

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

Postal Rate and Fee Changes, 2006

:
:
:
Docket No. R2006-1

**FOLLOW-UP INTERROGATORIES AND DOCUMENT REQUESTS OF THE
GREETING CARD ASSOCIATION
TO POSTAL SERVICE WITNESS PETER BERNSTEIN (GCA/USPS-T8-8)**

(July 25, 2006)

Pursuant to Sections 25, 26, and 27 of the Postal Rate Commission's rules of practice, Greeting Card Association hereby submits follow-up interrogatories and document requests.

Respectfully submitted,

/s/ James Horwood

James Horwood
Spiegel & McDiarmid
1333 New Hampshire Ave. NW, 2nd Floor
Washington, D.C. 20036

Date: July 25, 2006

GCA/USPS-T8-8

Your interrogatory response GCA/USPS-T8-7 states, in part, that “I have worked on the creation of pessimistic and optimistic diversion scenarios, based on different assumptions about the growth in the use of the many drivers of electronic diversion.”

- a. Explain in detail the methodology used in the First Class pessimistic diversion scenario, identify how that scenario calculated the amount of electronic diversion, and identify the inputs used to account for “different assumptions about the growth in the use of the many drivers of electronic diversion.” Explain, further, whether the scenario used the same Internet variable used in the Thress’ econometric model used in this case.
- b. Explain in detail the methodology used in the First Class optimistic diversion scenario, identify how that scenario calculated the amount of electronic diversion, and identify the inputs used to account for “different assumptions about the growth in the use of the many drivers of electronic diversion.” Explain, further, whether the scenario used the same Internet variable used in the Thress’ econometric model used in this case.
- c. Explain in detail the methodology used in the First Class baseline diversion scenario, identify how that scenario calculated the amount of electronic diversion, and identify the inputs used to account for “different assumptions about the growth in the use of the many drivers of electronic diversion.” Explain, further, whether the scenario used the same Internet variable used in the Thress’ econometric model used in this case.
- d. To the extent not explained above, explain whether the First Class pessimistic, optimistic, and baseline scenarios utilized the same methodologies and explain what different assumptions, variables, or inputs account for the different models.
- e. To the extent not explained above, identify specifically and individually all of the referenced “many drivers of electronic diversion.”
- f. To the extent not explained above, provide the same information for a., b., c., and d. with respect to the pessimistic, baseline, and optimistic scenarios for total mail volume (as appear in the September 2005 Strategic Transformation Plan at p.8).
- g. Provide all documents that explain, discuss or set forth the pessimistic, optimistic, and baseline scenarios, including any communications from the United States Postal Service concerning same.