

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

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POSTAL RATE AND FEE CHANGES, 2006

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Docket No. R2006-1

INTERROGATORIES OF ADVO INC. TO UNITED STATES POSTAL  
SERVICE WITNESS RICHARD LOUTSCH (ADVO-USPS-T6-1-8)

(July 12, 2006)

Pursuant to sections 25 and 26 of the Rules of Practice, ADVO, Inc. (Advo) directs the following interrogatories to United States Postal Service witness Richard Loutsch (USPS-T-6). If the witness is unable to respond to any interrogatory, we request that a response be provided by appropriate USPS witness capable of providing an answer.

Respectfully submitted,

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John M. Burzio

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ADVO, INC. INTERROGATORIES TO USPS WITNESS LOUTSCH (USPS-T-6)

**ADVO/USPS-T6-1.** In response to DMA/USPS-T6-1(i), you state that the FY 2006 Operating Budget is included in the Integrated Financial Plan which projects a FY 2006 loss of \$1.8 billion after escrow expense.

(a) Please confirm that the “plan” amounts in each of the monthly operating and financial statements are based on the Integrated Financial Plan. If that is incorrect, please explain fully the source of those “plan” amounts and provide that source.

(b) Please compare the projected FY06 income statement underlying your testimony to the projected FY06 results in the FY06 Integrated Financial Plan, identifying and explaining all differences in the assumptions used in the two projections.

**ADVO/USPS-T6-2.** Please provide, by quarter, your estimates of third and fourth quarter 2006 and all of 2007 revenues, expenses, and workhours.

**ADVO/USPS-T6-3.** If there are specific expense or revenue adjustments that are typically made at the end of each fiscal year and that are not reflected in the monthly/quarterly statements, please identify them and briefly explain each.

**ADVO/USPS-T6-4.** Please specify the workhour growth rate expected for June through September of FY06 in your USPS-T-6 projection.

**ADVO/USPS-T6-5.** Are the effective dates in Exhibit USPS-6K also the dates when the increases were (or will be) put on the USPS books of account? If not, please identify those dates as well.

**ADVO/USPS-T6-6.** When are the February/March rural carrier route evaluation results actually implemented as compensation on the USPS books of account?

**ADVO/USPS-T6-7.** Has the USPS determined a Total Factor Productivity or TFP goal associated with each of the years projected in your testimony? If so, please provide the TFP or TFP goal for each of those years.

**ADVO/USPS-T6-8.** In your FY07 after-rates estimates, what is the R2006-1 rate implementation date assumed?