

**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 HEATH TO
INTERROGATORIES OF UNITED STATES POSTAL SERVICE
(USPS/NNA T1-29-32)**

NNA hereby provides responses to interrogatories of the United States Postal Service, USPS/NNA T1-29-32. 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.

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October 24, 2006
Arlington, VA 22206

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH TO
INTERROGATORIES OF UNITED STATES POSTAL SERVICE

USPS/NNA-T1-29 Please refer to Appendix B in your response to USPS/NNAT1-1, and to Table 6 in the testimony of witness Tang (USPS-T-35).

(a) Please confirm that the section of Appendix B headed "Periodicals In- County Rates, R2006-1 USPS Proposed mid-2007" contains, at Column C (the "None" column), a piece rate of 0.142. If you do not confirm, please explain.

(b) Please confirm that the Postal Service has not proposed a piece rate of 0.142 for any rate category in Within County Periodicals. If you do not confirm, please explain.

(c) Please explain why you used a piece rate of 0.142, and explain how it was derived. Please provide any necessary corrections to Appendix B.

RESPONSES:

(a) Confirmed. That was an error on my part.

(b) Confirmed.

(c) The cell was inadvertently completed wrongly, and a corrected Exhibit B is attached, showing a piece rate of .117 for None-entry, basic rate in-county presort. I also double-checked my 2006 rate chart, which is used for comparison, and found it to be correct for this rate cell. I see that the error correction actually makes NNA's arguments stronger, since the essence of our argument is that the most efficient mail gets hit harder than less efficient. The correction to .117 lowers the percentage increase for the least efficient mail (None entry, basic presort) to a range of 14.6% to 20.8%, rather than the inadvertent 31-37% previously shown, for 1-16 oz.

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH TO
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USPS/NNA-T1-30 Please refer to Appendix B in your response to USPS/NNAT1-1, and to Table 6 in the testimony of witness Tang (USPS-T-35).

(a) Please confirm that the section of Appendix B headed "Periodicals In-County Rates, R2006-1 USPS Proposed mid-2007" contains, at Column H (the "Carrier Route Sat W/S Del Ofc" column), a piece rate of 0.033. If you do not confirm, please explain.

(b) Please confirm that the piece rate for Carrier Route Saturation proposed by the Postal Service is 0.032. If you do not confirm, please explain.

RESPONSES:

(a) Confirmed. That was an error on my part.

(b) Confirmed. The cell was inadvertently completed wrongly, and a correct Exhibit B is attached, showing the .032 piece rate for saturation. The percentage changes are relatively small, now 18.2% up to 27.7%, as compared to 21.8% to 28.5% for 1-16 oz. I also double-checked my 2006 rate chart, used for comparison, and found it to be correct for this rate cell.

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS HEATH TO
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USPS/NNA-T1-31 In your testimony at page 19, lines 23 to 26, you state, “a periodical sorted to carrier route high density presort that is not entered at the delivery office could experience a 47.3% increase, while a lower presort periodical also not DU entered would experience a 24.1% increase.” Please refer to Appendix B in your response to NNA/USPS-T1-1.

(a) Please confirm that the range of percentage increases over current rates for carrier route high density presort not entered at the DU that you provide in Appendix B is 27.43 percent to 31.79 percent. If you do not confirm, please explain.

(b) Please provide the underlying calculations specifically supporting your statement that a carrier route high density periodical not entered at the DU could experience a 47.3 percent increase.

(c) Please confirm that when you state on lines 25 to 26 that “a lower presort periodical also not DU entered would experience a 24.1% increase,” you are referring to a 5 oz Carrier Route Basic publication. If you do not confirm, please identify with specificity (i.e., weight and presort level) the periodical that you are referring to.

RESPONSES:

(a) Confirmed

(b)

Not Delivery Unit Entered but CR High Density			
Pound rate	0.02725	0.04475	
Piece rate	0.033	0.044	
	0.06025	0.08875	47.30%

(c) I was using a 4 oz paper as an example, for simplicity. My calculations are below:

Not Delivery Unit Entered; Not Automated; Basic rate			
	2005	2007	% increase
Pound rate	0.02725	0.04475	
Piece rate	0.103	0.117	
	0.13025	0.16175	24.18%

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USPS/NNA-T1-32 In your testimony at page 19, lines 27 to 29, you state, “a 5 digit auto newspaper would see a 39.71% increase while the same newspaper without a barcode would see an 18.11% increase.” Appendix B in your response to NNA/USPS-T1-1 does not appear to provide the underlying calculations supporting these statements (if it does, please provide the specific cell references).

(a) Please identify with specificity (i.e., weight and shape) the 5 digit auto publication that you are referring to.

(b) Please identify with specificity (i.e., weight) the 5 digit nonauto publication that you are referring to.

RESPONSES:

My calculations for this example are below:

Delivery Unit Entered, 5 digit auto			
Pound			
rate	0.02725	0.0355	
Piece			
rate	0.059	0.085	
	0.08625	0.1205	39.71%

Delivery Unit Entered, 5 digit non auto			
Pound			
rate	0.02725	0.0355	
Piece			
rate	0.079	0.09	
	0.10625	0.1255	18.12%

a. I was assuming a 4 ounce newspaper that would fit within automated flat sorting specifications. I did not assume any other dimensions.

b. I was assuming a 4 ounce newspaper that would fit within automated flat sorting specifications. I did not assume any other dimensions.