

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

Postal Rate and Fee Changes, 2006

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Docket No. R2006-1

**INTERROGATORIES AND DOCUMENT REQUESTS OF THE GREETING CARD
ASSOCIATION
TO POSTAL SERVICE WITNESS PETER BERNSTEIN (GCA/USPS-T8-1-7)**

(July 10, 2006)

Pursuant to Sections 25, 26, and 27 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: July 10, 2006

GCA/USPS-T8-1

Your testimony (USPS-T-8 at 4) states that “the purpose of [the] testimony is not to provide specific estimates of historical or future electronic diversion, but to provide a narrative that accompanies the testimony of Mr. Thress.”

- a. Table 10 of witness Thress’ testimony (USPS T-7) forecasts that the marginal number of pieces of First Class Mail electronically diverted in 2006 will be 4,342,924, but in 2007, 2008, and 2009 the annual figure will drop below the level of historical diversion in 2005 (4,130,686 diverted pieces) and decrease to 3,747,472 diverted pieces in 2009. Explain in full, how, if at all, your testimony supports Mr. Thress’ forecast that fewer pieces of First Class Mail will be electronically diverted in years 2007, 2008, and 2009 than in year 2005.
- b. Exclusive of Mr. Thress’ forecast, state whether you believe that fewer pieces of First Class Mail will be electronically diverted in years 2007, 2008, and 2009 than in year 2005. Provide the basis of your answer in full.
- c. Exclusive of Mr. Thress’ forecast (and econometric calculations) identify what information (specifically and by type) you would find it appropriate to consider for business forecast purposes to address the issue of whether fewer pieces of First Class Mail will be electronically diverted in years 2007, 2008, and 2009 than in year 2005 and to otherwise estimate the level of electronic diversion of FCLM in 2007, 2008, and 2009. Provide the basis of your answer in full.

GCA/USPS-T8-2

Your testimony (USPS-T-8 at 27) states that “the use of technological alternatives to the mail will continue to increase in the future.” Reconcile this statement with Mr. Thress’ forecast that fewer pieces of First Class Mail will be electronically diverted in years 2007, 2008, and 2009 than in year 2005. Provide the basis of your answer in full.

GCA/USPS-T8-3

Your testimony (USPS-T-8 at 50) states that “the use of electronic alternatives to paying bills by mail found in the Diary Study are corroborated by a variety of other sources, some of which were mentioned in my R2005-1 testimony at pages 24 to 34.” Please identify all of the sources of which you are aware that corroborate this phenomenon and provide copies of the supporting materials in your possession.

GCA/USPS-T8-4

Your testimony (USPS-T-8 at 57) states that “online bill presentment [is] a development

that would affect the volume of bills sent through the mail.” State your opinion as to whether you expect the volume of online bill presentment to grow in the next few years (i.e., 2006-2009). Provide the basis of your answer in full.

GCA/USPS-T8-5

Your testimony (USPS-T-8 at 60) states that “online bill payment ... could be the key driver of the future shares of bills paid by mail.” Reconcile this statement with Mr. Thress’ forecast that fewer pieces of First Class Mail will be electronically diverted in years 2007, 2008, and 2009 than in year 2005. Provide the basis of your answer in full.

GCA/USPS-T8-6

Your testimony (USPS-T-8 at 60) states that “online bill payment ... could be the key driver of the future shares of bills paid by mail.” State your opinion as to what you believe will be the key driver of the volume of FCLM electronically diverted in the next few years (i.e., 2006-2009). Provide the basis of your answer in full.

GCA/USPS-T8-7

State whether you have ever communicated to anyone as to whether, and to what extent, FCLM volumes will be impacted by electronic diversion, including, but not limited to, the time period of the next few years (i.e., 2006-2009). Identify all such communications, state to whom they were made, and provide the substance of the communication.