

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-T1-1-6)

The United States Postal Service hereby provides the responses of witness Yeh to the following interrogatories of Douglas F. Carlson, filed on February 23, 2007: DFC/USPS-T1-1-6.

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-T1-1. Please explain the role that the philatelic value, if any, of premium stamped stationery and premium stamped cards plays in your pricing proposal.

RESPONSE:

My pricing proposal is designed to allow any such evaluation to be done by the Postal Service's experts on stamps when they set prices within the range.

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DFC/USPS-T1-2. Please refer to your testimony on page 6. Did you use the window transaction cost of single-piece stamped envelope sales as a proxy for the window transaction cost for premium stamped stationery and premium stamped cards? If not, please explain.

RESPONSE:

As stated at that page, "In order to approximate total costs, the costs of distribution to post offices and the window service selling costs presented for Stamped Envelopes in Docket No. R2006-1 can be used as proxies."

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DFC/USPS-T1-3. Please identify all postal services since 1971 whose price has resulted in a cost coverage exceeding 200 percent.

RESPONSE:

I am aware that there are such instances; however, I have not compiled a list. The information is available in public documents. For example, in the most recent rate case, the Commission recommended rates for First-Class Mail letters and Standard Mail ECR and NECR that have cost coverages above 200 percent. (PRC Op., R2006-1, Appendix G, Schedule 1.)

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DFC/USPS-T1-4. Are premium stamped stationery and premium stamped cards philatelic items? Please explain.

RESPONSE:

My testimony is based on the Commission's finding that PSS is a postal service.

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TO INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-T1-5. Please explain why your testimony does not include an appraisal of the design features and valuation of the artwork of premium stamped stationery and premium stamped cards. If your testimony does include these components, please identify where and how.

RESPONSE:

Please see my response to DFC/USPS-T1-1.

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

DFC/USPS-T1-6. Please identify the art or design professors with whom the Postal Service consulted in developing its pricing proposal in this proceeding.

RESPONSE:

There was no need for such consultation, given the pricing approach that was suggested by the Commission and which I adopted and elaborated upon in my testimony. Please see my response to DFC/USPS-T1-1.