

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

POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE  
TO VALPAK WITNESS ROBERT MITCHELL  
(USPS/VP-T1-9 THROUGH 12)

In accordance with Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service hereby directs the following interrogatories to Valpak witness Robert Mitchell: USPS/VP-T1-9 through USPS/VP-T1- 12.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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  
August 8, 2005

## **USPS/VP-T1-9**

On page 17 of your testimony, you state:

Focusing on settlement as a goal in such a situation introduces a dynamic that may be out of line with appropriate ratemaking. It is altogether possible that the Postal Service, in negotiating with intervening parties, who may represent the interests of some mailers to the neglect of others, will find that it can achieve settlement by proposing rates that it cannot justify as most appropriate, in hopes that the Commission will do little more than certify that the rates in the settlement are within a range allowed by law instead of being the best for the nation. The incentives of such a dynamic are unacceptable and should not be allowed to dictate the nation's postal rates and fees.

- (a) Please explain fully your words "a range allowed by law."
- (b) Please explain fully your words "best for the nation."
- (c) Please identify and explain every consideration, factor, or criterion encompassed by your use of the words "incentives of such a dynamic."

## **USPS/VP-T1-10**

Please identify specifically all criteria you would use to determine whether a particular set of rates would be, in your words, "best for the nation," or whether the nation would be "worse off" with an alternative set of rates. In your answer, please explain specifically the roles of the following factors in reaching a determination:

- (1) Cost coverages;
- (2) Markup indices;
- (3) Relative rate levels;
- (4) Evaluation of specific factors identified in 39 U.S.C. § 3622(b);
- (5) Other policies in specific provisions of title 39, United States Code;
- (6) Other policies or considerations.

## **USPS/VP-T1-11**

In evaluating whether proposed rates would be "best" or "worse" for the nation, to what extent is the determination objective and quantifiable, and to what extent is it subjective and influenced by judgment and perspective?

**USPS/VP-T1-12**

On page 34 of your testimony, you state

from Docket No. R90-1 to date, a period of approximately 15 years, there have been only two normal rate cases....”

Please list and explain specifically every characteristic of a rate case that would lead you to conclude that it was or would be “normal.”

## **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.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
August 8, 2005