

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

Postal Rate Commission
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Postal Rate and Fee Changes, 2006

Docket No. R2006-1

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS JAMES M. KIEFER
(NAA/USPS-T36-16-19)
July 13, 2006**

The Newspaper Association of America hereby submits the attached interrogatories to United States Postal Service witness James M. Kiefer (USPS-T-36) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

By: William B. Baker
William B. Baker
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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants requesting such service in this proceeding in accordance with section 12 of the Rules of Practice.

July 13, 2006

William B. Baker
William B. Baker

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NAA/USPS-T36-16: Please refer to the response of witness Kelley to NAA/USPS-T30-6(e). Were you among the “rate design personnel” who “made clear” to Mr. Kelley that “aggregated ECR Non-Saturation unit delivery costs, as presented in USPS-LR-L-67, were sufficient for their purposes”? If so, why were ECR aggregated non-saturation unit delivery costs “sufficient” for your purposes?

NAA-USPS-T36-17: Please refer to your response to NAA/USPS-T36-7, in which you state that you combined mail processing cost data from witness Talmo “with the unit delivery cost information from witness Kelley for each density level. Then I used this information to calculate the differences between adjacent density levels.”

- a. Please confirm that Basic and High Density are different, but adjacent density levels in Enhanced Carrier Route mail.
- b. Please confirm that witness Kelley provided you with unit delivery cost information that combined the ECR Basic and High Density flats levels as “non-saturation.”
- c. Please confirm that the unit delivery cost information that you were provided by Mr. Kelley and that you employ in your workpapers for ECR mail is the same (\$0.0708) for both ECR Basic and ECR High Density flat mail.
- d. Please confirm that in Mr. Kelley’s response to NAA/USPS-T30-6, he disaggregated the TY08 unit delivery costs of ECR Basic Flats and ECR High Density flats as 7.325 cents and 5.303 cents, respectively.
- e. How does using a unit delivery cost averaged among two density tiers enable you to calculate the cost differences between, and set rates reflecting those cost differences for, those two tiers?

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NAA/USPS-T36-18: Please refer to USPS-LR-L-36, workbook WP-STDECR-1, Inputs tab, and to USPS-LR-L-67, UDCModel.USPS, tab "1.Table 1".

- a. Please identify the source of the delivery costs for Saturation flats as reported in cell D84 of WP-STDECR-1, Inputs tab.
- b. Please identify the source of the delivery costs for High Density flats as reported in cell D83 of WP-STDECR-1, Inputs tab.
- c. Please identify the source(s) of the corresponding data in cells D78-80, D82, & D86-88, Inputs tab.
- d. If you are unable to provide the source of the above data, please provide updated cost data. In your response, please incorporate all updates to this information, including the updated delivery cost data provided by witness Kelley in his response to NAA/USPS-T30-6(f).
- e. Please provide an alternate rate schedule based on the correct cost data provided in response to (d). Please use the same procedure used to develop the rates you describe in WP-STDECR-16.

NAA/USPS-T36-19: Please state the total number of DALs that you use (a) for the Base Year and (b) to project Test Year After Rates revenues.