

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

POSTAL RATE AND FEE CHANGES, 2006-1

)
) Docket No. R 2006-1
)

First Set of Interrogatories of
Discover Financial Services LLC & Morgan Stanley, Inc. (DFS & MSI)
To The Postal Service

(July 12, 2006)

Discover Financial Services, LLC & Morgan Stanley, Inc. (DFS & MSI) hereby submit the attached interrogatory, DFS & MSI/USPS-1, to the United States Postal Service and respectfully request a timely and complete response.

Respectfully submitted,

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DFS & MSI/USPS-1 In witness Taufique's testimony on First-Class rate design at page 15, he notes that:

"The Postal Service proposes that the rate design process begin with establishment of separate revenue requirements for Single-Piece Letters and Presort Letters, with the goal of obtaining similar unit contributions from Single-Piece Letters in the aggregate and from Presort Letters in the aggregate."

a) Is this equal unit contribution goal used in the rate design process for rate categories in any other subclasses of mail? If so, please identify which ones.

b) Please explain why this goal was used for First-Class Single-Piece and Presort Letters and for any rate categories identified in part a above, but not for rate categories in other subclasses of mail.