivery	4252	5511	7273
Notice of Attempted Delivery	1487	1209	706
Rural Route	297	139	120
Special Delivery	3	4	4
Problems with Hold Orders	3882	3666	2503
Non-Receipt Vol Mailer Complaint	164	337	264
Delayed Vol Mailer Complaint	<u>144</u>	<u>329</u>	<u>731</u>
	131425	111413	94738

Distribution Problems

Distribution	409	668	918
Notice to Call	<u>737</u>	<u>622</u>	<u>385</u>
	1146	1290	1303

Inspection Service

Complaint about Inspection Service	31	37	41
Referred to Inspection Service	<u>6099</u>	<u>6709</u>	<u>6501</u>
	6130	6746	6542

Installations

	6129	4954	3850
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International Mail

	1178	1393	1815
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Post Office Box and Caller Service

	5754	5204	4220
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ATTACHMENT 1

Non-Receipt

Letter	40631	40600	35489
Package	8394	8894	9884
Newspaper	4176	6198	5431
Advertisement	1154	1570	1317
Electronic Mail	9	26	39
Flat/Large Envelope	<u>36</u>	<u>317</u>	<u>442</u>
	54400	57605	52602

Other Services

Return Receipts	4635	4689	4683
COD Mail	432	477	566
Registered Mail	84	85	130
Restricted Delivery	48		2270
Money Orders	1631	1401	145
Business Reply Mail	<u>85</u>	<u>182</u>	
	6915	6834	7794

Personnel

Carrier	17197	10419	7679
Clerk	6945	5168	4775
Other Personnel	2927	2775	2449
Telephone Response	1193	984	732
Supervisors/Postmasters	<u>1118</u>	<u>1181</u>	<u>1097</u>
	29380	20527	16732

Policy

Poor Use of Supplies/Equipment	940	788	1006
Unable to Provide Service	8360	6958	6866
Logo	<u>4</u>	<u>4</u>	<u>0</u>
	9304	7750	7872

Postage Due

	894	717	695
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Postage Rates

	1736	601	914
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Retail Products

	129	154	152
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ATTACHMENT 1

Self-Service Postal Equipment

Broken Machines	549	343	287
Lost Money in Machines	55387	57452	46306
Machine Empty	256	130	66
Postal Buddy	12	8	6
General Vending Complaints	<u>568</u>	<u>385</u>	<u>136</u>
	56772	58318	46801

Stamps and Philately

Philatelic Products	789	527	488
Stamps and Stamped Paper Products	7162	2367	918
Stamp Inventory	<u>2348</u>	<u>1221</u>	<u>439</u>
	10299	4115	1845

Window Services

Elimination of Service	916	1736	1641
Hours of Service	1828	1723	1427
Window Delays/Long Lines	6925	6005	6142
Window Transactions Quality	<u>6596</u>	<u>3859</u>	<u>4125</u>
	16265	13323	13335

Miscellaneous

Misuse of Consumer Service Card	4487	3725	3241
Customer Error	3092	3862	2475
General Service Complaints	19063	12352	10643
Objectionable Mail Matter	2479	3913	2222
Payment of Claims	1629	2544	4724
ZIP Codes	577	492	494
Postal Customer Survey	232	27	37
Complaint Handling Process	33	417	129
USPS 800 Numbers			373
Phone Cards			<u>35</u>
	31592	27332	24373

Stamp Purchase Not at P.O.

695	751	599
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RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-30. Please discuss the extent to which the data provided in the responses to DFC/USPS-16 and DFC/USPS-29 accurately reflect the number of Consumer Service Cards that customers actually submitted and the number of telephone, written, or in-person complaints that actually were transferred to Consumer Service Cards in accordance with the procedures described in Attachment A to the response to DFC/USPS-15. Please state the basis for your answer.

RESPONSE: Providing a comprehensive response to this question would require substantial research at virtually every Postal Service facility. The Postal Service has not conducted this investigation.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-31. Please discuss the extent to which postal employees follow the procedures described in Attachment A to the response to DFC/USPS-15 (pages 2-3) in transferring customer complaints to Consumer Service Cards. Please state the basis for your answer.

RESPONSE: Providing a comprehensive response to this question would require substantial research at virtually every Postal Service facility. The Postal Service has not conducted this investigation. However, the Postal Service's Consumer Advocate's office reports that it has no reason to believe that postal employees customarily fail to follow proper procedures for filling out Consumer Service Cards.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-32. Please discuss all procedures that the Postal Service uses to audit postal employees' compliance with the procedures described in Attachment A to the response to DFC/USPS-15. Please provide the results of any audits or procedures.

RESPONSE: Determining the efforts that are made locally to audit compliance with the procedures described in Management Instruction PO-250-93-2, regarding customer complaint resolution, would require an extensive investigation, which the Postal Service has not conducted. The Postal Inspection Service and Headquarters Consumer Advocate's office report that these procedures have not been the subject of audit attention on the national level.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-33. In his response to DBP/USPS-33(d), witness Plunkett suggested that local managers can obtain customer feedback on the problems with return-receipt service by monitoring Consumer Service Card data. In DFC/USPS-17, I specifically referred to the response to DBP/USPS-33(d) and requested all information that is available in summary form about the specific types of problems that customers have experienced with return receipts. The response to my interrogatory stated that "[d]ata on the types of problems reported regarding return receipts is not compiled." Please explain how the summary data provided in the response to DFC/USPS-17 would, as witness Plunkett suggests, assist local managers in identifying the types of problems customers experience with return-receipt service. If additional information is, in fact, available, please provide it.

RESPONSE: In his response to DBP/USPS-33(d), witness Plunkett stated that "local managers have access to customer feedback via consumer service cards and other means. They are expected to use these data to improve their performance" In your discovery request DFC/USPS-18, you asked for "all information that is available in summary form about the specific types of problems that customers have experienced with return receipts." In response to that interrogatory, the Postal Service provided you with the only information it had in summary form regarding return receipts comments from Consumer Service Cards. This information only showed the numbers of comments that were reported, and did not, as the response indicated, specify the types of problems that customers may have reported. The information provided to you in response to DFC/USPS-18 is the only summary information that the Postal Service compiles regarding return receipt from Consumer Service Cards. It does not encompass any individual communications that may be made to managers locally, either through Consumer Service Cards or by other means.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION

DMA/USPS-11.

- a. Please confirm that a recent study of Postal Service wages for non-exempt postal employees found that Postal Service non-exempt wages were 30 to 60 percent higher than private sector employees performing similar work. If not confirmed, please explain fully.
- b. Please summarize the methodology and results of the wage comparability study and provide a copy of the study.
- c. Is the Postal Service taking any actions to better align wages for non-exempt employees with private sector wages for employees performing similar work? If so, please describe the actions. If not, why not?

RESPONSE:

a&b. Not confirmed. A study of total compensation for EAS employees was completed in February 1995 by the Hay Group compensation consultants entitled, "Comparison of United States Postal Service Nonbargaining-Unit Salaries and Benefits to Private Sector Market Data." The study showed that postal salaries in EAS grades 6 through 14, which is comprised of primarily non-exempt employees, range from 14 percent to 82 percent above average private sector levels. For EAS employees in grades 15 through 26, the range was minus 24 percent to plus 23 percent. This resulted in an overall difference for all EAS employees of 14.5 percent.

The methodology involved the collection of postal job content and salary data through written job descriptions, field visits to postal facilities, and interviews with postal job evaluation and content experts. These data were then

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION

compared with similar data collected from private sector companies to arrive at a comparison of average salaries for similar levels of job evaluations.

c. The Postal Service has taken steps to align total compensation for EAS non-exempt employees with that found in the private sector through the consultative process with the management associations required under the Postal Reorganization Act. In 1996, the Postal Service implemented changes to the EAS compensation system, including eliminating cost-of-living and general increases; revising the merit pay program for increasing basic annual salaries within the salary ranges; and implementing a group incentive program for exempt employees. The effect of these provisions on the revenue requirement is already reflected in the Postal Service's test year estimates.

Any future changes would not affect the test year. Under the Act, the formal pay consultation process with the management associations begins no later than 45 days following the settlement with the largest postal union. That is currently the American Postal Workers Union, whose contract runs through November 20, 1998.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF NAA**

NAA/USPS/-21

Please refer to the article published on page 1 of the January 10, 1998, issue of The Washington Post, a copy of which is attached, regarding alleged "cheating" on the Price Waterhouse First-Class mail service performance measurement system by Postal Service personnel in West Virginia.

- a. Is the article generally accurate? If the Postal Service's understanding of the facts differs in any material way from the account in the article, please provide the Postal Service's description of relevant events.
- b. Please confirm that, as a result of the activities described in that article, the reported First-Class Mail results in West Virginia showed a better performance than would otherwise have been the case. If you cannot confirm, please explain why not.
- c. Does the Postal Service have actual knowledge (as distinct from confidence or belief) that no such "cheating" is occurring in other areas of the nation?

RESPONSE:

- a. The Postal Service is taking action in response to allegations that certain employees engaged in improper activity which was intended to influence service performance scores reported by the External First-Class Mail (EXFC) measurement system.
- b. It is not known with certainty what the EXFC service performance scores for the affected areas would have been in the absence of such improper activity; therefore, the degree to which such activity influenced the reported scores also is not known with certainty.
- c. Because the Postal Service is committed to ensuring the integrity of EXFC, a review of the system currently is underway.

A 'Special' Delivery in W. Virginia

Postal Employees Cheat To Beat Rating System

By BUREAU OF POSTAL SERVICE
Washington Post Staff Writer

Since 1990, it has been one of the U.S. Postal Service's most revered statistical measures—the key index for how well the agency delivers the mail. Every week, the accounting firm of Price Waterhouse sends mail to selected households across the country to determine how quickly individual post offices deliver the mail.

But last month, postal officials discovered that West Virginia postal employees had figured out a way to make themselves look good: With inside information on where the test letters were being sent, they organized an elaborate system to speed the test letters to their destinations.

In this instance, no expense was spared to make sure the mail got through—the postal employees hired "Kelly girls" from a temporary help firm to pick out the test letters from the bags of incoming mail.

Their aim: to show postal service higher-ups in Washington that West Virginia had one of the best mail systems in the nation. That would entitle the West Virginians to good job ratings and big bonuses. As improbable as the scheme was, postal officials say it worked for months—until recently.

This week, postal officials in Wash-

POSTAL SERVICE, From A1

District Manager Diarmuid Dunne and Charleston Postmaster Rick Eslinger—have been suspended in what postal spokesmen describe as the first suspected case of widespread cheating on the U.S. Postal Service's external first-class measurement system.

Under Postmaster General Marvin T. Runyon, those Price Waterhouse scores have become the single most important measurement for the effectiveness of postal operations. They are the yardstick by which virtually all postal managers are measured.

The scores have won high praise from Vice President Gore, who repeatedly has praised the Postal Service for creating a performance index of the type that the Clinton administration wants all government agencies to adopt. Only when such indexes are widely used will the public be confident that government is performing more efficiently, the administration has said.

But the West Virginia scandal has stunned and embarrassed senior postal executives, who fear it could undermine public confidence in all mail delivery scores. Postal officials, who would be interviewed only with the understanding that they not be named, said they were shocked by the extent of the West Virginia operation and how long it went undetected.

The West Virginia cheating began after an individual, believed to be hired by Price Waterhouse and told to drop off test letters at a number of different locations, instead went to a

West Virginia post office last year and mailed them all.

Although such mailings are supposed to be composed of letters of various sizes and weights, the window clerk somehow recognized the letters as a test mail and alerted a supervisor. To the postal managers, a Price Waterhouse bundle would be

The scandal has stunned and embarrassed senior postal executives, who fear it could undermine public confidence in all mail delivery scores.

a gold mine, because each letter would have the address of the nearly 100 "reporters" in the state.

These are individuals that Price Waterhouse had hired to report on when the test letters were delivered. After all the letters arrive, Price Waterhouse computes the effectiveness of local postal operations based on the percentage of letters that arrive overnight.

Using the Postal Service's internal e-mail system, the West Virginians were able to alert post offices around the state about the addresses of all but 15 of the 100 Price Waterhouse reporters. Special mail delivery

plans were concocted to insure that the reporters' mail arrived promptly. It did.

But the irony of the scheme was that West Virginia already had some of the best overnight mail delivery rates in the nation. In early 1997, 91 percent of the test letters dropped in Charleston were being delivered overnight before the scheme began sometime last year—and the schaming by the West Virginians probably added only 2 percentage points to their overnight delivery scores.

That brought the Charleston post office up to a score of 93 percent in the latest test period, 1 percentage point above the improving national average.

When the scheme was discovered, postal officials say, those involved attempted to cover up their planning, destroying the incriminating e-mail messages. The most senior official suspended—District Manager Dunne—was not part of the actual scheme, but he was placed on administrative leave with pay—along with the others—because officials say he did not act swiftly to discipline the offenders.

Postal spokeswoman Kathleen MacDonough said yesterday that the matter is being treated "with the greatest attention and seriousness" by postal executives. She did not know when the investigation would be concluded. A Price Waterhouse spokeswoman declined to comment.

Thus far, officials say their investigation is an administrative proceeding. But it could be serious for some managers because the cheating has raised the possibility of "compensation fraud," one manager said.

REVISED
12/23/97

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-71. Please refer to the response to MMA/USPS-T32-37b. This response lists the steps necessary to compute the test year mail processing unit cost for bulk metered First-Class single-piece letters when mail processing costs are assumed to be 100 percent variable. Please provide an analogous list of necessary steps for each rate element for each of the rate design witnesses in this docket.

OCA/USPS-72. Please refer to the response to MMA/USPS-T32-37b. The first step to develop the requested unit cost is to "Calculate the Base Year Attributable costs (USPS-T5-A and supporting workpapers) by rerunning the base year model using the 100% volume variability for mail processing labor costs."

- a. Please identify by page, row, and column number the portions of each supporting workpaper that would need to be modified.
- b. Please identify by page number and line number all needed changes to the "base year model" needed to calculate the base year attributable costs.
- c. Please identify by page, row, and column number the portions of USPS-T-5A that would need to be changed.

OCA/USPS-73. Please refer to the response to MMA/USPS-T32-37b. The second step to develop the requested unit costs is to "calculate the Test Year Attributable Costs (USPS-T-15E and supporting workpapers) by using the Base Year from step 1 (and possibly other modifications) and rerunning the rollforward model."

- a. Please identify by page, row, and column number the portions of each supporting workpaper that would need to be modified.
- b. Please identify by page number and line number all needed changes to the "rollforward model" needed to calculate the test year attributable costs.
- c. Please identify by page, row, and column number the portions of USPS-T-15E that would need to be changed.

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- d. Please list the other possible modifications needed to produce the test year costs.

OCA/USPS-74. Please refer to the response to MMA/USPS-T32-37b. The third step to develop the requested unit cost is to "calculate piggyback factors as done in LR-H-77, using the Test Year from step 2."

- a. Please identify all modifications to LR-H-77 required to produce the piggyback factors.
- b. Please describe all changes needed to the LR-H-146 PIGGYF96 program to produce the piggyback factors needed under a 100 percent variability assumption.

OCA/USPS-75. Please refer to the response to MMA/USPS-T32-37b. The fourth step to develop the requested unit cost is to "Calculate the costs by shape (or benchmark costs) as requested by modifying LR-H-106 and LR-H-146, using inputs from all previous steps."

- a. Please identify the LR-H-146 SAS programs and specific lines of code that must be modified.
- b. Please identify by page number and line number all needed changes to LR-H-106.

OCA/USPS-76. Please refer to the response to MMA/USPS-T32-37b. This response lists the "primary steps" necessary to compute the test year mail processing unit costs or bulk metered First-Class single-piece letters when mail processing costs are assumed to be 100% variable. Please list all other steps in addition to the "primary steps."

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OCA/USPS-71 through 76 RESPONSE:

In accordance with Order No. 1203, the United States Postal Service has calculated unit mail processing costs for worksharing categories of the First-Class, Periodicals, Standard A and Standard B mail classes using, as best as it was able, the prior methodology concerning the volume variability of mail processing labor costs and the distribution methodology from the instant docket. This information is presented in the following library references, filed today:

- | | |
|-------|--|
| H-315 | Order No. 1203/MODS-Based Costing, Description of Workpapers and SAS Programs (Revised Pages) (Hard Copy) |
| H-316 | Order No. 1203/Base Year 1996 A and Selected B Workpapers (Revised Pages) (Hard Copy and B Workpaper Diskette) |
| H-317 | Order No. 1203/Rollforward Workpapers (Interim FY 1997 and Test Year 1998 Before Rates) (Hard Copy) |
| H-318 | Order No. 1203/Development of Piggyback and Related Factors (Hard Copy and Diskette) |
| H-319 | Order No. 1203/Base Year/Rollforward (Revised Files) (Diskette and CD-ROM) |
| H-320 | Order No. 1203/Mail Processing Unit Costs by Shape (Diskette) |
| H-321 | Order No. 1203/Dropship Savings for Periodicals and Standard (A) (Revised Pages) (Diskette) |

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- H-322 Order No. 1203/Standard Mail (A) Mail Processing
ECR Costs (Revised Pages) (Diskette)
- H-323 Order No. 1203/Standard Mail (B) Parcel Post Mail
Processing and Window Service Costs (Revised
Pages) (Diskette)
- H-324 Order No. 1203/Witness Hatfield's Unit Mail
Processing Costs for First-Class Letters and Cards
(Diskette)
- H-325 Order No. 1203/Witness Seckar's Unit Mail
Processing costs for First-Class, Periodicals and
Standard A Flats (Diskette)
- H-326 Order No. 1203/Witness Daniel's Unit Mail
Processing Costs for Standard A Letters, Certain
Standard A ECR Results, and Certain Standard B
Parcels (Diskette)
- H-327 Order No. 1203/Witness Crum's Unit Mail
Processing Costs for Certain Standard B Parcels
(Diskette)
- H-328 Order No. 1203/Witness Miller's Unit Mail
Processing Costs for PRM and QBRM (Diskette)

It was felt that organizing the materials into the above library references would provide the clearest guide and easiest access to the materials, as well as the most expeditious way for the Postal Service to respond, given the large effort that was required to comply with Order No. 1203. Where it made sense to do so, the above library references were prepared to contain only the pages from the precursor

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testimony, workpaper or library reference that have changed due to the methodological changes required by Order No. 1203. In many instances, the same section, part or page numbers that were used in the precursor materials are used here, making it clear exactly what has changed. For example, Library Reference H-315 contains only some of the parts from its precursor Library Reference H-146 and those parts are numbered the same in both library references. Thus, Library Reference H-315 contains a Part II, but no Part I. Where applicable, the library references contain a cross walk between the above list and their precursor materials as well as a note explaining citation changes. Entirely new footnotes were not prepared; rather, explanations are offered concerning what references in previous footnotes would change. Had the Postal Service not organized and prepared the materials as it did, it likely would not have met the December 23, 1997 deadline.¹

Using the old methodology for purposes of the mail processing labor cost variabilities and the distribution methodology from the instant docket was not an "automatic" exercise and raised a number of concerns. Thus, in reviewing the

¹ The Base Year and Rollforward materials have been supplied in hard copy (LR-H-316 and 317) and the "D" files have been supplied on diskette (LR-H-319); a CD-ROM containing the "D" files as well as interim steps is being prepared and will be furnished shortly to be added to LR-H-319.

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materials filed in response to Order No. 1203, special note should be made of the following.

Background

Variability analysis develops the volume variable cost for pools of accrued cost. Quite naturally, variability analysis is embodied in its two parts -- the formation of cost pools and the calculation of the variabilities for those cost pools. Correct variability analysis thus requires careful linking of cost pools and the method for calculating their variabilities. The exercise specified in Order No. 1203 unfortunately violates this essential characteristic of variability analysis. The Order specifies use of old, untested assumptions about mail processing variabilities in combination with the new activity-specific cost pools. The analysis required by the Order thus erroneously assumes that the old approach would make use of the cost pools as formed by witnesses Degen and Bradley in this case.

Of course, the old assumptions did not lead to cost pool formation as is done in the new method, and the analysis specified in the Order is, at best, a "hybrid." This means that one cannot directly insert the old variability assumptions in the new cost pool structure and immediately generate meaningful results. First and foremost, it is not obvious what variability should be applied to each MODS cost pool. The MODS cost pools, for example, contain some functions (previously known as

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"variable mail processing") that were assumed to be 100 percent volume variable and other functions (previously known as "fixed mail processing") that were assumed to be 0% volume variable. Thus, a method must be constructed to force fit the old assumptions into the new cost pools. That method is described below. Because the old method did not contemplate the creation of activity-specific cost pools, the marriage of the two different methods makes it impossible to perform an exact variability analysis and the response herein should be considered only an approximation.

Order No. 1203 directed the Postal Service to apply the "established variability analysis" to its R97-1 cost proposals. The Order recognized that applying 100% variability factors to the mail processing cost pools would not be fully consistent with the past methodology.

There are two issues which need to be dealt with to determine variability factors which are consistent with both the past variability analysis and the new MODS-based cost pool definitions. First, the costs associated with certain mail processing activities were classified as institutional in the old methodology. Second, the MODS-based cost pools include costs which "migrated" from the old methodology window service and administrative components. The migrated costs would not have

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received 100% variabilities in the old methodology. These issues were identified by witness Degen during the October 21, 1997 hearings (see Tr. 12/6695).

Technique for Approximating the Old Methodology Variability Analysis

The general approach starts with a definition of four cost categories, each with a distinct variability analysis in the FY 1996 methodology. (See Table A in Response to Order No. 1203 in LR-H-315.) These are variable mail processing (including "variable overhead"), fixed mail processing, costs migrated from the window service component, and costs migrated from the administrative component. Variable mail processing costs are 100% volume variable, except for costs in the MODS Registry cost pool.² Fixed mail processing are 0% volume variable. Costs migrated from window service are volume variable to the same degree as FY 1996 window service costs (C/S 3.2). Costs migrated from the administrative component are volume variable to the same degree as FY 1996 administrative costs (C/S 3.3). The FY 1996 C/S 3.2 and C/S 3.3 variable cost percentages are 58.1% and 62.1%, respectively.

The distribution key used for the breakdown of each cost pool's cost to the old methodology cost categories is based on the IOCS tallies associated with the cost

² A 26.12% variability factor was applied to the MODS Registry cost pool in an attempt to approximate the old methodology's variability analysis for Registry activity codes.

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pool. This data was provided in response to Presiding Officer's Information Request #3, Question 28. Data provided in response to interrogatories TW/USPS-T12-18 and TW/USPS-T12-19 were used to compute the percentage of tally costs for selected activity codes associated with the fixed mail processing component in the old methodology. Applying the component distributions for each cost pool produces *estimated MODS-based cost pool costs associated with the old method's cost categories*. Variability factors are then applied as described above to the distributed cost pool costs to produce variable costs. The variability factor for the cost pool is the ratio of variable costs to cost pool costs. This method results in an overall variability for all mail processing cost pools of 93.46%. This compares to an overall variability of 76.4% for the MODS-based mail processing costs presented by witness Degen (USPS-T-12, Table 4). The FY 1996 CRA variability for Cost Segment 3.1, using the IOCS-based definition of the cost segment, is 95.57% (the difference between this figure and 93.46% results from "migration" of costs). Clearly, neither the old nor the new variability analysis assumed 100% variability; only the new method is based on a formal statistical analysis of volume variability for activities which comprise the cost segment.

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Issues in Implementing the Old Variability Analysis

Fundamental differences between the old and new Cost Segment 3 methodologies make it impossible to implement the exact variability analysis of one method in the other. For example, IOCS tally costs (the basis for the old method's cost pool formation) and the corresponding MODS-based cost pool costs are not *constrained to be equal*. This is due in part to sampling error in IOCS (Tr. 17/8135) and in part to differences in cost allocation assumptions between the methods (Tr. 17/8137). Also, the old method incorporated special assumptions for the variability of certain Registry and Special Delivery costs that cannot be implemented using cost pool-level variability factors. In fact, the old methodology Cost Segment 3 worksheet adjustments edit the LIOCATT costs for Registry and Special Delivery for this purpose. Without such adjustments, the variable costs for Registry and Special Delivery resulting from the use of the modified cost pool variabilities will be overstated relative to the "actual" old methodology assumptions.

Issues in Implementing Worksharing Flow Models

The "established variability analysis" for the purposes of the worksharing mail flow models is to use 100 percent volume variability or simply use the average productivity for the calculation of labor costs. In filings prior to R97-1, this was done for all operations, even for platform and acceptance, despite the designation of

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platform and acceptance mail processing costs as partially institutional. For this reason, we indicated in our responses to MMA/USPS-T32-27b and OCA/USPS-71 that the mail flow models would have productivities based on 100% variability. As a result, in responding to Order No. 1203, we have used 100 percent variabilities or average productivities in developing the labor costs in the worksharing mail flow models in LR H-321 and LR H-324 to LR H-328. As discussed below, however, this is not totally consistent with the variabilities which are applied to the mail processing cost pools in LR H-315 to determine the attributable mail processing labor costs.

As discussed above, the "established variability analysis" involves less than 100% variability in all or nearly all cost pools. This is because some portion of the costs of most all MODS mail processing cost pools were previously categorized as administrative costs, which has a 62.1 percent variability as indicated above. The cost pool variabilities shown in LR H-315 are usually in the 95 percent to 100 percent range. For instance the MODS BCS cost pool has a variability of 98.1 percent. Consistency between the mail flow model costs and the CRA attributable mail processing costs requires that the same variabilities be used in both calculations. The model productivities which are consistent with the cost pool variabilities shown in LR H-315 would be the ratio of the average productivity to the variability, as done by worksharing modelers in our direct case testimony (see USPS-T-25, at page 8). The

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use of MODS average productivities to develop labor costs for worksharing costing is only consistent with 100 percent cost pool variabilities.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

UPS/USPS-T28-42. Refer to Exhibit D of Library Reference H-327, which contains the derivation of Parcel Post worksharing discounts under Order No. 1203.

- (a) Confirm that the "Origin SCF Load" costs for nonpresorted machinable Parcel Post are \$.067 per piece. If not confirmed, explain.
- (b) Confirm that the "Origin SCF Load" costs of \$.067 per piece do not include bedloading activities at the SCF. If not confirmed, explain.
- (c) Confirm that, in Exhibit D in USPS-T-28, "Origin SCF Load" costs were \$0.050 per piece. If not confirmed, explain.
- (d) Confirm that, in Exhibit D in USPS-T-28, "Origin SCF Load" costs included bedloading costs at the SCF. If not confirmed, explain.
- (e) Confirm that bedloading costs at the SCF should be included in "Original (sic) SCF Load" costs in Exhibit D of Library Reference H-327. If not confirmed, explain.
- (f) Confirm that including bedloading costs at the SCF would increase the "Original (sic) SCF Load" costs for nonpresorted machinable Parcel Post from \$.067 per piece to \$.087 per piece in Exhibit D of Library Reference H-327. If not confirmed, explain.

RESPONSE

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.
- e. Confirmed.
- f. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

UPS/USPS-T28-43. Refer to pages 1 and 2 of Exhibit G in Library Reference H-327.

(a) (i) Confirm that the platform non-BMC piggyback factor on pages 1 and 2 of Exhibit G is 1.844. If not confirmed, explain.

(ii) Confirm that the platform non-BMC piggyback factor found in Library Reference H-318 is 1.719. If not confirmed, explain.

(iii) Please explain any differences between the two piggyback factor figures referred to in (a) (i) and (a) (ii) above.

(b) (i) Confirm that in the nonmachinable section, the piggyback factor used to calculate the cost of manual sorting at the Destination SCF is 1.54. If not confirmed, explain.

(ii) Confirm that the manual sorting at the Destination SCF factor found in Library Reference H-318 is 1.490. If not confirmed, explain.

(iii) Please explain any differences between the two piggyback factor figures referred to in (b) (i) and (b) (ii) above.

(c) (i) Confirm that, on page 2 of Exhibit G, the productivity used to calculate the costs of the activity "Unload Bedload Sacks" at the DSCF for machinable Parcel Post is 275.1. If not confirmed, explain.

(ii) Refer to page 3 of Appendix V in Library Reference H-326. Confirm that the productivity used to calculate the costs of the activity "Unload Bedload Sacks" at the DSCF for machinable Parcel Post is 145.8. If not confirmed, explain.

(iii) Please explain any difference between the two "Unload Bedload Sacks" productivities referred to in (c) (i) and (c) (ii) above.

RESPONSE

- a.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. LR-H-327 inadvertently did not include updated piggyback factors.
- b.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. LR-H-327 inadvertently did not include updated piggyback factors.
- c.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. The particular productivity you refer to was inadvertently not updated.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

UPS/USPS-T28-44. Refer to Exhibit J of Library Reference H-327.

(a) (i) Confirm that the piggyback factors in column 4 are from LR-H-77. If not confirmed, explain.

(ii) Confirm that these piggyback factors should be updated to reflect those found in Library Reference H-318. If not confirmed, explain.

(b) Refer to Library Reference H-327, Exhibit J, column 2 on page 1.

(i) Confirm that the productivity used to calculate the costs of the load gaylord activity at the OBMC is 11.6. If not confirmed, explain.

(ii) Confirm that the productivity used to calculate the costs of the unload gaylord activity at the DBMC is 12.7. If not confirmed, explain.

(iii) Please confirm that the productivity for the load gaylord activity should be 12.7 and the productivity for the unload gaylord activity should be 11.6. If not confirmed, explain.

(c) Refer to Library Reference H-327, Exhibit J, column 2 on page 2.

(i) Confirm that the productivity for crossdocking pallets at the OBMC is 6.3. If not confirmed, explain.

(ii) Confirm that the productivity for crossdocking pallets in Library Reference H-326, page 15 of Appendix V is 6.7. If not confirmed, explain.

(iii) Please explain any differences between the productivities for crossdocking pallets referred to in (c) (i) and (c) (ii) above.

RESPONSE

a. i. Confirmed.

ii. Confirmed.

b. i. Confirmed.

ii. Confirmed.

iii. Confirmed.

c. i. Confirmed.

ii. Confirmed.

iii. 6.7 is the proper productivity for "Crossdock Pallets".

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

UPS/USPS-T28-45. Refer to Library References H-315, H-323 and H-327.

(a) Confirm that Library Reference H-323 is the source of the 1996 outgoing mail processing costs avoided by DBMC Parcel Post used in Exhibit C in H-327. If not confirmed, explain.

(b) Confirm that in Library Reference H-323, Table 1, column 10 reports the variable mail processing costs for Parcel Post by cost pool. If not confirmed, explain.

(c) Please explain the source of the numbers found in Library Reference H-323, Table 1, column 10.

(d) Confirm that the numbers found in LR-H-323 include a premium pay adjustment. If not confirmed, explain.

(e) Confirm that the numbers found in LR-H-323 include Alexandrovich Workpaper B worksheet adjustments. If not confirmed, please explain.

(f) (i) Refer to Library Reference H-323, Table H, column 10, line 18. Confirm that the costs for this pool, MODS LD43, are \$22,000. If not confirmed, explain.

(ii) Confirm that in Library Reference H-315, the unadjusted costs for this same pool, MODS LD43, are \$11,706,000. If not confirmed, explain.

(iii) Please explain the difference between the numbers referred to in (f) (i) and (f) (ii) above.

(g) (i) Refer to Library Reference H-323, Table H, column 10, line 22. Confirm that the costs for this pool, MODS LD48_SSv, are \$1,626,000. If not confirmed, explain.

(ii) Confirm that in H-315, the unadjusted costs for this same pool, MODS LD48_SSv, are \$164,610. If not confirmed, explain.

(iii) Please explain the difference between the numbers referred to in (g) (i) and (g) (ii) above.

(h) (i) Refer to Library Reference H-323, Table H, column 10, line 39. Confirm that the costs for this pool, MODS 1SUPPORT, are \$11,865,000. If not confirmed, explain.

(ii) Confirm that in H-315, the unadjusted costs for this same pool, MODS 1SUPPORT, are \$668,300. If not confirmed, explain.

(iii) Please explain the difference between the numbers referred to in (h) (i) and (h) (ii) above.

(i) (i) Refer to Library Reference H-323, Table H, column 10, line 45. Confirm that the costs for this pool, BMCs Pla, are \$284,000.

(ii) Confirm that in H-315, the unadjusted costs for this same pool, BMCs Pla, are \$37,872,000. If not confirmed, explain.

(iii) Please explain the difference between the numbers referred to in (i) (i) and (i) (ii) above. If not confirmed, explain.

(j) Refer to Library Reference H-323. Confirm that the costs for the pool "LD48 Adm" are not included in Table H, column 10. If not confirmed, please explain. If confirmed, please explain why the cost pool was excluded.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

RESPONSE

- a. Confirmed.
- b. Confirmed.
- c. LR-H-323 was linked to the file cstbyshp.xls. It should be linked to cstshape.xls contained in LR-H-315.
- d. Confirmed.
- e. Confirmed.
- f.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. The number referred to in (i.) above is in error. The correct number is \$15,988,000.
- g.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. The number referred to in (i.) above is in error. The correct number is \$216,000.
- h.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. The number referred to in (i.) above is in error. The correct number is \$859,000.
- i.
 - i. Confirmed.
 - ii. Confirmed.
 - iii. The number referred to in (i.) above is in error. The correct number is \$72,235,000.
- j. Confirmed that they are not listed separately. "LD48 Adm" costs are included in "LD48 Oth" costs.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF UNITED PARCEL SERVICE
REDIRECTED FROM WITNESS CRUM**

UPS/USPS-T28-46. Confirm that in the electronic version of Library Reference H-323, column 10 is linked to the file cstbyshp.xls. Please identify which library reference contains this file. If not provided, please provide.

RESPONSE

Confirmed. "Column 10" should be linked to cstshape.xls included in LR-H-315.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

POIR No. 9, Item 9

9. Please provide the Postal Inspection Service report on the audit of RPW and ODIS systems mentioned on page 10 of the *Semiannual Report of the Office of Inspector General*, April 1-September 30, 1997, Volume 2.

RESPONSE:

This report was filed by the Postal Service on December 10, 1997, as Library

Reference H-313.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

10. In response to OCA/USPS-T12-61, redirected from witness Degen, witness Alexandrovich describes the process used in the computation and redistribution of clerk and mailhandler volume variable premium pay. One of the steps noted by the witness calculates the percentage of the night-shift differential and Sunday premium costs which are volume variable non-BMC mail processing, shown on line 6 of Workpaper B-3, W/S 3.0.13. These volume variable non-BMC percentages are derived by multiplying the percentage of clerk and mailhandler IOCS direct tallies involving night-shift differential, LR-H-146 at V-14, and Sunday premium, LR-H-146 at V-17, by the average mail processing labor variability for MODS 1 & 2 operations, shown in USPS-T-12, Table 4. Tr. 13/7080.

In the Postal Service's response to Order No. 1203, the calculation for the redistribution of volume variable premium pay appears to follow all the same steps except that the percentage of clerk and mailhandler non-BMC direct tallies is multiplied by the total average mail processing variability of 93.46 percent rather than the average mail processing variability for MODS 1 & 2 operations of 92.73 percent, which is shown in Table A of LR H-315.

Please confirm that in the response to Order No. 1203 the percentage of clerk and mailhandler non-BMC direct tallies is multiplied by the total average mail processing variability to develop the volume variable non-BMC premium costs shown on Worksheet 3.0.13 of USPS LR H-316. If confirmed, please explain why the total average mail processing variability percentage was used rather than the average variability percentage of MODS 1 & 2 offices used in its original presentation.

If not confirmed, explain the basis for the calculation in the response to Order No. 1203 used to derive the volume variable non-BMC premium costs to be redistributed.

Response:

We confirm that the total average mail processing variability was used in developing volume variable non-BMC premium costs shown on Worksheet 3.0.13 of USPS LR H-316. To be consistent with the Postal Service's original filing, it should have been the average variability for MODS 1&2 offices used by witness Alexandrovich.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 10**

POIR NO. 10. In response to interrogatory MA/USPS-T-25-1(c), redirected to the United States Postal Service, the Service calculated the unit costs for First-Class Mail using the Commission approved methodology. These costs were based on:

- a. Models with productivities based on volume variabilities of 100 percent;
- b. Operation-specific piggyback factors; and
- c. Costs by shape calculated consistent with LR-MCR-10 in Docket No. MC95-1.

Please provide the same calculations for all classes, subclasses, or rate categories that incorporate discount methodology in rate setting (periodicals, Standard (A), Standard (b), etc.). Please also provide all data supporting these calculations in electronic format as was done in LR H-3-1 in support of the response to MA-USPS-T-25-1(c).

POIR NO. 10 RESPONSE:

The Postal Service has provided the requested information, as best as it was able. This information is presented in the following library references, filed today:

- H-330 POIR NO. 10/Development of Selected FY 1996 Piggyback and Premium Pay Factors (Hard Copy)
- H-331 POIR NO. 10/Standard A Mail Processing Unit Costs by Shape (Diskette)
- H-332 POIR NO. 10/Dropship Savings for Periodicals and Standard (A) (Diskette)
- H-333 POIR NO. 10/Standard Mail (A) Mail Processing ECR Costs (Diskette)
- H-334 POIR NO. 10/Standard Mail (B) Parcel Post Mail Processing and Acceptance Costs (Diskette)
- H-335 POIR NO. 10/Witness Seckar's Unit Mail Processing costs for First-Class, Periodicals and Standard A Flats (Diskette)

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 10**

- H-336 POIR NO. 10/Witness Daniel's Unit Mail Processing Costs for Standard A Letters, Standard A ECR Results, and Certain Standard B Parcels (Diskette)
- H-337 POIR NO. 10/Witness Crum's Unit Costs for Certain Standard A and Standard B Mail (Diskette)
- H-338 POIR NO. 10/Witness Miller's Unit Mail Processing Costs for PRM and QBRM (Diskette)

It was felt that organizing the materials into the above library references would provide the clearest guide and easiest access to the materials, as well as the most expeditious way for the Postal Service to respond, given the effort that was required. Where applicable, the library references contain a cross walk between the above list and their precursor materials as well as a note explaining citation changes. In order to expedite this response, entirely new footnotes were not prepared in all instances; rather, explanations are offered concerning what references in previous footnotes would change.

Providing the requested information was neither a simple nor an "automatic" exercise. Where differing assumptions or deviations in calculations were required, explanations are provided in the relevant library references.

Provision of this information should not be read as a Postal Service endorsement of or agreement with the results. The Postal Service believes that the costing methodology it has presented in this docket, through the testimony, exhibits and workpapers of its witnesses and related library references, is superior and provides the most accurate costing information for ratesetting purposes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO QUESTION POSED BY PRESIDING OFFICER AT HEARINGS**

QUESTION

[paraphrased from Tr. 26/10797-99]

Please refer to the January 9, 1998, edition of *Business Mailers Review*. An article in that edition refers to a letter addressed to the Governors of the United States Postal Service concerning the Postal Service's Docket No. R97-1 Prepaid Reply Mail proposal. If such a letter exists, please provide a copy of that letter.

RESPONSE

The February 9, 1998 edition of *Business Mailers Review* refers to a January 16, 1998, letter, the contents of which were first reported in the *Advertising Mail Marketing Association Bulletin* on January 8, 1998, eight days before the letter was dated and sent to the Governors. A copy of the letter to the Governors has been filed as USPS Library Reference H-342.