

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

Postal Rate and Fee Changes, 2006

Docket No. R2006-1

**INTERROGATORIES OF THE GREETING CARD ASSOCIATION
TO POSTAL SERVICE WITNESS ALTAF H. TAUFIQUE (USPS-T32-5-6)**

(June 29, 2006)

Pursuant to Sections 25 and 26 of the Postal Rate Commission's rules of practice, Greeting Card Association hereby submits interrogatories. If necessary, please redirect any interrogatory to a more appropriate Postal Service witness.

Respectfully submitted,

/s/ James Horwood _____

James Horwood
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Date: June 29, 2006

GCA/USPS-T32-5

Please refer to R2006-1, USPS LR-L-129, the Excel file LR-L-129.xls, worksheet “TYAR Volume.”

- a. Please confirm that USPS witness Thress’ after rates volume forecast for FCLM single piece in GFY 2007 is 39.105, not 39.401 billion pieces. If you cannot confirm, please provide the correct number.
- b. Please confirm that for the 2007 GFY in the above-referenced Excel spreadsheet you are using an after rates volume forecast of 39.401 billion pieces for First-Class single-piece (as well as all other First Class mail categories) that is exactly the same as the before rates volume forecast. If you cannot confirm, please provide the correct number or explain why.
- c. If you confirm (b), please state if you or other witnesses have used the erroneous 39.401 billion piece figure for GFY 2007 in any calculations in this case, and specifically identify the calculations and the impact of using the erroneous figure.

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Please refer to the following table. The before rates and after rates annual forecasts for the periods 2006-2009 are obtained from USPS witness Thress. The Alternative trend forecasts are estimated based on simple linear trend projections of the actual volumes for the period 1997-2005 with 1997 as the starting year, signifying the last peak in First-Class single-piece volume.

DATE	USPS		Alternative	
	Before Rates	After Rates	Trend Forecast	Trend Forecast Adjusted for Rate Increase
2006	41.410	41.410	42.641	42.641
2007	39.401	39.105	41.180	40.883
2008	38.162	37.206	39.719	38.764
2009	36.486	35.572	38.258	37.345

Source: USPS witness Thress, LR-L-66.

- a. Please confirm your revenue requirement for Test Year 2008 uses the after rates volume from the above table. If you cannot confirm, please provide the correct number.
- b. Please confirm that had you used the linear trend projection starting from the year 1997, the forecast for the Test Year 2008 would have been 38.764 billion pieces, a value more than 1.5 billion pieces greater than USPS witness Thress' after rates volume forecast. If you cannot confirm please explain why.
- c. Please re-compute your revenue requirement for TY2008 for single piece FCM utilizing the trend volume of 38.764 billion pieces.