

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

RECEIVED
Dec 3 3 53 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

EXPERIMENTAL "RIDE-ALONG"
CLASSIFICATION CHANGE FOR PERIODICALS, 1999

Docket No. MC2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF
COX TARGET MEDIA, INC. AND COX CONSUMER SAMPLING
(CC/USPS-T1-27-28)

The United States Postal Service hereby provides the responses of witness Taufique to the following interrogatories of Cox Target Media, Inc. and Cox Consumer Sampling: CC/USPS-T1-27-28, filed on November 23, 1999.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
December 3, 1999

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO
INTERROGATORIES OF COX TARGET MEDIA INC. & COX CONSUMER SAMPLING

CC/USPS-T1-27.

Does the Postal Service headquarters have any records that show the names and location of firms that are engaged in the business of preparing and sending either solo or co-op mail that contains samples? If so, please provide copies of such records.

RESPONSE

No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO INTERROGATORIES OF COX TARGET MEDIA INC. & COX CONSUMER SAMPLING
CC/USPS-T1-28.

- a. During FY 97 and/or FY 98, what was the volume of Standard (A) mail that contained product samples?
- b. What was the revenue derived from such volume?
- c. Should your answer to preceding parts a and b be to the effect that pertinent volume and revenue data are not readily available from the data which the Postal Service collects on Standard (A) mail, please explain the extent to which the Postal Service has any knowledge, from any source whatever, concerning the volume of product samples that were entered at Standard (A) rates in FY 98, including the source thereof.
- d. As a hypothetical, suppose that the proposed Ride-Along experiment results in an additional 77 million inserts per annum in periodicals, as projected in your testimony. To what extent could the Postal Service's database on Standard (A) mail be used to help ascertain the extent to which some (or all) of the 77 million pieces were diverted from Standard (A)? Please explain fully.
- e. Aside from the proposed survey of advertisers, please explain all other information, data, methodology, etc. that the Postal Service plans to use to determine how much of the increase in Ride-Along volume is the result of diversion from Standard (A), and how much represents a net increase in volume and revenues.

RESPONSE

- a. The Postal Service does not have data that would allow us to determine Standard (A) volumes that contained product samples.
- b. See my response to subpart a above.
- c. Samples can be mailed in any subclass of Standard Mail (A) and may be of letter, flat, or parcel shape. The only segment for which there are volume estimates that provide information regarding samples is ECR parcels. Parcels cannot be mailed at ECR rates unless they are samples. Therefore, all ECR parcels are samples. In Docket No. R97-1, the projected volume of these parcel-shaped samples for FY98 was 84 million. (USPS-T-36, W/P1, page 13). There are no estimates of how many flat- or letter-shaped samples there are in ECR, nor are there estimates of samples

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO
INTERROGATORIES OF COX TARGET MEDIA INC. & COX CONSUMER SAMPLING

in Regular of any shape.

- d. The Postal Service's database on Standard Mail (A) cannot be used to help ascertain the extent to which some (or all) of the 77 million pieces are diverted from Standard (A). The only Standard Mail (A) data available in this context is the volume of *parcel-shaped ECR pieces (See part c above)*. They would not, however, be part of the hypothetical 77 million inserts since parcel-shaped pieces would not qualify as "Ride-Alongs."
- e. The Postal Service believes that a professionally designed survey of the population that is actually using the new "Ride-Along" classification would adequately allow estimation of the diversion of volume and revenue from Standard Mail (A). Therefore, no other methods or data collection efforts have been planned.

DECLARATION

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



Dated: Dec. 02, 1999

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", written over a solid horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
December 3, 1999