

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2006 )

Docket No. R2006-1

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS DREW MITCHUM (OCA/USPS-T40-13-19)  
(June 2, 2006)

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T32-1-7, dated June 2, 2006, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T40-13. This interrogatory seeks to clarify the proposed pricing of Confirm service for First-Class Mail and Standard Mail. Please refer to your testimony at page 17, lines 7-10.

- a. Please confirm that for two mailpieces that are identical in every way (i.e., size, shape, weight, addressing quality, etc.), except that one mailpiece is marked First-Class Mail and the other Standard Mail, the cost per scan to the Postal Service is identical. If you do not confirm, please explain.
- b. Please explain the circumstances under which the cost per scan to the Postal Service might be different for First-Class Mail and Standard Mail pieces of different size, shape, weight, addressing quality, etc.

OCA/USPS-T40-14. This interrogatory seeks to clarify the proposed pricing of Confirm service for First-Class Mail and Standard Mail. Please refer to your testimony at page 17, lines 7-10.

- a. Please confirm that under your proposed fee schedule (see Table 4 in your testimony), the price per scan for a First-Class mailpiece in the 1<sup>st</sup> to 9<sup>th</sup> block of one million units will be  $\$0.00007 \left( (1 * 1) / 1,000,000 * \$70 \right)$ . If you do not confirm, please explain.
- b. Please confirm that under your proposed fee schedule, a First-Class mailer purchasing 1,000,000 units in the 1<sup>st</sup> to 9<sup>th</sup> block will receive 1,000,000 scans. If you do not confirm, please explain.
- c. Please confirm that under your proposed fee schedule, the price per scan for a Standard Mail piece in the 1<sup>st</sup> to 9<sup>th</sup> block of one million units will be  $\$0.00035 \left( (1 * 5) / 1,000,000 * \$70 \right)$ . If you do not confirm, please explain.

- d. Please confirm that under your proposed fee schedule, a Standard mailer purchasing 1,000,000 units in the 1<sup>st</sup> to 9<sup>th</sup> block will receive 200,000 scans. If you do not confirm, please explain.
- e. Please explain the rationale for the difference in price per scan for these two classes of mail.

OCA/USPS-T40-15. This interrogatory seeks to clarify the proposed pricing of Confirm service. Please refer to LR-L-124, spreadsheet tab "WP-4 Confirm."

- a. Please confirm that under your proposed fee schedule (see Table 4 in your testimony), the price per block of one million units for the 1<sup>st</sup> to 9<sup>th</sup> block of \$70 is not based on the actual cost per scan or per unit to the Postal Service. If you do not confirm, please explain and provide all calculations showing the cost per scan or cost per unit on which your proposed prices are based.
- b. Please confirm that under your proposed fee schedule (see Table 4 in your testimony), the price per block of one million units for the 10<sup>th</sup> to 99<sup>th</sup> block of \$35 is not based on the actual cost per scan or per unit to the Postal Service. If you do not confirm, please explain and provide all calculations showing the cost per scan or cost per unit on which your proposed prices are based.
- c. Please confirm that under your proposed fee schedule (see Table 4 in your testimony), the price per block of one million units for the 100<sup>th</sup> or more block of \$17.50 is not based on the actual cost per scan or per unit to the Postal Service. If you do not confirm, please explain and provide all calculations showing the cost per scan or cost per unit on which your proposed prices are based.

- d. Please explain on what cost per unit basis to the Postal Service your proposed prices for each block of one million units are based, and show all calculations that develop your cost per unit.
- e. Please confirm that your proposed 1) price per block of one million units for the 1<sup>st</sup> to 9<sup>th</sup> block of \$70; 2) price per block of one million units for the 10<sup>th</sup> to 99<sup>th</sup> block of \$35; and, 3) price per block of one million units for the 100<sup>th</sup> or more block of \$17.50 represents “value pricing.” If you do not confirm, please explain.

OCA/USPS-T40-16. This interrogatory seeks to determine the impact of the proposed fee schedule on Confirm subscribers. Please refer to your testimony at page 17, lines 11-13. Please explain the rationale for eliminating the three subscription tier levels.

OCA/USPS-T40-17. This interrogatory seeks to determine the impact of the proposed fee schedule on Confirm subscribers. Please refer to LR-L-124, spreadsheet tab “WP-4 Confirm.”

- a. Comparing the “Silver” subscription service fee with the proposed fee schedule, please confirm that the current 16 subscribers of the “Silver” subscription service will pay higher total fees under your proposed fee schedule. If you do not confirm, please explain and show all calculations supporting your answer.
- b. Comparing the “Silver” subscription service fee with the proposed fee schedule, please confirm that you are assuming that the current 16 subscribers of the “Silver” subscription service will all become subscribers at the proposed higher user fee. If you do not confirm, please explain. If you do confirm, please explain the basis for your assumption.

- c. Please explain how you have adjusted your revenue model to account for the fact that not all 16 subscribers of the “Silver” subscription service will become subscribers under your proposed higher fee schedule.

OCA/USPS-T40-18. This interrogatory seeks to determine the impact of the proposed fee schedule on Confirm subscribers. Please refer to LR-L-124, spreadsheet tab “WP-4 Confirm.”

- a. Comparing the “Gold” subscription service fee with the proposed fee schedule, please confirm that the 119 subscribers to the “Gold” subscription service will pay higher total fees under your proposed fee schedule. If you do not confirm, please explain and show all calculations supporting your answer.
- b. Comparing the “Gold” subscription service fee with the proposed fee schedule, please confirm that you are assuming that the current 119 subscribers of the “Gold” subscription service will all become subscribers under your proposed fee schedule. If you do not confirm, please explain. If you do confirm, please explain the basis for your assumption.
- c. Please explain how you have adjusted your revenue model to account for the fact that not all 119 subscribers of the “Gold” subscription service will become subscribers under your proposed higher fee schedule.

OCA/USPS-T40-19. This interrogatory seeks to determine the impact of the proposed fee schedule on Confirm subscribers. Please refer to LR-L-124, spreadsheet tab “WP-4 Confirm.”

- a. Comparing the “Platinum” subscription service fee with the proposed fee schedule, please confirm that the 45 subscribers of the “Platinum” subscription

service will pay higher total fees under your proposed fee schedule. If you do not confirm, please explain and show all calculations supporting your answer.

- b. Comparing the “Platinum” subscription service fee with the proposed fee schedule, please confirm that you are assuming that the current 45 subscribers of the “Platinum” subscription service will all become subscribers under your proposed fee schedule. If you do not confirm, please explain. If you do confirm, please explain the basis for your assumption.
- c. Please explain how you have adjusted your revenue model to account for the fact that not all 45 subscribers of the “Platinum” subscription service will become subscribers under your proposed higher fee schedule.