

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO
POSTCOM WITNESS CLIFTON B. KNIGHT, JR.
(USPS/POSTCOM-T7-9-13)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the above-listed interrogatories to POSTCOM witness Clifton B. Knight, Jr.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Sheela A. Portonovo

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3012, FAX -6187
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USPS/POSTCOM-T7-9 Please refer to your testimony at page 2, lines 6-7.

- a. Please confirm that you are stating that if your products cannot be shipped by mail, you will no longer use the mail as a marketing medium.
- b. Please clarify whether the costs to you of advertising through other media have increased, decreased, or stayed the same over the past five years.
- c. Please provide a list of the alternative ways that your products may be physically delivered to your members and provide an indication of relative costs when compared to using Standard Mail.
- d. Please provide an explanation of the decision process which would result in the discontinuance of mail marketing efforts and how the mode of physical delivery affects that decision, including the variables considered and the timeframe over which this decision would be set into motion.

USPS/POSTCOM-T7-10 Please refer to your testimony at page 2, line 20 where you urge the Postal Service “to give some consideration to what has worked up until the present time.”

- a. Please confirm that in her testimony in Docket No. R2000-1 at pages 16-17, witness Kingsley (USPS-T-10) described how non-flat machinables (although not called such in her testimony) were incompatible with postal flat operations. If you do not confirm, please explain.
- b. Please confirm that similar testimony has been provided by other postal witnesses since that time, including witness Kiefer and McCrery in the current docket. If you do not confirm, please explain.

USPS/POSTCOM-T7-11 Please refer to your testimony at page 6, lines 10-15 where you state that the Postal Service apparently assumes that BMG will absorb additional postage costs or pass them on to customers, with no impact on mail volume.

- a. Please provide any citations that support the notion that the Postal Service believes that additional postage costs can simply be passed on to consumers.
- b. Please confirm that witness Thress develops a separate “after rates” volume forecast to incorporate the impact on mail volume as a result of postage increases.

c. Please provide your suggestion as to which other category, subclass, or class of mail should absorb the additional costs of processing non-flat machinables if the mailers of non-flat machinables are not required to do so.

d. Please provide your estimate of the impact on the volumes of the mailers listed in your response to part b of the price increases that would be required to do so.

USPS/POSTCOM-T7-12 Please refer to your testimony at page 8, lines 20-21 where you note that the “Media Mail shipment consisting of 5 CDs and weighing 1.3 pounds is charged as if it weighed 2 pounds.” Please confirm that in the revenue calculations performed by Postal witness Yeh, aggregate Media Mail revenue was also calculated in this manner. If you do not confirm, please explain.

USPS/POSTCOM-T7-13 Please refer to your testimony at page 9, lines 1-3 where you indicate that your postage bill has increased by nearly 30%.

a. Please confirm that, under USPS methodology, the cost coverage for Media Mail in FY 2005 was 90.85%. If you do not confirm, please provide the correct figure.

b. Please confirm that, under USPS methodology, the cost coverage for Media Mail in FY 2004 was 100.8%. If you do not confirm, please provide the correct figure.

c. Please confirm that, under USPS methodology, the cost coverage for Media Mail in FY 2003 was 106.33%. If you do not confirm, please provide the correct figure.

d. Please confirm that, under USPS methodology, the cost coverage for Media Mail in FY 2002 was 96.23%. If you do not confirm, please provide the correct figure.

e. Please confirm that, under USPS methodology, the cost coverage for Media Mail in FY 2001 was 101.44%. If you do not confirm, please provide the correct figure.