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

POSTAL RATE AND FEE CHANGES, 2006	Docket No. R2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN
(DBP/USPS-454 THROUGH 458)
(August 18, 2006)

The United States Postal Service hereby provides its institutional responses to the above-listed interrogatories, filed on August 4, 2006.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN

DBP/USPS-454

[a] Please confirm, or explain if you are unable to confirm, that there is nothing that would preclude the Board of Governors from establishing an effective date for the modifications to the DMCS that were related to the Forever Stamp at an earlier time than the effective date for the remainder of the Opinion and Recommended Decision changes. [In other words, if the Commission released the Opinion and Recommended Decision on February 1, 2007, could the Board of Governors establish an effective date for the DMCS modifications related to the Forever Stamp of March 1, 2007, and an effective date of April 1, 2007 for the remainder of the rate and DMCS changes?]

[b] Please confirm, or explain if you are unable to confirm, that if you have confirmed subpart a of this Interrogatory, it would be possible to implement the Forever Stamp in this Docket, namely, have a period of time when it would be sold for 39¢ and then be utilized when the rate is 42¢.

RESPONSE

(a) Not confirmed. It is not known whether such an alternative is logistically feasible to implement and, therefore, precluded from Board consideration.

(b) See the response to subpart (a). Assuming logistical feasibility were not an issue, other hurdles would include whether there was substantial record evidence regarding such an alternative, whether it was recommended by the Commission, and whether the Governors were willing to adopt a recommendation so radically different from the proposal the Board of Governors authorized the Postal Service to pursue.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN

DBP/USPS-455
[a] If the Forever Stamp were to be implemented in this Docket, please identify and quantify the expected shortfall in revenue.
[b] Please fully explain how that shortfall value was determined and calculated.
[c] Please explain how the added revenue to cover this shortfall can be achieved.

RESPONSE

(a-c) Please see the response to DBP/USPS-454. The Postal Service has not developed any revenue shortfall or revenue make-up estimates associated with implementing the Forever Stamp.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN

DBP/USPS-456 At the present time, the Postal Service has a series of regulations and procedures that relate to the action that would be taken when shortpaid or unpaid mailpieces are deposited into the mail.
[a] Will the introduction of a Forever Stamp either require or result in any changes to these regulations or procedures?
[b] Please explain the changes that would be required.
[c] Please discuss any changes that are being considered.

RESPONSE

(a-c) If potential Domestic Mail Manual changes are deemed to be necessary, they will be drafted and circulated for internal review and consideration. Under standard operating procedures, any proposed changes decided upon by the Postal Service would then be published for public notice and/or comment in the Federal Register. The Postal Service has no intention of publishing the pre-decisional ruminations and recommendations of employees regarding possible DMM changes before any proposed DMM changes are published as described above.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID POPKIN

DBP/USPS-457

[a] Please confirm, or explain if you are unable to confirm, that under the present regulations the cost of mailing a post card is 24¢.
[b] Please confirm, or explain if you are unable to confirm, that it would be permissible to utilize a letter-rate 39¢ stamp to pay the postage on this post card and there are many instances where mailers will do so.
[c] Please discuss the reasons why mailers will utilize the 39¢ stamp as discussed in subpart b above.
[d] If the proposed regulations and rates are approved and implemented, will a mailer be able to utilize a Forever Stamp to pay the postage on a post card?
[e] If not, why not?

RESPONSE

(a) Confirmed.

(b) Confirmed, that such activity is not prohibited and that it occurs.

(c) Mailers who are poised to mail a postcard and who already possess 39-cent stamps but no postcard stamps, may not consider it worth the time and expense to obtain postcard stamps. Accordingly, they may be inclined to use their 39-cent stamps on their postcards out of convenience.

(d) The Postal Service presently has no intention to prohibit such use.

(e) N/A

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-458 A number of previous Interrogatories [DBP/USPS-336, 339, 341, 366, 367, 368, and 457 for example] relate to the use of the Forever Stamp and/or non-denominated semi-postal stamps and/or other non-denominated stamps at their face value in a number of mailing scenarios.
[a] If there are any instances in your response to these previous interrogatories where the stamp will not be honored at its face value, will the mailer be entitled to apply for and receive a refund of the face value of the stamp that was not honored? For example, under the proposed rates and regulations if a mailer utilizes two Forever Stamps on a two-ounce letter and the second Forever Stamp is not honored to pay [actually overpay] the cost of the second ounce and the mailpiece is delivered 20¢ postage due, will the mailer be able to apply for and receive a refund of 42¢?
[b] If not, why not?

RESPONSE

(a) There are no such instances. No.

(b) Assuming no changes in current refund policy, if a refund request under DMM 604.9.2.7 is not supported by evidence that the 22 cents of excess postage (above the required rate of 62 cents) was collected by the Postal Service as a condition of acceptance of the mail piece, such a request by the mailer does not qualify for a refund under DMM 604.9.2.1a. Assuming no changes in current refund policy, a refund request under DMM 604.9.2.7 supported by evidence that 20 cents of postage due was improperly charged to the recipient as a condition of delivery should result in a refund to the recipient under DMM 604.9.2.1a.