

ORIGINAL

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

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MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF MAIL ADVERTISING SERVICE ASSOCIATION
INTERNATIONAL WITNESS SCHUH TO INTERROGATORIES OF
THE UNITED STATES POSTAL SERVICE
(USPS/MASA-T1-1-6)

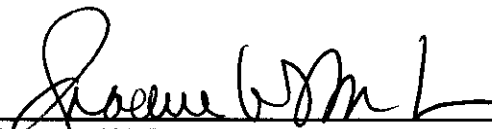
The Mail Advertising Service Association International hereby provides the response of witness Schuh to the following interrogatories of the United States Postal Service:

USPS/MASA-T1-1-6, filed on February 22, 1999.

Each interrogatory is stated verbatim and is followed by the response.

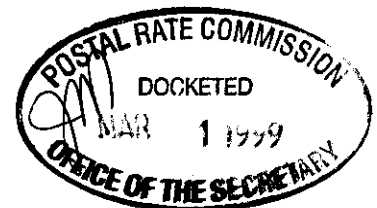
Respectfully submitted,

By its attorneys:



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March 1, 1999



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USPS/MASA-T1-1. Do your company's capabilities include varying each copy of a document to contained [sic] personalized information (e.g., mail merge)?

USPS/MASA-T1-1 Response:

Yes.

USPS/MASA-T1-2. Please refer to your discussion at page 3 of your testimony concerning your company's relationship with the Postal Service.

- (a) Please cite specific examples of any change you feel has taken place.
- (b) Please specifically address whether the Postal Service has stopped or curtailed its efforts you mention, including the "Business Partners" program and participation in Postal Customer Councils.

USPS/MASA-T1-2 Response:

(a) Mailing Online is not yet available in my area. Nevertheless, there have been a number of developments, which may be a result of Mailing Online or may simply reflect the Postal Service's changing attitude, that show the Postal Service's increasing willingness to compete rather than cooperate with our industry. As I described at page 7 of my testimony, USPS is now logging information concerning actual end users who mail Standard A mail under my company's mailing permit. To my knowledge, this has never been done before. In addition, I was not given access to the Postal Customer Council chapter mailing list recently, although I had been given access to this list the year before. I am also aware of the Postal Service's welcome kit program, as part of which the Postal Service, through a contractor, sells advertising and uses a mailing list that is not available to private companies. On my end, as a result of the possible implementation and expansion of Mailing Online, I find it necessary to consider more carefully and to be more guarded in responding to USPS requests for information in light of the potential competitive use of the information.

(b) See response to part (a). In addition, it appears that USPS has either stopped or reduced its support of the Business Partners program, at least in my area. There used to be a directory published by USPS of participants in the program, and USPS actively promoted the program. During the period USPS has been developing Mailing Online, I have not seen a directory or any Business Partners promotion of any kind in the area I serve. I am not aware of any activity during the past year in connection with the Business Partners program.

USPS/MASA-T1-3. Does your company prepare materials for its customers that are disseminated other than by the Postal Service?

USPS/MASA-T1-3 Response:

Yes, for a few clients. We do not disseminate materials by carriers other than USPS if they can be sent using First Class or Standard A mail.

USPS/MASA-T1-4. On page 4 of your testimony you refer to the “basic production criteria” for Mailing Online. Please define specifically what you mean by these criteria and explain whether they include digital printing and desktop software for document production.

USPS/MASA-T1-4 Response:

My reference to “jobs of 5,000 pieces or fewer that met the basic production criteria for the Mailing Online program” was intended to refer to all mailings of the specified number of pieces that could have been prepared through Mailing Online. I did not mean to limit such mailings to those that were prepared using digital printing or desktop software, but rather to mailings that could have been prepared by Mailing Online using its production capabilities.

USPS/MASA-T1-5. You state that the 62 percent of Mailing Online volume that is estimated to come from existing users of direct mail will come from "current clients of my company and others that service this market."

- (a) On what basis do you believe that the mailers of this 62 percent are current clients of your company and similar companies?
- (b) Please refer to the testimony of witnesses Wilcox and Campanelli, filed on behalf of the Postal Service, where they indicate that before Mailing Online, they prepared and mailed direct mailings themselves. How do you reconcile their testimony with your statement that direct mailing which migrates to Mailing Online will come from your company or similar companies?

USPS/MASA-T1-5 Response:

- (a) I do not believe that the entire portion of Mailing Online that comes from existing users of direct mail will come from current clients of my company and similar companies. This business will come from current and potential clients of my company and other similar companies.
- (b) These witnesses are perfect prospects for companies like mine. The services they were performing for themselves are some of the very services that we perform for our clients.

USPS/MASA-T1-6. Please refer to your testimony at page 5, regarding the information you solicited from other firms concerning the percentage of their jobs that are less than 5,000 pieces.

- (a) Are all of these pieces mailed? If not, what percentage is mailed?
- (b) Do you project that all of this volume will shift to Mailing Online? If not, what percentage do you believe will shift and what is the basis for your estimate?
- (c) Do you believe volume will shift to Mailing Online in cases where the basic automation postage rate charged by Mailing Online is higher than the deeper discounts available to you and your customers? How does this affect your estimate provided in part (b) above?

USPS/MASA-T1-6 RESPONSE:

- (a) Yes.
- (b) No. I have not attempted to project the percentage of this volume that will shift to Mailing Online, but I believe that if the program is effectively promoted and operated, the percentage will be significant.
- (c) I do not believe that any postage savings I might be able to offer customers in some cases will affect the volume shift to Mailing Online. Any savings I might conceivably be able to obtain in postage rates through deeper discounts will be exceeded by the substantially lower fees charged by USPS.

DECLARATION

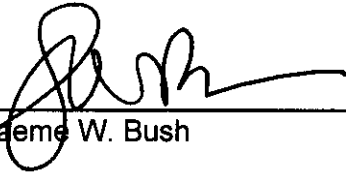
I, Scott Schuh, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Date: 2/26/99

Scott Schuh

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Response Of Mail Advertising Service Association International Witness Schuh To Interrogatories Of The United States Postal Service was served upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice and POR No. MC98-1/4 this 1st day of March, 1999.



Graeme W. Bush