

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

REVISED RESPONSE OF
UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO
INTERROGATORY OF VALPAK
REDIRECTED FROM WITNESS MITCHUM
(VP/USPS-T40-4)

The United States Postal Service hereby files the revised response of witness Altaf H. Taufique to the following interrogatory of Valpak that was redirected from witness Mitchum: VP/USPS-T40-4. The original response was filed on June 2, 2006. The response to subpart (b) is revised for the sake of greater clarity. There are no changes in the responses to subparts (a) and (c). The revised response to VP/USPS-T40-4 supersedes the original response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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July 11, 2006

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TO INTERROGATORY OF VALPAK
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Revised: July 11, 2006**

VP/USPS-T40-4.

Please refer to your testimony at page 9, lines 20-22, where you note that address correction service covers all of its own costs.

- a. From an economic perspective, would you agree that it would be appropriate to regard the free return to sender of UAA First-Class Mail as having a price (implicit) of \$0.00? If not, please explain why not. If so, please explain why that (implicit) price should not be subjected to the pricing criteria of the Act in the same manner as are fees for address correction service.
- b. Please explain the extent to which the physical return of UAA First-Class Mail that cannot be forwarded covers its costs.
- c. Please explain why "bulk," or discounted (*i.e.*, presort and automation), First-Class Mail should not be required to pay a fee for physical return of nondeliverable UAA mail that is designed to cover the cost of such physical return service.

RESPONSE:

- a. No I do not believe that returning UAA First-Class Mail to the sender for no additional charge should be regarded as having a price of \$0.00. This is a feature of the First-Class Mail product.
- b. As indicated above, the return of UAA mail is a feature of the service provided to First-Class Mail. I am informed that the cost of this activity is reflected into the cost estimates for First-Class Mail. My rates are designed to cover those costs.
- c. See response to part b.