

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE
TO INTERROGATORY OF TIME WARNER INC (TW/USPS-T32-4(d))

The United States Postal Service hereby files the response of witness
Altaf H. Taufique to the following interrogatories of Time Warner Inc.:
TW/USPS-T32-4(d), filed on June 12, 2006. The interrogatory is stated verbatim
and followed by the response.

The following interrogatory have been redirected from witness Taufique to
witness Abdirahman for response: TW/USPS-T32-2. The following
interrogatories have been redirected to the Postal Service for institutional
response: TW/USPS-T32-3, 4(a-c), and 5.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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

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) singlepiece 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 illadvised? If it does, explain what they are.

RESPONSE

- a-c. Redirected to the Postal Service for an institutional response.
- d. The single-piece mail stream has a variety of characteristics, some of which cause costs to be higher, e.g., handwritten addresses and a variety of colors. Others are cost saving in nature, such as a machine generated address, a Facing Identification Mark and a barcode. See my testimony, USPS-T-32, at page 13, lines 6 through 11. These latter features are inherent in QBRM.

Only in limited circumstances, such as with square envelopes that do not meet the aspect ratio requirements and are incompatible with our automated mail processing equipment, does the Postal Service currently

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RESPONSE to TW/USPS-T32-4(d) continued:

address such characteristics in the single-piece rate schedule. For instance, there is the current nonmachinable surcharge. In addition, we have proposed to reclassify and rate single-piece mail by shape in our current request.

Regarding the QBRM mail which is the subject of your interrogatories, our proposal not only recognizes the cost saving characteristics of this mail but offers a discount that is 165 percent of the measured cost savings.

The postal rate and classification criteria do not require the Postal Service to automatically propose a de-averaging rate and a classification change to recognize all characteristics that might cause there to be cost differences among mail pieces within a particular subclass or rate category. I am aware of no characteristics of QBRM that would make recommendation of the Postal Service's proposed QBRM discount "ill-advised."