

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

STAMPED STATIONERY AND STAMPED CARDS  
CLASSIFICATIONS

Docket No. MC2006-7

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH  
(OCA/USPS-T1-2-4, 13-17 & 19)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate, filed on February 27, 2007, and redirected from witness Yeh: OCA/USPS-T1-2-4, 13-17 & 19. Each interrogatory is stated verbatim and is followed by the response.

Witness Yeh has been out of the office recently due to illness. The interrogatories answered today are those which it was possible to redirect to the Postal Service in order to provide timely answers. The omitted interrogatories are those that relate to her pricing calculations; answers to those will be provided as soon as possible, together with a motion for late acceptance.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE  
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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.

RESPONSE:

- (a) Not confirmed. Please see the responses to DBP/USPS-1 and 8.
- (b)-(c) N/A.

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

RESPONSE:

Both are sold for \$14.95. The \$14.00 price that had appeared at one point on the website was an error and has been corrected, as noted in the response to DBP/USPS-3

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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.

RESPONSE:

Please see the response to DBP/USPS-1. The items currently on sale are both stationery issuances and the following cards:

- Baseball Sluggers
- Disney Romance
- Disney Celebration
- Disney Friendship

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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.

RESPONSE:

Please see the response to DBP/USPS-1, which indicates 1994.

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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?

RESPONSE:

- (a) The quality of paper used affects printing costs.
- (b) The use of such paper has been the practice in the PSS/PSC program and is expected to continue.
- (c) The current and past PSS and PSC issuances are printed on such paper.
- (d) The proposed definition accommodates unanticipated changes, such as in paper technology, in the policy of the PSS/PSC program, or the format of the products (see response to DBP/USPS-2). In such case, the proposed range of fees would allow paper quality to be one of the factors considered in setting fees along the range.

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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.

RESPONSE:

Yes, that is why it is DMCS schedule says “plus the value of postage.” This parallels the existing Stamped Envelope and Stamped Cards classifications, which specify the fee excluding postage.

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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.

RESPONSE:

Confirmed. Please note that neither does the Postal Service's proposal require that the fee chosen for a particular issuance be an integer.

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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.

RESPONSE:

One feature of the flexible scheduling suggested by the Commission, adopted in the Postal Service's proposal, is to avoid having to amend the DMCS and fee schedules for each PSS and PSC issuance.

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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?

RESPONSE:

Please see the responses to DFC/USPS-T1-1 and 5.