

Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Stamped Stationery Classification)

Docket No. MC2006-7

OFFICE OF CONSUMER ADVOCATE
INTERROGATORIES TO THE UNITED STATES POSTAL SERVICE
WITNESS NINA YEHL (OCA/USPS-T1-1-19)
February 27, 2007

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, provision should be made for inspection of responsive documents at the Office of the Consumer Advocate, 901 New York Ave., N.W. Suite 200, Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

If a privilege is claimed with respect to any data or documents requested herein, the party to whom this discovery request is directed should provide a Privilege Log (see, e.g., Presiding Officer Ruling C99-1/9, p. 4, in *Complaint on PostECS*, Docket No. C99-1). Specifically, "the party shall make the claim expressly and shall describe the

nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.” Fed. R. Civ. P. 26(b)(5).

The term “documents” includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets, charts, tabulations, and workpapers. The term “documents” also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

“All documents” means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

“Communications” includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

“Relating to” means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests for explanations or the derivation of numbers should be accompanied by workpapers.

The term “workpapers” shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should “show what the numbers were, what numbers were added to other numbers to achieve a final result.” The witness should “prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results.” Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,

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OCA/USPS-T1-1. Please refer to your worksheet PSSPSC-WP3 in Attachment A of your testimony which indicated the unit market price of products comparable to Premium Stamped Stationery and Premium Stamped Cards without postage is \$1.12 . Please also please refer to page 5 of your testimony referring to that unit market price as based on “a sample of such products and used them to calculate the price points depicted in worksheet PSSPSC-WP3 of Attachment A.”

- a. Please explain why you do not determine separate unit market prices for letter sheets and cards.
- b. How many samples did you obtain, at what prices, when and where did you obtain the samples?
- c. Did you assume the full retail price (or recommended retail price) in your calculations? If not, please explain.
- d. Did you obtain samples of both cards and letter sheets? Please show your calculations to determine the unit market price of stationery of \$1.12.
- e. Please describe the examples you obtained, particularly the size of the letter sheets and cards, whether envelopes were included in the price, and the quality of the stock of each of the samples as compared to the quality of the stock in the current issues of Premium Stamped Stationery and the Premium Stamped Cards.

OCA/USPS-T1-2. At page 6 of your testimony you use the cost estimates for window service selling costs for Stamped Envelopes in Docket No. R2006-1 as a proxy for

selling costs for Premium Stamped Stationery (PSS) and for Premium Stamped Cards (PSC).

- a. Please confirm that the PSS and the PSC have been sold to date only as a philatelic item and has not been sold at retail windows. If you do not confirm, please explain.
- b. Does the Postal Service plan to offer these products for sale at retail windows? Please explain.
- c. If these products are not sold at retail windows, would the unit selling cost where they are sold be more or less than the unit cost of selling these products at retail windows? Please explain.

OCA/USPS-T1-3. Please provide the pricing history of both the Disney and Garden Bouquet stationery and the Disney card.

OCA/USPS-T1-4. Has any Premium Stamped Stationery or Premium Stamped Card other than the three listed in the above interrogatory been sold since the Disney Stamped Stationery was first issued? If so, please provide the pricing history of those products including the dates sold, prices, and current status.

OCA/USPS-T1-5. Please confirm that the Premium Postal Stationery currently sells for \$0.8558 per sheet (\$14.95 for 12 sheets less \$4.68 postage). If you do not confirm, please explain.

OCA/USPS-T1-6. Please provide the cost coverage (without postage) for the Garden Bouquet Premium Stamped Stationery at the current rate of \$14.95 for a package of 12 cards. Please show your calculations.

OCA/USPS-T1-7. Please provide the cost coverage (without postage) for the Garden Bouquet Premium Stamped Stationery if priced at the maximum proposed unit fee of 3 times the (1) current letter rate and (2) the Commission's Docket No. R2006-1 recommended letter rate. Please show your calculations.

OCA/USPS-T1-8. Please provide the cost coverage (without postage) for the Disney Friendship Premium Stamped Stationery at the current rate of \$14.95 for a package of 12 cards. Please show your calculations.

OCA/USPS-T1-9. Please provide the cost coverage (without postage) for the Disney Friendship Premium Stamped Stationery if priced at the maximum proposed unit fee of 3 times the (1) current letter rate and (2) the Commission's Docket No. R 2006-1 recommended letter rate. Please show your calculations.

OCA/USPS-T1-10. Please confirm that the Art of Disney-Romance Premium Stamped Cards currently sell for \$0.2575 per card. (\$9.95 for a booklet of 20 cards less \$4.80 postage/20). If you do not confirm, please explain.

OCA/USPS-T1-11. Please provide the cost coverage (without postage) for the Art of Disney-Romance Premium Stamped Cards sold at the current price of \$9.95 for 20 cards. Please show your calculations.

OCA/USPS-T1-12. Please provide the cost coverage (without postage) for the Art of Disney-Romance Premium Stamped Cards if priced at the maximum proposed unit fee of 3 times the (1) current card rate and (2) the Commission's Docket No. R2006-1 recommended card rate. Please show your calculations.

OCA/USPS-T1-13. Please refer to your testimony on page 11. Please provide the date for the inception of the PSS and PSC programs from which, you testify, revenues through December 2006 have not exceeded \$2,700,000.

OCA/USPS-T1-14. You describe the Premium Stamped Stationery as consisting of “quality stock paper” and the Premium Stamped Cards as cards of “quality stock paper” whereas the proposed DMCS classification definitions (963.1 and 964.1) refer to the products as “decorated” stationery or cards without reference to “quality stock paper.”

- a. Is the cost of the stationery and cards impacted and increased when “quality stock paper” is used in the product? Please explain.
- b. Is “quality stock” an essential characteristic of either Premium Stamped Stationery or Premium Stamped Cards?
- c. Does each of the Premium Stamped Stationery and Premium Stamped Cards consist of “quality stock paper?” Please explain.
- d. If “quality stock paper” is an essential characteristic of Premium Stamped Stationery and Cards, please explain why that phrase “quality stock paper” is not included in the definitions for those products which refer, instead, only to “decorated” stationery and cards?

OCA/USPS-T1-15. Please refer to the proposed DMCS language for sections 963.2 and 964.2 (Attachment A of the Request) which state the price of the product “equals a fee within the range times the number of units [“cards” in 964.2] plus the value of the postage imprinted.” Please confirm that the “fee” in proposed fee schedules 963 and 964 (Attachment B of the Request) does not include postage.

OCCA/USPS-T1-16. Please confirm that, as currently priced, none of the Premium products in issue has a unit fee of an even cent. If you do not confirm, please explain.

OCA/USPS-T1-17. Because the Postal Service proposes to provide public notice of future modifications of these Premium fees, and because one purpose of the DMCS fee schedules is to provide ready reference to currently applicable fees without reference to other documentation, would you have any objection to including the current unit fee in fee schedules 963 and 964, together with the maximum and minimum fees? If you do have any objection, please explain.

OCA/USPS-T1-18. Is the cost to the Postal Service of the Disney Friendship stationery greater than the cost of the Garden Bouquet stationery? If so, please explain the cost differences.

OCA/USPS-T1-19. Is the artistic value of the Disney Friendship stationery different than the artistic value of the Garden Bouquet stationery? If so, how is that artistic value difference recognized in the pricing of the two issues?