

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN  
(DBP/USPS-674)

The United States Postal Service hereby provides its institutional responses to interrogatory DBP/USPS-674, dated September 27, 2006. The 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

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Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998, Fax -5402  
[michael.t.tidwell@usps.gov](mailto:michael.t.tidwell@usps.gov)  
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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**DBP/USPS-674**

Please refer to your responses to the following Interrogatories:

DBP/USPS-293 through 369, DBP/USPS-454 through 461, DBP/USPS-480 through 482, DBP/USPS-488 through 518, DBP/USPS-546 through 552, DBP/USPS-562 through 565, DBP/USPS-567, DBP/USPS-569 through 570, DBP/USPS-602 through 623, DBP/USPS-634 through 636, DBP/USPS-638 through 639, DBP/USPS-642 through 662, DBP/USPS-669.

The Interrogatories relate to the Postal Service's proposal for the implementation of a Forever Stamp.

The Federal Register for today, September 27, 2006, [71FR56587], contains the Postal Service's proposed rules for implementing the changes proposed in Docket No. R2006-1. One of the proposed rule changes relates to a change in the policy for implementing the Forever Stamp.

The responses to many of these Interrogatories including the most recent responses are based on the information contained in the Postal Service's response to subpart b of Interrogatory DBP/USPS-510 as follows:

- [b] Another possible interpretation, which would be the correct one, is that the Forever Stamp is intended for use on single-piece First-Class Mail one-ounce letters. This excludes the first-ounce rate component of letters weighing more than one ounce. However, as acknowledged in the response to DBP/USPS-340, some mailers will at times use the Forever Stamp for an unintended purpose, whether a First-Class Mail flat or parcel, a First-Class Mail letter weighing more than one ounce, or another mail class altogether. The Postal Service is considering giving postage credit for such uses at the original purchase price, but a final determination has not yet been made. During the Forever Stamp's first rate cycle, from the time of its proposed inception when Docket No. R2006-1 rates are implemented, until rates are once again changed, there will be no difference between the stamp's value (proposed at 42 cents) and its purchase price (proposed at 42 cents). Therefore, how to value unintended postage uses will not be a (financial) issue. During the first rate cycle, the Postal Service will observe use of the Forever Stamp and develop a policy for unintended postage uses, which will become a financial issue in subsequent rate cycles (when the stamp's value may exceed its original purchase price).

This response indicates that the Forever Stamp will be valid for one use and one use only, that being to pay the postage on a one-ounce First-Class Mail single-piece letter.

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**DBP/USPS-674 (continued)**

As noted in the proposed revision to DMM Section 604.1.10 appearing in today's Federal Register, the Postal Service is allowing the Forever Stamp to be utilized with a postage value of the then current First-Class Mail single-piece 1-ounce letter rate for all uses for which postage stamps may be used. The following is the proposed DMM wording:

604.1.10 Additional Standards for Forever Stamps

Forever stamps are sold for the price of the current First-Class Mail single-piece 1-ounce letter rate in 133.1.5. The postage value of each forever stamp is the current First-Class Mail single-piece 1-ounce letter rate

Based on this proposed change, many of the responses to previously submitted Interrogatories are no longer valid.

Rule 26f of the Commission's Rules of Practice is as follows:

- (f) *Supplemental answers.* The individual or participant who has answered interrogatories is under the duty to seasonably amend a prior answer if he/she obtains information upon the basis of which he/she knows that the answer was incorrect when made or is no longer true. Participants shall serve supplemental answers to update or to correct responses whenever necessary, up until the date the answer could have been accepted into evidence as written cross-examination. Participants filing supplemental answers shall indicate whether the answer merely supplements the previous answer to make it current or whether it is a complete replacement for the previous answer.

In accordance with the provisions of subpart f of Rule 26 of the Commission's Rules of Practice, please provide amended responses to all of the above referenced Interrogatories to ensure that all of them will be true based on the current belief and policy of the Postal Service.

**RESPONSE**

The response to subpart (b) of DBP/USPS-510 indicates that the intended purpose (not the sole use) of the Forever Stamp is to cover the postage on one-ounce First-Class Mail letters. A number of other subsequent interrogatory responses on this issue indicate that other uses are expected to be tolerated. The Federal Register notice is consistent with this proposed policy. The revised answers to DBP/USPS 340 and 341, filed yesterday, are now consistent as well.