

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

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POSTAL RATE AND FEE CHANGES, 2006

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Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION  
(MMA/USPS-T32-8)

The United States Postal Service hereby files the response of witness  
Altaf H. Taufique to the following interrogatory of Major Mailers Association:  
MMA/USPS-T32-8, filed on July 31, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking

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August 14, 2006

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**MMA/USPS-T32-8**

Please refer to your response to Interrogatory MMA/USPS-T32-6, particularly where you state, "I am unaware of any studies that demonstrate that either higher or lower costs result based on the volume of mail originating from any one customer."

A. Please explain why you would need a specific study to conclude that consistently high volume mailings from one mailer have a positive impact on Postal costs (i.e. results in lower unit costs for the Postal Service) with respect to operations such as:

1. Mail acceptance
2. Postage verification
3. Tray banding
4. Tray labeling
5. Tray sorting
6. Palletization
7. Pallet labeling
8. Pallet sorting
9. Plant loading
10. Postal One!
11. Transportation

B. Please compare two mailers. Mailer A consistently sends out 500 1-ounce non-local pieces, all presorted to 5-digits. Mailer B consistently sends out 1 million 1-ounce non-local pieces all presorted to 5-digits. Will Mailer A pay the same unit postage as Mailer B under the current rate structure? If the unit postage paid by the two mailers is different, please explain.

C. Comparing the two mailers described in Part B, please explain whether the Postal Service's unit cost for processing Mailer A's mail would be higher than, lower than, or the same as the unit cost for processing Mailer B's mail. Please consider all of the costs associated with each operation listed in Part A. If you do not know whether the Postal Service's unit cost for processing Mailer A's mail would be higher than, lower than, or the same as the unit cost for processing Mailer B's mail, please so state and explain why.

**RESPONSE**

- A. I am not a postal costing expert and am not offering costing testimony in this docket. Accordingly, I would be inclined to defer to the Postal Service's costing experts and any studies they may have conducted to assess the effect (positive or negative) of such matters.

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B. Yes, assuming that the Mailer A and Mailer B's pieces are identical with respect to the application of the nonmachinable surcharge.

C. Please see my response to subpart A, above.