

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

COMPELLED RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON
(DFC/USPS-80 AND 81) [ERRATA]

The United States Postal Service hereby files its institutional responses to the following interrogatories of Douglas Carlson, in accordance with Presiding Officer's Ruling No. R2006-1/116 (December 1, 2006). The compelled responses supersede the original responses filed on November 21, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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December 6, 2006

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS CARLSON**

Revised: December 6, 2006

DFC/USPS-80. Please refer to the response to DFC/USPS-78(c), the sentence “Once purchased, the Stamp may be used for first-ounce letter postage at any time in the future, regardless of the prevailing rate at the time of use” that witness Taufique proposed for DMCS section 241, and proposed DMM section 604.1.10, which appears in the notice published at 71 Fed. Reg. 56,587 on September 27, 2006.

- a. Please confirm that the Postal Service interprets the sentence quoted in the opening paragraph of this interrogatory as providing that the postage value of each “Forever Stamp” is the current First-Class Mail single-piece one-ounce letter rate. If you do not confirm, please explain.
- b. Please confirm that proposed DMCS section 241 could reasonably and properly be interpreted to permit customers to use a “Forever Stamp” on First-Class letters only, to the exclusion of other classes or shapes of mail. If you do not confirm, please explain.
- c. Please discuss the extent to which the Postal Service believes that proposed DMCS section 241 does or does not permit the Postal Service to restrict the use of the “Forever Stamp” to First-Class letters.

RESPONSE

- a. Confirmed.
- b. Not confirmed. Such an interpretation could be reasonable without being proper.
- c. The language of proposed DMCS § 241 does not permit the Postal Service to restrict the use of the Forever Stamp to First-Class Mail letters. The language proposed for DMCS § 241 embodies the Postal Service’s proposal, endorsed by its management and the Board of Governors, to create a means for applying postage to First-Class Mail letters that would not expire with future rate changes. The background and intent of the policy furthered by the proposal have been explained at length in witness Taufique’s testimony (USPS-T-48) and answers to

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RESPONSE to DFC/USPS-80 (continued):

numerous interrogatories. The language proposed was carefully chosen to conform to the proposal and not a proposal to create a vehicle for “forever” postage for all classifications.

Nevertheless, proposed DMM 604.1.10, as explained and elaborated in response to various interrogatories (DBP/USPS-341, 510, 606, 616, 619(c), 620, 622, 643, 644, 647, 648, 657, 674, 677, 684, and 700; not to mention DFC/USPS-78(c) and DFC/USPS-79), reflects the Postal Service’s determination that Forever Stamps may be applied to mail matter other than one-ounce First-Class Mail letters. If the Postal Service determines in the future that alternative uses of the Forever Stamp should be restricted, it will propose amendments to the DMCS language to reflect that objective.

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DFC/USPS-81. Please refer to the response to DFC/USPS-79(b).

- a. Please confirm that the DMCS language proposed in DFC-T-1 is fully consistent with the *actual use* of the “Forever Stamp” that the Postal Service proposes to allow or “tolerate.” For purposes of this interrogatory, the term “actual use” is distinct from “intended use” and does not encompass issues related to intended use.
- b. Please confirm that the only difference, for purposes of resolving the issues in this proceeding, between the responses to DBP/USPS-340 and 341 and the DMCS language proposed in DFC-T-1 is that DFC-T-1 proposes that the intended purpose of the Forever Stamp be for use on all mail classes, while in contrast the Postal Service’s interrogatory responses emphasize that the intended use of the “Forever Stamp” is on one-ounce single-piece First-Class Mail letter-shaped pieces and that other uses will be tolerated but not encouraged. If you do not confirm, please explain the other differences between the responses to DBP/USPS-340 and 341 and the DMCS language proposed in DFC-T-1.

RESPONSE

- a. The DMCS language proposed in DFC-T-1 would appear to be consistent with the intent of the Postal Service’s proposed DMCS § 241 and proposed DMM 604.1.10. As noted in the response to DFC/USPS-80, however, the language of proposed DMCS § 241 was chosen carefully to represent the Postal Service’s proposal for a Forever Stamp. In this regard, the *actual* use of the Forever Stamp would seem to consist of its *intended* use to pay postage for one-ounce First-Class Mail letters, as well as alternative uses that will be *tolerated*, as explained in responses to numerous interrogatories identified in response to DFC/USPS-80(c). It is not clear whether the question’s use of the term “allow” is intended to

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RESPONSE to DFC/USPS-81 (continued):

- create a distinction not reflected in the Postal Service's explanations, although it is assumed that the question does not embody that intent.
- b. The language proposed in DFC-T-1 appears to embody a proposal different from that reflected in proposed DMCS § 241, namely, to provide for a non-denominated, non-expiring stamp for First-Class Mail letters. The Postal Service has no knowledge or understanding of the intent or effect of the language proposed in DFC-T-1, other than what is expressed in that testimony and in DFC/USPS-81(b). The Postal Service presumes that the meaning and case for this alternative proposal will be explained and advocated further at subsequent stages of this proceeding.