

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 DAVID B. POPKIN  
(DBP/USPS-69-71)

The United States Postal Service hereby provides its responses to the following interrogatories of David B. Popkin, filed on April 19, 2007: DBP/USPS-67-71.

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 THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-69 Please refer to your response to Interrogatory DBP/USPS-42. Please confirm, or explain if you are unable to confirm, that if the Postal Service were to change its proposal from a range of two to three times the rate for a given service to one that was 1.5 to three times the same rate for a given service [i.e. lowering the lower limit of the range] that all of the future PSC/PSS items could still be sold at prices that were still in the range of the originally requested range of two to three times the rate for a given service. In other words, while the lowering of the lower range could possibly result in lower prices for the item, it would not necessarily mandate lower prices.

RESPONSE:

Please see the response to DBP/USPS-55 for an explanation of the Postal Service's understanding of the operation of a range of fees. This response does not change based on a hypothesized change in either the minimum or maximum points of the range.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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DBP/USPS-70 Please refer to your response to Interrogatory DBP/USPS-43.

[a] Your response refers to costs for licensing. Has the Postal Service ever paid a licensing fee for the production of any of the previously issued PSC or PSS items?

[b] If so, please provide full details.

[c] Please explain why the Postal Service believes that the production of Premium Stamped Cards in packages of 20 cards vs. less than 20 cards will be affected by any of the items provided in the response.

RESPONSE:

(a)-(b) The Postal Service has not paid such fees for past issuances, but if it were to do so in the future, such costs would be considered as described in response to DBP/USPS-43.

(c) The number of cards in a package both affects demand and goes into determination of the price.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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DBP/USPS-71 Please refer to your response to Interrogatory DBP/USPS- 49.

[a] Please confirm, or explain if you are unable to confirm, that if the PRC were to approve the pricing concept of providing a range based on the then current letter and card rates, that it would provide a range of prices for which the Postal Service could charge for a given PSC or PSS item and that if one were to calculate the cost coverage value that the selling price resulted in, the cost coverage calculation would depend on the identifiable costs and the selling price [the higher the costs the lower the cost coverage value would be and the higher the selling price the higher the cost coverage value would be].

[b] Other than ensuring that the costs are covered, please indicate how the Postal Service will take into account that the calculated cost coverage value will be reasonable.

RESPONSE:

(a) If one were able to make such a calculation, it seems logical to conclude that the general rule stated would hold in this case.

(b) The Postal Service does not intend to price these products on the basis of a calculated cost coverage once the range of fees is recommended, approved, and implemented.