

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20068-0001**

Postal Rate and Fee Changes, 2006

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Docket No. R2006-1

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS SIWEK
TO THIRD SET OF INTERROGATORIES OF UNITED STATES POSTAL
SERVICE
(USPS/NNA T3-23-29)**

NNA hereby provides responses to interrogatories of the United States Postal Service, USPS/NNA T3-23-29. Each interrogatory is repeated verbatim and a response follows.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have filed the foregoing document online in accordance with the Commission's Rules of Practice.

Tonda F. Rush
Counsel for National Newspaper
Association, Inc.

October 18, 2006
Arlington, VA 22206

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS-NNA-T3-23. In your testimony at page 22, lines 6 to 9, you state, “Ms. Tang thus failed to identify any functionally ‘different’ Within County costs that could help to explain why the USPS has proposed a 24.2 percent increase for Within County periodicals and only an 11.7 percent increase for Outside County periodicals.” Please confirm that the Postal Service determines subclass-level costs independently for Within County and Outside County Periodicals. If you do not confirm, please explain.

RESPONSE:

I personally would not characterize the Postal Service’s determinations of subclass-level costs for Within County and Outside County Periodicals as “independent.” The Postal Service first attempts to identify Periodicals “tallies.” Subsequently, the USPS attempts to determine which of these tallies reflect the handling of Periodicals that are eligible for Within County rates and which are not. Therefore, at least as I see this process, the determination of subclass level costs for both Within County and Outside County Periodicals is “dependent” upon the initial identification of tallies for “Periodicals.”

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/NNA-T3-24. Please refer to Appendix D of your testimony.

(a) Please confirm that USPS-LR-L-126 was revised on July 13, 2006, and August 8, 2006, prior to its receipt into evidence. If you do not confirm, please explain.

(b) Please confirm that Appendix D does not reflect the revisions to the "TYAR B.D.", "Rate Design Input" and "Piece Discounts 2" worksheets in USPS-LR-L-126 that were filed on July 13, 2006. If you do not confirm, please explain.

(c) If you confirm part (a), and putting aside Appendix D's increase of the proportion of revenue derived from the piece side on pages 4 and 8 and increase of the passthroughs for carrier route basic and high density on pages 6 and 9, was Appendix D's failure to reflect the revisions to USPSLR-L-126 intentional? If it was intentional, please explain.

(d) If it was not intentional, please provide an updated version of Appendix D incorporating the revisions that were made to USPS-LR-L-126 where appropriate.

RESPONSE:

(a).Confirmed

(b).Confirmed

(c).No. It was not my intention to omit the USPS' revisions to USPS-LR-L-126.

(d) See enclosed "Appendix D Revised (October 18, 2006)."

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/NNA-T3-25. In your testimony at page 27, lines 20 to 21, you state, “I recommend that the Commission accept the Within County rate design shown on page 10 of Appendix D.”

(a) Please complete the following table showing the postage rates that would apply to a 4-ounce Within County publication under the rates you propose on page 10 of Appendix D of your testimony, as well as the percentage changes over current rates that those rates would represent. If possible, please provide in Excel format.

<u>Presort Level</u>	<u>Rate</u>	<u>% Change from Current</u>
Basic Nonauto		
Basic Auto Flat		
Basic Auto Letter		
3D Nonauto		
3D Auto Flat		
3D Auto Letter		
5D Nonauto		
5D Auto Flat		
5D Auto Letter		
CR Basic (DU entered)		
CR Basic (not DU entered)		
CR HD (DU entered)		
CR HD (not DU entered)		
CR SAT (DU entered)		
CR SAT (not DU entered)		

(b) Please provide tables in the same format as in part (a) showing the rates and percentage changes over current rates for a 4-ounce Within County publication that would result from the rates shown on i) page 5 of Appendix D of your testimony, and ii) page 7 of Appendix D of your testimony. If possible, please provide in Excel format.

RESPONSE:

(a). See attached spreadsheet – Responses to USPS/NNA-T3-25.

(b). See attached spreadsheet – Responses to USPS/NNA-T3-25

RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE

USPS-NNA-T3-26. Please refer to page 7 of Appendix D of your testimony, where you propose rates after increasing the passthrough for carrier route basic and high density. Please provide the percentage increases over current rates for the (a) non-carrier route piece rates and (b) carrier route piece rates on that page.

RESPONSE:

The Table below provided the requested comparison for the rates described at page 7 of Appendix D as revised in USPS-LR-L-126.

PERIODICALS WITHIN COUNTY CURRENT vs. PROPOSED RATES			
Pounds	Current Rates	Proposed Rates	Percent Change
Delivery Unit	\$ 0.109	\$ 0.142	30.28%
General	\$ 0.142	\$ 0.179	26.06%
Pieces			
BASIC NON-AUTOMATION	\$ 0.103	\$ 0.139	34.95%
BASIC AUTOMATION LETTER	\$ 0.049	\$ 0.079	61.22%
BASIC AUTOMATION FLAT	\$ 0.075	\$ 0.130	73.33%
3-DIGIT NON-AUTOMATION	\$ 0.095	\$ 0.130	36.84%
3-DIGIT AUTOMATION LETTER	\$ 0.047	\$ 0.072	53.19%
3-DIGIT AUTOMATION FLAT	\$ 0.071	\$ 0.119	67.61%
5-DIGIT NON-AUTOMATION	\$ 0.085	\$ 0.120	41.18%
5-DIGIT AUTOMATION LETTER	\$ 0.045	\$ 0.073	62.22%
5-DIGIT AUTOMATION FLAT	\$ 0.065	\$ 0.115	76.92%
CARRIER ROUTE BASIC	\$ 0.049	\$ 0.054	10.20%
CARRIER ROUTE HIGH DENSITY	\$ 0.033	\$ 0.037	12.12%
CARRIER ROUTE SATURATION	\$ 0.027	\$ 0.026	-3.70%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.006)	\$ (0.008)	33.33%
RIDE-ALONG PIECES	\$ 0.131	\$ 0.155	18.32%

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/NNA-T3-27. Please refer to page 5 of Appendix D of your testimony, where you propose rates after increasing the percent of revenue derived from the piece side to 62.5 percent. Please provide the percentage increases over current rates for the (a) pound rates and (b) piece rates on that page.

RESPONSE:

The Table below provided the requested comparison for the rates described at page 5 of Appendix D as revised to reflect the USPS' revisions in USPS-LR-L-126.

PERIODICALS WITHIN COUNTY CURRENT vs. PROPOSED RATES			
Pounds	Current Rates	Proposed Rates	Percent Change
Delivery Unit	\$ 0.109	\$ 0.109	0.00%
General	\$ 0.142	\$ 0.146	2.82%
Pieces			
BASIC NON-AUTOMATION	\$ 0.103	\$ 0.128	24.27%
BASIC AUTOMATION LETTER	\$ 0.049	\$ 0.068	38.78%
BASIC AUTOMATION FLAT	\$ 0.075	\$ 0.119	58.67%
3-DIGIT NON-AUTOMATION	\$ 0.095	\$ 0.119	25.26%
3-DIGIT AUTOMATION LETTER	\$ 0.047	\$ 0.061	29.79%
3-DIGIT AUTOMATION FLAT	\$ 0.071	\$ 0.108	52.11%
5-DIGIT NON-AUTOMATION	\$ 0.085	\$ 0.109	28.24%
5-DIGIT AUTOMATION LETTER	\$ 0.045	\$ 0.062	37.78%
5-DIGIT AUTOMATION FLAT	\$ 0.065	\$ 0.104	60.00%
CARRIER ROUTE BASIC	\$ 0.049	\$ 0.071	44.90%
CARRIER ROUTE HIGH DENSITY	\$ 0.033	\$ 0.055	66.67%
CARRIER ROUTE SATURATION	\$ 0.027	\$ 0.043	59.26%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.006)	\$ (0.008)	33.33%
RIDE-ALONG PIECES	\$ 0.131	\$ 0.155	18.32%

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/NNA-T3-28. Please refer to page 5 of Appendix D of your testimony, where you propose rates after increasing the percent of revenue derived from the piece side to 62.5 percent. What would those rates be if you set the proportion of revenue derived from the piece side on page 4 of Appendix D to 60 percent rather than 62.5 percent? Please provide the percentage increases over current rates for the (a) pound rates, and (b) piece rates that these rates would represent.

RESPONSE:

The Table below provided the requested comparison for the rates described at page 5 of Appendix D as revised to reflect the USPS' revisions in USPS-LR-L-126 with the proportion of revenue derived from the piece side to 60% rather than 62.5%.

PERIODICALS WITHIN COUNTY CURRENT vs. PROPOSED RATES			
Pounds	Current Rates	Proposed Rates	Percent Change
Delivery Unit	\$ 0.109	\$ 0.118	8.26%
General	\$ 0.142	\$ 0.155	9.15%
Pieces			
BASIC NON-AUTOMATION	\$ 0.103	\$ 0.125	21.36%
BASIC AUTOMATION LETTER	\$ 0.049	\$ 0.065	32.65%
BASIC AUTOMATION FLAT	\$ 0.075	\$ 0.116	54.67%
3-DIGIT NON-AUTOMATION	\$ 0.095	\$ 0.116	22.11%
3-DIGIT AUTOMATION LETTER	\$ 0.047	\$ 0.058	23.40%
3-DIGIT AUTOMATION FLAT	\$ 0.071	\$ 0.105	47.89%
5-DIGIT NON-AUTOMATION	\$ 0.085	\$ 0.106	24.71%
5-DIGIT AUTOMATION LETTER	\$ 0.045	\$ 0.059	31.11%
5-DGIT AUTOMATION FLAT	\$ 0.065	\$ 0.101	55.38%
CARRIER ROUTE BASIC	\$ 0.049	\$ 0.068	38.78%
CARRIER ROUTE HIGH DENSITY	\$ 0.033	\$ 0.052	57.58%
CARRIER ROUTE SATURATION	\$ 0.027	\$ 0.040	48.15%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.006)	\$ (0.008)	33.33%
RIDE-ALONG PIECES	\$ 0.131	\$ 0.155	18.32%

**RESPONSE OF NATIONAL NEWSPAPER ASSOCIATION WITNESS STEVE
SIWEK TO INTERROGATORY OF UNITED STATES POSTAL SERVICE**

USPS/NNA-T3-29. Please refer to your testimony at page 2, lines 10 to 16. Please confirm that the TYBR and TYAR cost and revenue figures you discuss there do not reflect the revisions to witness O'Hara's exhibits made on August 25, 2006. If you do not confirm, please explain. Was this intentional? If it was intentional, please explain.

RESPONSE:

I confirm that the TYBR and TYAR cost and revenue figures referenced at page 2 of my testimony do not reflect the revisions to witness O'Hara's exhibits made on August 25, 2006. It was not my intention to omit the USPS' revisions to these exhibits.