

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF TIME WARNER (TW/USPS-T32-4(a)-(c) and 5),
REDIRECTED FROM WITNESS TAUFIQUE
(June 28, 2006)

The United States Postal Service hereby provides responses to the following interrogatories of Time Warner, Inc., filed on June 12, 2006: TW/USPS-T32-4(a)-(c) and 5, redirected from witness Taufique.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF TIME WARNER
REDIRECTED FROM POSTAL SERVICE WITNESS TAUFIQUE**

TW/USPS-T32-4. Please refer to pages 12-17 of your testimony, where you discuss recognizing the “full range of differences between” (p. 14, ll. 9-10) single piece and presorted letters, including, among other factors, “the readability of the mail, the proportions of the mail that are undeliverable-as-addressed, the utilization of retail facilities for entry, etc.” (*id.* at ll. 15-17).

- a. Do you agree that virtually all QBRM pieces have highly readable addresses and barcodes, as well as accurate addresses? Please explain if you do not agree.
- b. Do you agree that QBRM pieces are almost never undeliverable as addressed and are almost never forwarded or returned? Please explain if you do not agree.
- c. Are any Postal Service constraints placed on the return addresses on QBRM pieces? If yes, please explain.
- d. Does QBRM have any countervailing characteristics which you believe would make recognizing its low-cost characteristics ill advised? If it does, explain what they are.

Response:

- a. Presuming the print quality is maintained, agreed.
- b. Generally agree, however the pieces could become undeliverable or forwarded if the firm using QBRM moves or goes out of business. In this regard, customers may retain a BRM envelope for a long period, and then use it after the address has become outdated.
- c. Assuming this refers to the information located in the upper left corner of the envelope or card, no.
- d. Retained by witness Taufique.

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TW/USPS-T32-5. Please refer to pages 12-17 of your testimony, where you discuss QBRM rates, and to the Commission's observation in Docket No. R97-1 (PRC Op. R97-1, p. 303, fn. 21) that QBRM pieces are "pre-address[ed] to a Postal Service-designated ZIP Code." Please discuss the control and guidance functions performed by the Postal Service in designating these ZIP Codes, including the consideration given by the Postal Service to the equipment it has at the locations and the extent to which it will be able to handle projected volumes efficiently and at a low cost.

Response:

The footnote in PRC Op. R97-1, p 303, is not completely correct. All available literature about the QBRM program, including the application and DMM, refer to a unique ZIP+4 Code assigned to each rate category (card, one ounce or less letter, and letters over one ounce). ZIP+4 codes are assigned based on the address being used on the mail piece, and samples are checked to ensure that the appropriate ZIP+4 code is on the appropriate category. There is little consideration given to equipment at a location since automated programs used to count and calculate the postage due are typically used only in the cases of high-volume QBRM customers.