

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

Postal Rate Commission
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Postal Rate and Fee Changes, 2006]

DOCKET NO. R2006-1

DAVID B. POPKIN MOTION TO COMPEL RESPONSE TO INTERROGATORIES
DBP/USPS-373, 383-386.

I move to compel response to the interrogatories submitted to the United States Postal Service that has been objected to by them.

August 15, 2006

Respectfully submitted,

R20061MTC18A373416

DAVID B. POPKIN, POST OFFICE BOX 528, ENGLEWOOD, NJ 07631-0528

On July 24, 2006, I submitted Interrogatories DBP/USPS-373, and 383-386. On August 3, 2006, the Postal Service filed an objection to these interrogatories.

The interrogatory reads as follows:

- DBP/USPS-373 Please refer to your response to Interrogatory DBP/USPS-144.
- [a] Your response appears to be made with respect to the various philatelic products such as mugs and books rather than to the actual stamps. Please respond to the original interrogatory with respect to stamps themselves.
- [b] Please advise any unwritten policies that exist.
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The Postal Service bases their objection on improper follow-up. The train of thought of these three Interrogatories is one of attempting to obtain information to determine the policy that exists for maximizing the profit from the sale of philatelic items and products. The term philatelic items and products should be clear enough to refer to all philatelic items and products, including the retention of stamps because of the philatelic nature and the purchase of items that are related to the various philatelic stamps such as first day covers, books, stationer, mugs, etc.

The term "actual stamps" obviously refers to the retention of stamps because of their philatelic nature and not to the sale of a stamp that will be utilized to pay the postage on a mailpiece.

The concept of providing the profit from the sale of the actual stamps has always been the thrust and intention of the Interrogatory from the very beginning and should be provided.

DBP/USPS-144. Please refer to your response to Interrogatory DBP/USPS-93.

[a] Has that ever been the Postal Service policy?

[b] If so, please explain and discuss.

[c] Please provide and discuss the current Postal Service policy with respect to the sale of philatelic stamps, items, and products.

RESPONSE:

The Postal Service does not have a written policy, target markup, or return on investment goal that it applies in setting the price of such products. The price of each product is set individually based on a variety of factors, including recovery of production costs, perception of consumer interest, value to the Postal Service of the product's dissemination, and the price of similar products in the market. Of course, the face value of any postage included in the product would represent a floor beneath which the price could not go.

DBP/USPS-93 [a] Is there a policy for maximizing the profit [receipts less expenses] obtained from the sale of philatelic items and products?

[b] If so, please discuss in detail.

RESPONSE:

(a) No.

(b) N/A

The Interrogatory reads as follows:

DBP/USPS-383 Please refer to your response to Interrogatory DBP/USPS-168.

[a] Please confirm, or explain if you are unable to confirm, that one of the earlier self-adhesive 29-cent stamps [there were several different versions of the stamp with the denomination printed in different colors] was issued in a sheet of 17 stamps that initially sold for \$5.00 or 7¢ more than the face value of the stamps.

[b] Please advise why the price of the stamps noted in subpart a above had the price changed to the face value of \$4.93 including the applicability of 18 USC 1721.

[c] Please file a copy of the latest version of The Postal Service Guide to U.S. Stamps referred to in your response as a Library Reference.

The Postal Service bases their objection on improper follow-up and relevance.

Interrogatory DBP/USPS-383 is attempting to clarify the response that was received to the original Interrogatory DBP/USPS-168. Proponents of discovery requests should be able to expect that they will receive full and correct responses to their Interrogatories.

The apparently incorrect response that was made to Interrogatory DBP/USPS-168 should not be allowed to stand in the record and the Postal Service should be required to make the appropriate correction and that would make that relevant to this Docket.

Subpart b asks the question as to why these particular stamps were originally sold for 7¢ more than their face value. Just as the Postal Service explained why the Lewis and Clark stamps were sold for more than the face value, they should also provide the same information in this case as they undoubtedly would have done if they had provided the correct and full response in the first place.

Furthermore, the Postal Service in copying the Interrogatory DBP/USPS-383 on page 2 of their Objection failed to copy subpart c.

In subpart c, I requested that the Postal Service file a copy of the latest version of The Postal Service Guide to U.S. Stamps referred to in your response as a Library Reference. This has yet to be done and should be accomplished at the earliest convenience.

DBP/USPS-168. Please advise all instances where postage stamps have been sold at a value which is more or less than the value imprinted on the stamp. Please identify the stamp and include the date of issue, description of the stamp, the value imprinted on the stamp, the price for which it was sold, and the reasons for the difference in price.

RESPONSE:

The Postal Service Guide to U.S. Stamps lists all of the stamps ever printed. It includes date of issue, image of the stamp, and the value on the stamp. The price at which stamps were sold can be found in the Postal Bulletin. The stated comparison can be made using these sources, although the Postal Service has not sold stamps alone at more than face value. In one instance, in 2005, certain stamps commemorating Lewis and Clark were issued as part of a "prestige booklet." The value of the stamps was \$7.40 and the book sold for \$8.95. The difference represented the price of the book.

The Interrogatory reads as follows:

DBP/USPS-384 Please refer to your response to Interrogatory DBP/USPS-169. Please confirm, or explain if you are unable to confirm and also provide the requested information, that all of the items referred to in your response as a philatelic post card are listed

in the latest version of The Postal Service Guide to U.S. Stamps and that all of the requested information is shown.

The response to Interrogatory DBP/USPS-169 refers me to the Postal Service Guide to U.S. Stamps and the Postal Bulletin. Interrogatory DBP/USPS-384 attempted to confirm that all the information that was requested in the original Interrogatory would be available in the two references that were provided. It is also noted that the online availability of the Postal Bulletin only goes back to 1995 and that there are 26 issues per year.

Furthermore, the Postal Service Guide to U.S. Stamps has yet to be field as a Library Reference.

DBP/USPS-169. Please advise all instances where postal/stamped cards have been sold at a value which is more or less than the value imprinted on the stamp or that value plus a maximum of two cents. Please identify the card and include the date of issue, description of the card, the value imprinted on the card, the price for which it was sold, and the reasons for the difference in price.

RESPONSE:

The Postal Service Guide to U.S. Stamps and the Postal Bulletin list these products as well. Numerous philatelic post card issuances since 1994 have been priced higher, although standard stamped cards at the rate of postage plus the stamped card fee have always made available as well. The higher-priced cards are offered purely as an option for those who find additional value in the designs; the additional revenue is used to support the philatelic products program.

The Interrogatory reads as follows:

- DBP/USPS-385 Please refer to your response to Interrogatory DBP/USPS-171.
- [a] Please refer to DMM Section 604.1.2 and 604.1.3 and reanswer the original Interrogatory.
- [b] May special handling and/or Certified Mail stamps be utilized to pay part or all of the fee for the special service [as opposed to paying the postage on the underlying mailpiece]?
- [c] If not, please explain.
- [d] Please confirm, or explain if you are unable to confirm, that special delivery no longer exists as a service.
- [e] Please advise what refund is available to a person who has special delivery stamps that may no longer be used and if your response to subpart b above is no has special handling and/or Certified Mail stamps that may no longer be used.
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While the revised answer provided to Interrogatory DBP/USPS-171 will serve to provide a correction to Interrogatory subpart a of Interrogatory DBP/USPS-385. However, referral to these two DMM Sections raises other questions that require elaboration and clarification of the questions that were asked in the original Interrogatory DBP/USPS-171.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-171. Please describe and identify any stamps, cards, envelopes, stationery, etc. that have been issued by the United States Postal Service and/or Post Office Department that are no longer valid for use. Please provide the reason for the invalidation.

RESPONSE:

The Postal Service is not aware of any invalidation of postage.

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-171. Please describe and identify any stamps, cards, envelopes, stationery, etc. that have been issued by the United States Postal Service and/or Post Office Department that are no longer valid for use. Please provide the reason for the invalidation.

RESPONSE:

Please see DMM sections 604.1.2 and 604.1.3. Stamps issued prior to 1860 were demonetized as a result of the Civil War.

The Interrogatory reads as follows:

DBP/USPS-386 Please refer to your response to Interrogatory DBP/USPS-173. It appears that the response made to this Interrogatory was misunderstood. The question that I have is what changes were made between the Appendix II of the EXFC Statement of Work that was utilized in Docket R2005-1 [even though the appendices were not furnished in that Docket] and the unredacted version of Appendix II that was provided in Docket R2006-1 Library Reference USPS-LR-L-134.

The Postal Service objected to this Interrogatory as cumulative. There are at least three versions of Appendix II that must be considered in evaluating this Interrogatory. I believe that I have made myself clear in what I was referring to but apparently the Postal Service is either having a difficult time understanding what I am asking for or is deliberately doing so to avoid providing the information that I am seeking.

The first Appendix II would be the one that was associated with the Statement of Work that was filed in Library Reference USPS-LR-K-127 that was filed in Docket R2005-1. It should be noted that the Appendices were not filed with the Library Reference although the listing of Appendices was a part of the Statement of Work and obviously were a part of the full Statement of Work.

The second Appendix II would be the one that was originally filed with the Library Reference USPS-LR-L-134 and basically was a completely redacted page except for the title of the page.

The third Appendix II would be the unredacted version of the Appendix II as noted in the second Appendix II above.

The comparison that I am attempting to obtain is the one between the first Appendix II noted above and the third Appendix II noted above. The Postal Service continues to believe that I am trying to obtain a comparison between the second Appendix II noted above and the third Appendix II noted above or now they believe that I am attempting to obtain the information which will allow a comparison of the first Appendix II to itself.

Obviously, the comparison between the second Appendix II and the third Appendix II will be that they are identical except that one has all but the title redacted. Originally, they were the same page.

The comparison that I am attempting to obtain is between the types of mailpieces that were utilized in the previous Statement of Work [as was provided in Docket R2005-1] and the ones that are presently being utilized [as was provided in this Docket]. For example, as indicated in the response to Interrogatory DBP/USPS-409 the mailpiece referred to as Code G was eliminated from use.

The elimination of mailpieces designated as Code G was apparently one of the changes that apparently occurred in the comparison that I am attempting to obtain or took place subsequent to the third version of Appendix II.

The Postal Service should not be permitted to misinterpret a properly worded question and then object if one attempts to obtain what they originally requested. The Postal Service should

be required to either provide a full comparison between the first and third versions of Appendix II as noted above or should be required to provide a copy of the first version of Appendix II, namely, the copy that was associated with the Statement of Work that was filed in Docket R2005-1.

For the reasons stated, I move to compel response to the referenced interrogatory since it is reasonably calculated to lead to the discovery of admissible evidence.

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 B. Popkin August 15, 2006
