

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

Postal Rate and Fee Changes, 2006) Docket No. R2006-1

**SECOND INTERROGATORIES
OF GROWING FAMILY, INC.
TO UNITED STATES POSTAL SERVICE WITNESS WATERBURY
GF/USPS –T10-3-6
(June 30, 2006)**

Pursuant to Rules 25, 26 and 27 of the Rules of Practice, Growing Family, Inc., hereby submits interrogatories and requests for production of documents to United States Postal Service witness Waterbury. Growing Family asks that, in responding to these requests, the Postal Service follow the guidelines set forth below. If any request is deemed burdensome or seeks information that the respondent reasonably believes is confidential, please contact the undersigned counsel for Growing Family to discuss possible limitations or alternative requests.

If the witness to whom these interrogatories are directed is unable to provide a complete response, please provide a response by another witness, and if no such witness is capable of providing a complete response, please submit an “institutional” response. If an “institutional” response is provided, please provide the name or names of the persons responsible for the response.

If information requested is not available in the exact format or level of detail requested, please provide responsive material in such different format or level of detail as is available.

If a privilege or confidentiality is claimed with respect to any information that is responsive to these requests, please describe the precise nature of any privilege claimed and describe information being withheld, including sufficient detail to enable a reasonable assessment of the claim of privilege or confidentiality.

If any information that would have been provided in response to these requests has been destroyed, please describe such data or documents and explain the circumstances under which they were destroyed.

Respectfully submitted,

/s/ David R. Straus
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TO UNITED STATES POSTAL SERVICE WITNESS WATERBURY

GF/USPS-T10-3. In response to GF/USPS-T10-1(c), you stated your understanding that declines in indemnities are due to declining volumes.

(a) Have you been advised by anyone at the Postal Service that, starting in around the spring of 2005, the amounts paid on claims filed by the Postal Service's largest COD customer (or any customer) began to be calculated on a different basis, resulting in substantially lower indemnity payments?

(b) If you had been aware at the time of your forecasts that there was such a change in payment practices on COD indemnity claims, would you have taken those reduced payments into account in forecasting test year indemnity payments?

(c) Please recalculate the test year indemnity payments based upon the Postal Service's present claims payment policy.

GF/USPS-T10-4. In response to GF/USPS-T10-1(e), you state that the COD indemnity payments for FY2003 amounted to \$1,477,000 and in FY2004 amounted to \$2,214,000. Please explain the reason(s) for this 50% increase in claims paid from FY2003 to FY2004.

GF/USPS-T10-5. In response to GF/USPS-T10-2(b), you refer a question concerning the breakdown of COD packages and claims paid between rural and city carriers to witness Berkeley. Her response to GF/USPS-T39-1(b) states that

“no breakdown by carrier type is available.” Please explain why, as confirmed in your response to GF/USPS-T10-2(a), the variable rural carrier costs attributed to COD service are twice as high as the variable city carrier costs attributed to COD service, and as part of your answer, please list the steps you took to obtain the information required to respond to this request.

GF/USPS-T10-6. (a) Please confirm that in a March 10, 2006 letter to counsel for Growing Family, attached to Growing Family’s Second Interrogatories to Postal Service Witness Berkeley, Delores Killelte, the Postal Service’s Vice President and Consumer Advocate, stated that “[t]he delivery system established by the Postal Service provides scans to record events for COD deliveries, such as, Acceptance, Arrival at Unit, Notice Left, Refused, Unclaimed, and Delivered.”

(b) Please explain why, in light of this system of scans to record these steps, it is not possible to segregate COD parcels delivered by city carriers from those delivered by rural carriers.

(c) Please explain why this system of scans does not permit the matching of COD claims with COD parcels.