

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket R97-1

**REPLY OF AMERICAN BUSINESS PRESS, THE COALITION OF RELIGIOUS
PRESS ASSOCIATIONS, THE FLORIDA GIFT FRUIT SHIPPERS
ASSOCIATION, THE MAGAZINE PUBLISHERS OF AMERICA AND TIME
WARNER, INC., IN SUPPORT OF THE MOTION OF THE MCGRAW-HILL
COMPANIES THAT PORTIONS OF THE REBUTTAL TESTIMONY BY USPS
WITNESS ORLANDO IN DOCKET R84-1 BE ENTERED INTO THE RECORD
AS EVIDENCE IN THIS PROCEEDING**

(March 24, 1998)

The aforementioned parties¹ file this joint reply in support of McGraw-Hill's motion to have limited portions of the testimony of James E. Orlando, USPS leading witness on USPS transportation policy and procurement in Docket R84-1, entered into the record of this case. While at first blush it may appear to be somewhat late in the proceeding to designate testimony from a prior docket into the record of this case, even as rebuttal testimony in this case has come to an end and briefing is about to begin, the Orlando matter arose, as well stated by the March 23, 1998 McGraw-Hill motion, because USPS used witness Orlando's R84-1 testimony at least twice in R97-1: once when USPS cross-examined FGFSFA witness Ball (see McGraw-Hill motion at 2-3) and again in the

¹ The Alliance of Nonprofit Mailers have authorized the parties to this pleading to state that ANM concurs with the relief sought by the parties and by McGraw-Hill. ANM also believes that the necessary foundation has been laid for the use of the Orlando testimony.

text of the rebuttal testimony (to witnesses Ball and ANM witness Haldi) , see McGraw-Hill Motion at 9; see also TR. 35/18859. In addition, upon oral cross-examination, witness Young did not hesitate to associate himself with two key points made by Witness Orlando: (1) that unused capacity in USPS highway transportation is an inherent by-product of reliable and economic transportation as required by USPS and (2) that the needs of USPS for purchased transportation cause its practices to vary from those of private carriers. See McGraw-Hill Motion at 9-10. As McGraw-Hill correctly states, “The Postal Service will suffer no prejudice” by the admission of limited but relevant evidence at this stage of the case, because it is USPS’s own testimony that was used to buttress its case in the present proceeding.

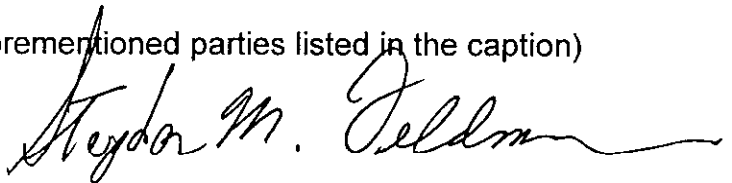
It should be noted that the McGraw-Hill effort to incorporate the Orlando evidence is not inconsistent with the objection by ANM counsel during the cross-examination by USPS of ANM witness Haldi, TR. 22/11913, to the use at that time of the Orlando testimony. In that situation, USPS tried to cross-examine witness Haldi on the basis of the Orlando R84-1 testimony although Mr. Haldi had not referred to witness Orlando in his testimony and indeed had stated that he had not read that testimony, since it had been filed fourteen years ago. In other words, there was no foundation for questions to Haldi based on the Orlando testimony. In the case of USPS rebuttal witness Young however, the McGraw-Hill Motion demonstrates the direct link between Young and Orlando, and Young’s reliance on Orlando for some of the most fundamental portions of

the Young testimony, i.e., the purchase of unused capacity by USPS over a fourteen year period and the position of Young, consistent with Orlando, that USPS is not like a private business that purchases transportation.

Conclusion

For the foregoing reasons, the March 23, 1998 Motion of the McGraw-Hill Companies to have portions of the R84-1 testimony of USPS witness Orlando included in the record of R97-1 should be granted.

Respectfully submitted (on behalf of all of the
aforementioned parties listed in the caption)

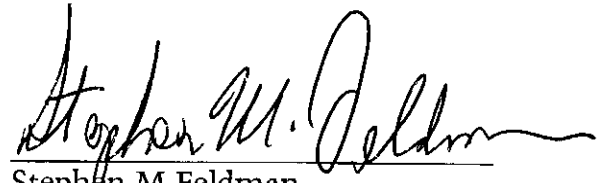
A handwritten signature in black ink, appearing to read "Stephen M. Feldman", with a long horizontal flourish extending to the right.

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CERTIFICATE OF SERVICE

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


Stephen M. Feldman

March 24, 1998