

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORIES OF GREETING CARD ASSOCIATION
(GCA/USPS-T36-1-2)

The United States Postal Service hereby files the responses of witness Kiefer to above-listed interrogatories, filed on June 7, 2006.

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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June 21, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORY OF GREETING CARD ASSOCIATION

GCA/USPS-T36-1

Please refer to your prefiled testimony at page 25, lines 7 through 21, and to Library Reference USPS-LR-L-36, page WP-STDREG9 (“Non-ECR Nonletters Disaggregation Shares Matrix”).

Please confirm that 1.59 percent of the Standard Regular (including nonprofit) mail now categorized as “Auto Flats” and 0.15 percent of the Standard Regular (including nonprofit) mail now categorized as “Non-auto Flats” would be categorized as “Hybrid Flats” under your proposed rate design changes. If you do not confirm, please explain fully.

RESPONSE

Not confirmed. As can be seen in WP-STDREG-9, all of the percentages in the table sum to 100%. Therefore the percentages in the cells of the table are not shares of Auto Flats or Non-auto Flats. Rather these are shares of total Standard Mail nonletters. The correct way to determine the shares of existing classifications that would be re-categorized as “hybrid flats” would be to divide the figures cited in the question by their respective column totals. The correct share of Auto Flats re-categorized as “hybrid flats” would be 1.80% (= 1.59 divided by 88.13). The correct share of Non-auto Flats re-categorized as “hybrid flats” would be 1.99% (= 0.15 divided by 7.77).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORY OF GREETING CARD ASSOCIATION

GCA/USPS-T36-2

Please refer to your prefiled testimony at page 23, lines 9 through 23.

Please provide your best estimate of the effect on Postal Service revenues of the mitigation referred to in lines 14-15 of this paragraph.

RESPONSE:

My best estimate is that the mitigation would have no effect on Postal Service revenues. I am given a revenue target to meet. Within that revenue target I develop rates that meet various goals, including achieving the target revenue and mitigation of unacceptably high rate changes. Mitigation of rates does not change the target Standard Mail revenue so it has no affect on overall Postal Service revenues.

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.

Nan K. McKenzie

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