

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

SECOND REVISED RESPONSE OF POSTAL SERVICE WITNESS TANG
TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC.
(MPA/USPS-T35-13) [ERRATA]

The United States Postal Service hereby files the revised response of witness Tang to the above listed interrogatory, filed on July 14, 2006. The revision reflects the response to MPA/USPS-T35-28, which discusses data problems underlying the percentage changes in incentives listed in the original response to MPA/USPS-T35-13.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

David H. Rubin
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2986; Fax -6187
August 9, 2006

RESPONSE OF POSTAL SERVICE WITNESS TANG
TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC.

REVISED AUGUST 9, 2006

MPA/USPS-T35-13. Please refer to your response to MPA/USPS-T35-7, where you state:

In the process of rate design, I applied the proposed rates to a number of the co-palletized or co-mailed magazines to assess the postage impact. The purpose is to see if these publications would receive comparable, if not greater, incentives to continue efficient mail preparation and dropshipping, under the proposed rates.

(a) For each of the co-mailed magazines you analyzed, by what percentage would the postage “incentive” to co-mail (i.e., the postage difference between mailing the magazine as a solo mailing and as part of a co-mail pool) increase under your proposal? If you did not analyze the postage difference between mailing the magazine as a solo mailing and as part of a co-mail pool, how did you determine whether “these publications would receive comparable, if not greater, incentives to continue efficient mail preparation and dropshipping, under the proposed rates.”

(b) For each of the co-palletized magazines you analyzed, by what percentage would the postage “incentive” to co-palletize (i.e., the postage difference between mailing the magazine as a solo mailing and as part of a co-palletization pool) increase under your proposal? If you did not analyze the postage difference between mailing the magazine as a solo mailing and as part of a co-palletization pool, how did you determine whether “these publications would receive comparable, if not greater, incentives to continue efficient mail preparation and dropshipping, under the proposed rates.”

(c) In your analysis, how did you determine the number of sacks that each magazine would use if entered as a solo mailing? Please explain fully.

(d) In your analysis, how did you determine where the magazine would be entered if entered as a solo mailing? Please explain fully.

RESPONSE:

(a-d) Based on my response to MPA/USPS-T35-28, I do not have sufficient data to estimate the percentage change in incentives for palletization and dropshipping, between the current rates and the proposed rates, for particular publications.