

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

STAMPED STATIONERY AND STAMPED CARDS
CLASSIFICATIONS

Docket No. MC2006-7

RESPONSES OF POSTAL SERVICE WITNESS YEH
TO INTERROGATORIES OF DOUGLAS F. CARLSON
(DFC/USPS-T1-26-30)

The United States Postal Service hereby provides the responses of witness Yeh to the following interrogatories of Douglas F. Carlson, filed on April 13, 2007: DFC/USPS-T1-26-30.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T1-26. Compared to stationery products that do not have postage preaffixed, please confirm that the preaffixed postage on premium stamped stationery contributes convenience to the premium stamped stationery product for some customers. If you do not confirm, please explain.

RESPONSE:

Please see my testimony at page 8: "Senders enjoy the convenience of mailing quality stationery and cards with unique designs without having to purchase postage separately and affix it."

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T1-27. Compared to post cards that do not have postage preaffixed, please confirm that the preaffixed postage on premium stamped cards contributes convenience to the premium stamped card product for some customers. If you do not confirm, please explain.

RESPONSE:

Please see my response to DFC/USPS-T1-26.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T1-28. Suppose five products have the following price and volume characteristics:

Product	Price	Volume
1	\$1.50	500 units
2	\$1.00	75 units
3	\$0.75	85 units
4	\$0.50	15 units
5	\$0.25	20 units

In your opinion, what is the average price of these products?

RESPONSE:

The average price of the 5 unique products that a consumer faces is \$0.80, derived as follows: $[(\$1.50 + \$1.00 + \$0.75 + \$0.50 + \$0.25) / 5]$.

If the question means to imply that a consumer purchased all of the corresponding units of all 5 products, then the average cost per unit for the entire purchase would be: \$1.20, derived as follows: $[((500 \times \$1.50) + (75 \times \$1.00) + (85 \times \$0.75) + (15 \times \$0.50) + (20 \times \$0.25)) / 695]$.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH
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DFC/USPS-T1-29. Please refer to your response to DFC/USPS-T1-25. Please confirm that, once the Postal Service places a particular premium stamped stationery or premium stamped card product on sale at a particular price, the Postal Service will never raise the price. If you do not confirm, please explain.

RESPONSE:

Please see the Postal Service's response to DBP/USPS-40(c).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH
TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T1-30. Please refer to your response to DFC/USPS-T1-7. Should the Commission ignore cost coverage in recommending fees for premium stamped stationery and premium stamped cards? Please explain.

RESPONSE:

No. Please refer to my testimony at pages 5-6 and my reference to it in the cited response, which says, in part: "I then calculated approximated cost coverages as a way to asses the potential magnitude of the contribution."