

ORIGINAL

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

RECEIVED

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MAILING ONLINE SERVICE

Docket No. MC98-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL
AND PITNEY BOWES WITNESS PRESCOTT
(USPS/MASAPB-T1-28)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Mail Advertising Service Association International and Pitney Bowes witness Prescott: USPS/MASAPB-T1-28.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

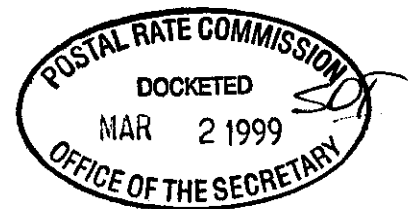
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

David H. Rubin

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March 2, 1999



USPS/MASAPB-T1-28

Please refer to page 32, line 12 to page 33, line 3 of your testimony, where you state that the advertising costs for PostOffice Online should be distributed based on the percentage of transactions for PostOffice Online, Mailing Online, and Shipping Online. Consider a hypothetical in which POL provides only two services, Shipping Online (SOL) and Mailing Online (MOL). During year 1, SOL had 25 transactions, and MOL had 50 transactions. During year 2, SOL has 50 transactions and MOL has 50 transactions. Based on your approach, which of the following methods should be used to distribute the advertising cost to SOL and MOL, for each of the scenarios (a), (b), (c), and (d) presented below?

- (1) 25/75 to SOL, and 50/75 to MOL, based on year 1 transactions?
- (2) 50/100 to SOL, and 50/100 to MOL, based on year 2 transactions?
- (3) all to SOL, based on the changes in transactions from year 1 to year 2 for SOL and MOL, respectively?
- (4) Another alternative?

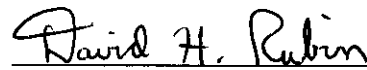
Please explain your choice.

- (a) During year 1 the Postal Service spent \$1 million on a POL advertising campaign conducted during year 1;
- (b) During year 1 the Postal Service spent \$1 million on a POL advertising campaign that was conducted half during year 1 and half during year 2, at no additional expense in year 2.

- (c) During year 1 the Postal Service spent \$600,000 on POL advertising conducted during year 1, and during year 2 the Postal Service spent \$400,000 on POL advertising conducted during year 2.
- (d) During year 2 the Postal Service spent \$1 million on POL advertising conducted during year 2.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



David H. Rubin

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