

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

Postal Rate and Fee Changes, 2006]

DOCKET NO. R2006-1

INTERROGATORIES OF DAVID B. POPKIN TO THE UNITED STATES POSTAL SERVICE
[DBP/USPS-293-364]

David B. Popkin hereby requests the United States Postal Service to answer, fully and completely, the following interrogatories pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure. To reduce the volume of paper, I have combined related requests into a single numbered interrogatory; however, I am requesting that a specific response be made to each separate question asked. To the extent that a reference is made in the responses to a Library Reference, I would appreciate receiving a copy of the reference since I am located at a distance from Washington, DC. Any reference to testimony should indicate the page and line numbers. The instructions contained in the interrogatories DFC/USPS-1-18 in Docket C2001-1, dated May 19, 2001, are incorporated herein by reference. In accordance with the provisions of Rule 25[b], I am available for informal discussion to respond to your request to "clarify questions and to identify portions of discovery requests considered overbroad or burdensome."

July 17, 2006

Respectfully submitted,

R2006111293

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

DBP/USPS-293 The initial pages 2 through 10 of USPS LR-L-152 appear to have the lower left portion of the page redacted. Please explain the need for the redaction or provide an unredacted version of the Library Reference.

DBP/USPS-294 What is the significance of the words "Month year" appearing on the lower right corner of the initial pages 1 through 11 of USPS LR-L-152?

DBP/USPS-295 Please provide a copy of the instructions that were provided to the participants in the market research for USPS LR-L-152.

DBP/USPS-296 Please provide a copy of the telephone scripts that were provided to the participants in the market research for USPS LR-L-152.

DBP/USPS-297 Please provide a copy of the computer screens that were utilized by the participants in the market research for USPS LR-L-152.

DBP/USPS-298 Please provide a copy of the questionnaires that were utilized by the participants in the market research for USPS LR-L-152.

DBP/USPS-299 In USPS LR-L-152, both the Small Business Caravan Methodology and the Consumer Caravan Methodology state that, "a copy of the question series as it appeared in the survey questionnaire" is included. Please point out which specific pages and parts contain that information or provide the information.

DBP/USPS-300 In the Small Business Caravan Methodology of USPS LR-L-152 it states that the report was obtained by a survey of 2059 adults living in private households. Please explain why it is believed that contacting adults in private households will provide a valid study of the data for small businesses.

DBP/USPS-301

[a] Please provide information on the methods that were utilized to contact and obtain valid data for the study of small businesses in USPS LR-L-152.

[b] Please provide the definition of a small business that was utilized in this survey.

DBP/USPS-302 In USPS LR-L-152, both the Small Business Caravan Methodology and the Consumer Caravan Methodology contain a table on the last page which has a heading of "Acceptability of [practice]". What is the significance of the word "[practice]"?

DBP/USPS-303 In USPS LR-L-152, both the Small Business Caravan Methodology and the Consumer Caravan Methodology state that there were two waves of a telephone survey.

[a] Why were there two waves rather than a single wave?

[b] What was the difference between the two waves?

[c] Was there any significant difference between the results of the two separate waves?

[d] If so, please explain and discuss.

DBP/USPS-304 Please provide the raw data that resulted from the two waves of telephone surveys that were conducted for USPS LR-L-152 including, but not limited to, the data from income level, metro size, children in household, geographic region, and occupation. Please discuss any significant differences observed in any of these categories.

DBP/USPS-305 In USPS LR-L-152, both the Small Business Caravan Methodology and the Consumer Caravan Methodology were conducted on April 27 [Thursday] to May 1, 2006 [Monday].

[a] Were calls made on both the weekdays and weekend of that time period?

[b] If so, was there any difference between calls made on the weekday vs. weekend?

[c] If so, please discuss.

[d] Please discuss the significance of contacting small businesses on a weekend, particularly on a Sunday.

DBP/USPS-306 Please confirm, or explain if you are unable to confirm, that the survey for USPS LR-L-152 dealt with the last rate increase from 37¢ to 39¢ in both the reactions to what took place during that change as well as what would have been done had a Forever Stamp been in use.

DBP/USPS-307 In USPS LR-L-152, please confirm, or explain if you are unable to confirm, that both the Small Business Caravan Methodology and the Consumer Caravan Methodology do not contain any specific data to this particular survey [other than the first paragraph of the Introduction] but describe the methods that were utilized in this survey and that the data that was provided shows the reliability of data in general and not in this survey specifically.

DBP/USPS-308 In USPS LR-L-152 in the data tabulation the letters HH appear after the word Consumers in a number of instances. What does it stand for?

DBP/USPS-309 In USPS-LR-L-152, customers were asked about purchasing the Forever Stamp at various prices from 39¢ to 45¢.

- [a] What time frame was the response supposed to be made with respect to?
- [b] Was it before or after the rate change from 37¢ to 39¢ on January 8, 2006?
- [c] If it was before, how far before January 8th was utilized?
- [d] If it was before, were the respondents aware that the rates were being increased to 39¢ on January 8th?
- [e] Please discuss what extent you feel the holiday season would have affected the response and the rationale for that response.

DBP/USPS-310 In USPS LR-L-152, the data indicate that 74 to 80 percent of the respondents would be very/somewhat likely to purchase the Forever Stamp at 39¢. If the time frame in response to Interrogatory DBP/USPS-309 was on or after January 8, 2006, what rationale can you provide why 20 to 26 percent of the respondents would not want to purchase the Forever Stamp?

DBP/USPS-311 In USPS LR-L-152, the data indicate that 27 to 57 percent of the respondents would be very/somewhat likely to purchase the Forever Stamp at prices that were higher than the proposed rate increase to 39¢. What rationale can you provide why the respondents would want to purchase the Forever Stamp at a higher price than just purchasing regular stamps at 39¢?

DBP/USPS-312 In USPS LR-L-152, please provide the rationale for tabulating the responses to Insights #1, #4, #5 and #10 through #15 with respect to the premium prices that were likely to be paid.

DBP/USPS-313 In USPS LR-L-152, please provide the rationale for why the response for small businesses for Insight #1 at the 42¢ and 45¢ levels is higher any of the other responses including those for Consumers.

DBP/USPS-314 In USPS LR-L-152, please provide the rationale for choosing "20 or <" as the first category as opposed to breaking out 1 to 19 vs. 20 stamps since many sheets and booklets of stamps come in 20's.

DBP/USPS-315 In USPS LR-L-152, the data indicate that 14% of the respondents purposely underpaid postage, using just one 37¢ stamp when the rate was 39¢.

[a] Please explain why you believe 14% of mailers purposely underpaying postage is a small percent.

[b] Please describe any discussion that was made during the interview regarding what the regulations were for properly paying postage or the action that would be taken by the Postal Service with respect to utilizing a 37¢ stamp when the postage rate was 39¢.

[c] Do you believe that some respondents might understate their sending mail which was prepared in violation of postal regulations?

[d] What action was taken to ensure the best possible data were obtained?

DBP/USPS-316 [a] What action will the Postal Service take if a mailer deposited a one ounce letter with a 37¢ stamp affixed when the rate was 39¢?

[b] Would the response to subpart a be different depending how on soon after the January 8, 2006, rate increase it took place?

[c] If so, please explain.

[d] This subpart is designed to determine the extent to which shortpaid mail such as described in subpart a above would be discovered in an effort to determine the significance of the regulation. If a mailer were to deposit at the present time a single #10 one ounce envelope with a typewritten or computer printed address in each of the some 300,000 blue collection boxes located throughout the country and addressed to different addresses located randomly throughout the 50 states and prepaid with a 37¢ stamp, what is your best estimate of the number of these 300,000 envelopes would be discovered and action taken to collect the shortpaid 2¢?

DBP/USPS-317 Please provide any data that exists, such as mystery shopper reports, which would show the extent to which the waiting time at post offices is higher than normal immediately before and/or after a rate increase.

DBP/USPS-318 Please provide any data that exists which would show the extent to which post offices ran out of the make-up stamps. For example, in the January 2006 rate increase, the extent to which post offices ran out of 2¢ stamps or had to take other action such as selling 1¢ stamps so a customer would need to use two of them or sold other available lower value stamps, such as 3¢ stamps, to allow for the best possible solution when 2¢ stamps were unavailable.

DBP/USPS-319 Please confirm, or explain if you are unable to confirm, that, on balance, the concept of a Forever Stamp is in the best interests of the Postal Service.

DBP/USPS-320 Please confirm, or explain if you are unable to confirm, that, on balance, the concept of a Forever Stamp is in the best interests of the mailing public.

DBP/USPS-321 [a] Please provide the proposals that were studied with respect to having the Forever Stamp available for a limited period of time around a future rate increase rather than having them on sale continuously.

[b] Please confirm, or explain if you are unable to confirm, that the Forever Stamp will be on sale continuously once it has been approved and prepared and issued.

[c] Please discuss why the Postal Service chose to make Forever Stamps available continuously.

DBP/USPS-322 Please confirm, or explain if you are unable to confirm, that should the Forever Stamp be approved and implemented as a result of the action in Docket R2006-1 and further assume that the next time the Postal Service wishes to raise the rates for a single ounce single-piece First-Class Mail letter is in 2009, that the Forever Stamp will be in place before, during, and after the entire process and mailers will be able to take full advantage of the Forever Stamp process.

DBP/USPS-323 Please confirm, or explain if you are unable to confirm, that should the Forever Stamp be approved and implemented as a result of the action in Docket R2006-1 that it will not apply during the change in rates from 39¢ to 42¢ [assuming that the 42¢ rate is approved].

DBP/USPS-324 Based on the response to Interrogatories DBP/USPS-319 through DBP/USPS-323, please explain why the plans do not call for implementation in the rates and classifications adopted as a result of Docket R2006-1.

DBP/USPS-325 Based on the response to Interrogatories DBP/USPS-322 and DBP/USPS-323, please explain why there is a need for settlement and/or expedited handling of this issue in this Docket.

- DBP/USPS-326 [a] Please confirm, or explain if you are unable to confirm, that the Postal Service has chosen to utilize the name of Forever Stamp for this innovation.
- [b] Please advise any other names that were discussed or considered.
- [c] Please discuss why the name of Forever Stamp was chosen.

- DBP/USPS-327 [a] With respect to the design of the Forever Stamp, please advise number of different stamp designs that is being considered under the current status of the proposal.
- [b] Please advise the different proposals that are being considered and the advantages and disadvantages of each of the proposals.

- DBP/USPS-328 [a] With respect to the design of the Forever Stamp, please advise the planned frequency of issuing a new stamp design that is being considered under the current status of the proposal.
- [b] Please advise the different proposals that are being considered and the advantages and disadvantages of each of the proposals.

DBP/USPS-329 Please confirm, or explain if you are unable to confirm, that in each of the previous rate increases starting with the 15¢ rate [A-stamp] and up to the latest increase to 39¢, the Postal Service issued a non-denominated stamp or stamps for each of the separate rate cases.

DBP/USPS-330 If the response to Interrogatory DBP/USPS-328 is that a new design will be issued with each rate case, please advise if you believe any confusion will exist with respect to the Forever Stamp based on the previous history of non-denominated stamps noted in response to Interrogatory DBP/USPS-329.

- DBP/USPS-331 [a] With respect to the design of the Forever Stamp, please advise the planned wording [as opposed to the picture] that is being considered for inclusion on the new stamp design to inform the mailer of the purpose or validity of the stamp under the current status of the proposal.
- [b] Please advise the different proposals that are being considered and the advantages and disadvantages of each of the proposals.

DBP/USPS-332 Please provide a listing of non-denominated stamps or postal stationery that have been previously issued that are or were utilized for the single piece First-Class Mail first ounce rate. Please advise the wording that appeared on each of these stamps. Please also advise the date the stamp was issued and/or sold.

DBP/USPS-333 If any responses to Interrogatory DBP/USPS-331 with respect to the wording that is being considered to appear on the Forever Stamp also has previously appeared on any previously issued non-denominated stamp as noted in response to Interrogatory DBP/USPS-332, please advise if you believe any confusion will exist with respect to the Forever Stamp based on the previous history of non-denominated stamps [references to USA or similar meaning need not be discussed].

DBP/USPS-334 [a] In addition to the Forever Stamp being proposed for domestic use, has any consideration or discussion taken place to also establish a similar Forever Stamp for use on mail being sent to an international destination?

[b] Please provide the rationale for the response to subpart a.

DBP/USPS-335 [a] In addition to the Forever Stamp being proposed for domestic letter use, has any consideration or discussion taken place to also establish a similar Forever Stamp for use on domestic post cards?

[b] Please provide the rationale for the response to subpart a.

DBP/USPS-336 [a] With respect to the three semi-postal non-denominated stamps that have been previously issued, please advise the period of time that each of the stamps are/were sold and the postage value[s] of the stamp at the time of sale and the dates of each rate.

[b] If a mailer wants to mail a single piece, one ounce letter utilizing one of these stamps that was purchased at a time when the letter rate was less than the present rate, is additional postage required?

[c] If so, how will the Postal Service be able to determine the need for additional postage?

[d] Does or will the termination of sale of one of these stamps place a maximum limit on the postage value of the stamp? Please explain.

[e] Is a purchaser of one of these stamps required to keep "records" of when the stamps were purchased so that the postage value will be known? Please explain.

[f] May these stamps be utilized to pay the postage on any mailpiece at their postage value? For example, can two Breast Cancer stamps with a postage value of 39¢ each be utilized together with 9¢ in other postage to pay the 87¢ postage presently required on a 3-ounce letter? Please explain and discuss any exceptions.

[g] Is the ability to utilize these stamps as noted in subpart f above limited to any specific service, such as First-Class Mail, or may they be used on any class of mail that may otherwise be paid for with denominated stamps? For example, can five Breast Cancer stamps with a postage value of 39¢ each be utilized together with 12¢ in other postage to pay the \$2.07 postage presently required on a 2-pound Media Mail Single-Piece? Please explain and discuss any exceptions.

[h] May these stamps be utilized to pay the postage on mail destined to an international destination? For example, can two Breast Cancer stamps with a postage value of 39¢ each be utilized together with 6¢ in other postage to pay the 84¢ postage presently required on a 1-ounce letter to Great Britain? Please explain and discuss any exceptions.

[i] Please explain the rationale for any negative responses to subparts f through h.

DBP/USPS-337 Please confirm, or explain if you are unable to confirm, that in addition to the first ounce letter rate non-denominated stamps listed in response to Interrogatory DBP/USPS-332, there were other non-denominated stamps or postal stationery issued for the make-up difference requirement or for the post card rate.

DBP/USPS-338 Please confirm, or explain if you are unable to confirm, that each of the stamps or postal stationery referred to in Interrogatories DBP/USPS-332 and DBP/USPS-337 has a fixed postage value. This does not include the three semi-postal stamps noted in Interrogatory DBP/USPS-336. The various Presort stamps that may not be utilized by a mailer on a single piece mailing other than under a pre-cancelled stamp permit need not be considered in the response.

DBP/USPS-339 This relates to the various non-denominated stamps or postal stationery referred to in Interrogatory DBP/USPS 338.

[a] May these stamps be utilized to pay the postage on any mailpiece at their postage value? For example, can two non-denominated Lady Liberty and Flag stamps with a postage value of 39¢ each be utilized together with 9¢ in other postage to pay the 87¢ postage presently required on a 3-ounce letter? Please explain and discuss any exceptions.

[b] Is the ability to utilize these stamps as noted in subpart a above limited to any specific service, such as First-Class Mail, or may they be used on any class of mail that may otherwise be paid for with denominated stamps? For example, can five non-denominated Lady Liberty and Flag stamps with a postage value of 39¢ each be utilized together with 12¢ in other postage to pay the \$2.07 postage presently required on a 2-pound Media Mail Single-Piece? Please explain and discuss any exceptions.

[c] May these stamps be utilized to pay the postage on mail destined to an international destination? For example, can two non-denominated Lady Liberty and Flag stamps with a postage value of 39¢ each be utilized together with 6¢ in other postage to pay the 84¢ postage presently required on a 1-ounce letter to Great Britain? Please explain and discuss any exceptions.

[d] Please explain the rationale for any negative responses.

DBP/USPS-340 [a] With respect to the proposed Forever Stamp, will the use of the stamp be limited to only paying the postage for the first ounce of a single-piece First-Class Mail letter rate regardless of the postage value in effect at the time of mailing?

[b] Please explain the rationale for the response to subpart a.

DBP/USPS-341 This Interrogatory refers to the Forever Stamp and at a time when the one ounce single-piece letter rate is 45¢. The other rates for the examples have been assumed.

[a] May these stamps be utilized to pay the postage on any mailpiece at their current postage value? For example, can two Forever Stamps be utilized together with 5¢ in other postage to pay the 95¢ postage required on a 3-ounce letter? Please explain and discuss any exceptions.

[b] Is the ability to utilize these stamps as noted in subpart a above limited to any specific service, such as First-Class Mail, or may they be used on any class of mail that may otherwise be paid for with denominated stamps? For example, can five Forever Stamps be utilized together with 25¢ in other postage to pay the \$2.50 postage required on a 2-pound Media Mail Single-Piece? Please explain and discuss any exceptions.

[c] May these stamps be utilized to pay the postage on mail destined to an international destination? For example, can two Forever Stamps be utilized together with 5¢ in other postage to pay the 95¢ postage required on a 1-ounce letter to Great Britain? Please explain and discuss any exceptions.

[d] Please explain the rationale for any negative responses.

DBP/USPS-342 If a Forever Stamp may be utilized for other than paying the postage requirement of the first ounce of a single-piece First-Class Mail letter, please explain how the proposed DMCS wording of Section 241 and 3030 will allow for this use.

DBP/USPS-343 [a] Please confirm, or explain if you are unable to confirm, that under the proposed rates, there will be three separate first ounce rates for First-Class Mail [letters, flats, and parcels].

[b] Please discuss and explain the considerations that this may result in confusion to a potential user of the Forever Stamp and the action taken to reduce the possibility of confusion.

DBP/USPS-344 Please confirm, or explain if you are unable to confirm, that should the Forever Stamp proposal be approved, the proposed new DMCS Section 241 and the proposed modification of Section 3030 would become effective at the same time as the first ounce, single-piece letter rate for First-Class Mail would be increased to 42¢ [assuming it is approved].

DBP/USPS-345 [a] Please advise why it is proposed to issue the Forever Stamp a short time before the rates are increased.

[b] Please confirm, or explain if you are unable to confirm, that the price for these stamps sold prior to the effective date would still be 42¢ [assuming that rate is approved].

[c] Please advise the authority to sell these stamps when the DMCS does not authorize their use.

[d] Please advise why you believe that the sale of these stamps at the new rate prior to the rate change would be in compliance with the provisions of 18 USC 1721.

[e] Please confirm, or explain if you are unable to confirm, that the great majority of the use of the Forever Stamp during the period between the time the stamp is sold up to the time that the new rates become effective would be to overpay the postage on a one ounce single-piece First-Class Mail letter.

[f] Please explain why you believe that the scenario described in subpart e above would be fair and appropriate.

[g] Please explain what postal or customer need will be served by selling 42¢ stamps at a time when the postage rate is 39¢.

[h] Please describe the publicity that will be provided to advise mailers that the use of the Forever Stamp prior to the rate change will result in overpayment of postage.

DBP/USPS-346 [a] Please discuss whether you believe that the potential for confusion that will exist with mailers about the availability and use of the Forever Stamp will be more than, less than, or about the same as the potential for confusion that has existed in past rate cases with respect to the availability and use of the non-denominated stamps.

[b] Please discuss whether you believe that the amount of publicity that will be required to avoid the potential for confusion that will exist with mailers about the availability and use of the Forever Stamp will be more than, less than, or about the same as the amount of publicity that was required in past rate cases with respect to the availability and use of the non-denominated stamps.

[c] Please provide the rationale for the responses to subparts a and b.

DBP/USPS-347 Please advise whether the Postal Service is planning to issue a "standard" non-denominated stamp or stamps for the one ounce letter rate for the rate ultimately adopted in Docket R2006-1.

[b] Please advise whether the Postal Service is planning to issue a make-up non-denominated stamp for the one ounce letter rate for the rate ultimately adopted in Docket R2006-1.

[c] Please provide the rationale for the decisions provided in response to subparts a and b.

DBP/USPS-348 Please confirm, or explain if you are unable to confirm, that once the rates proposed for Docket R2006-1 become effective there will be no financial reason for a customer who needs a stamp for the first ounce, single-piece First-Class Mail letter rate not to purchase a Forever Stamp as opposed to purchasing a denominated stamp or a non-denominated stamp [if issued].

DBP/USPS-349 Please confirm, or explain if you are unable to confirm, that once the rates proposed for Docket R2006-1 become effective some of the non-financial reasons that a customer who needs a stamp for the first ounce, single-piece First-Class Mail letter rate will choose to purchase a denominated or non-denominated stamp are:

[1] the desire to utilize a semi-postal stamp

[2] the desire to utilize a stamp with a particular design or topic

[3] the unavailability of a desired format, such as a coil stamp, in the Forever Stamp. Please provide any other non-financial reasons that may exist.

DBP/USPS-350 [a] Please confirm, or explain if you are unable to confirm, that many individual customers and small business customers will purchase the first ounce letter rate in the coil format, particularly the coil of 100 stamps.

[b] Please advise why the Postal Service has chosen not to issue the Forever Stamp in coils of 100.

DBP/USPS-351 Please confirm, or explain if you are unable to confirm, that once the Forever Stamp is implemented that as time goes by, more and more mailers will become aware of the stamp and its use will increase.

DBP/USPS-352 Please confirm, or explain if you are unable to confirm, that for many, if not all, of the recent different First-Class Mail single-piece letter rates, there has been a single design that has been the "workhorse" of the many non-commemorative or special purpose stamps that were available for that rate [usually the flag stamp].

DBP/USPS-353 Please advise if you expect the Forever Stamp to become the "workhorse" stamp for the first ounce letter rate. Please provide the rationale for your response.

DBP/USPS-354 During the discussions for the introduction of the Forever Stamp, one of the considerations was to charge a premium over the postage value for the stamp. Ultimately it was decided not to charge a premium. Please advise the advantages and disadvantages of charging or not charging a premium and the various amounts considered and the ultimate reasons for adopting the final decision of not charging a premium.

DBP/USPS-355 During the discussions for the introduction of the Forever Stamp, one of the considerations was to limit the time when the stamp would be available for sale. Please advise the sale times that were considered. Ultimately it was decided to make the stamp available for sale at all times. Please advise the advantages and disadvantages of limiting or not limiting the sale time and the ultimate reasons for adopting the final decision of not limiting the sale time.

DBP/USPS-356 During the discussions for the introduction of the Forever Stamp, one of the considerations was to limit the quantity of stamps that could be purchased at one time. Please advise the quantities that were considered. Ultimately it was decided not to limit the quantities that could be purchased. Please advise the advantages and disadvantages of limiting or not limiting the purchase quantity and the ultimate reasons for adopting the final decision of not limiting the purchase quantity.

DBP/USPS-357 Please advise if the Forever Stamp will be a self adhesive stamp. Please provide the rationale for your response.

DBP/USPS-358 [a] Please provide the reasons why the Postal Service abandoned the use of letters to identify the non-denominated stamps utilized at rate case implementations after going from A through H.

[b] Please confirm, or explain if you are unable to confirm, that the use of letters in alphabetical order corresponding to rate increases in order provides a convenient method to evaluate the value of a particular stamp in the series particularly over the long period of time.

[c] Please confirm, or explain if you are unable to confirm, that the present system of having one or more non-denominated stamps will present a much harder way to remember the values associated with which stamps particularly over the long period of time due to the need to describe a given stamp design and the lack of an orderly progression of designs with respect to values.

[d] Are there any plans to return to the lettered system of non-denominated stamps [assuming they will still exist and not be replaced by the Forever Stamp]?

[e] If not, please explain the reasons.

DBP/USPS-359 [a] Please confirm, or explain if you are unable to confirm, that there are numerous organizations, such as supermarkets, that sell stamps at face value to the public that are received on consignment.

[b] Please describe any procedures that will be implemented to preclude arbitrage gains by the organization.

DBP/USPS-360 Please refer to footnote 14 on page 22 of Witness Taufique's July 14, 2006, Testimony.

[a] Please advise what percentage of the roughly 40 billion pieces of single-piece First-Class Mail pieces in a year have the postage paid for by means of adhesive postage stamps.

[b] Please advise how the conversion was made from 40 billion pieces per year and about 330 million pieces a month.

[c] Please advise how the conversion was made from 3¢ per piece and 330 million pieces a month to a total of \$100 million a month.

[d] Please advise the approximate potential revenue that will be subject to loss by utilization of the Forever Stamp.

DBP/USPS-361 Please refer to page 23 of Witness Taufique's July 14, 2006, Testimony as it relates to a potential of some concern with respect to the philatelic program.

[a] Please list and describe the specific concerns that may exist that could affect the philatelic program.

[b] Please explain why there is a greater concern with respect to the program because of the Forever Stamp as opposed to any of the many non-denominated stamps that have been issued over the past years?

[c] What actions and modifications to both the Forever Stamp program and the philatelic program are either being made or considered to reduce the effects. Please explain why you believe that the specific action or modification will have the desired effect.

DBP/USPS 362 Are there any plans to issue a commemorative stamp in a Forever Stamp version? Please explain the rationale for your response.

DBP/USPS-363 [a] Please confirm, or explain if you are unable to confirm, that the introduction of the Forever Stamp will have an effect on the reduction of window service hours.

[b] Please provide a best estimate of the dollar savings.

DBP/USPS-364 Please describe how the Forever Stamp concept will be handled in future years down the road should there be a change in the rate structure for First-Class Mail. For example, what would have happened in R2006-1 due to the introduction of three separate first ounce rates for First-Class Mail had the Forever Stamp been introduced in a previous Docket. In this instance, a Forever Stamp that I bought in 2005 would have been good for the

first ounce of a letter, flat, or parcel and now when R2006-1 is implemented it would not be valid for the first ounce of a flat or parcel.

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 July 17, 2006
