

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

Postal Rate Commission
Submitted 6/7/2006 3:04 pm
Filing ID: 49362
Accepted 6/7/2006

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-T36-1-10)
June 7, 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
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, DC 20006-2304
(202) 719-7255

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.

June 7, 2006

William B. Baker
William B. Baker

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS JAMES M. KIEFER
(NAA/USPS-T36-1-10)**

NAA/USPS-T36-1: Please refer to page 31, lines 19-20 of your testimony. Did you give any consideration to abandoning the practice of setting the Basic letter rate equal to the corresponding flats rate? If so, why did you choose to continue the practice? If not, please explain why not.

NAA-USPS-T36-2: Please refer to page 30, lines 13-26 of your testimony, in which you discuss your proposal to eliminate the DDU discount for letters and state your expectation that “few mailers will continue” to enter letters at the DDU. Consistent with that, your workpaper WP-STDECR shows zero Test Year letter revenue at the DDU level. If an ECR letter mailer chose for service reasons to enter the mailing at the DDU, what rate would be charged?

NAA-USPS-T36-3: Please refer to page 32, lines 7-13 of your testimony, in which you describe the proposed new charge for detached address labels. Please elaborate on why you chose a surcharge of \$0.015 per piece instead of some other amount.

NAA/USPS-T36-4: Please refer to page 32, lines 14-24 of your testimony. Please elaborate on the process by which you “selected” the piece and pound rates for ECR flats.

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS JAMES M. KIEFER
(NAA/USPS-T36-1-10)**

NAA/USPS-T36-5: Please describe what you regard as the appropriate relationship between the piece and pound rates for ECR mail?

NAA/USPS-T36-6: Please refer to page 32, lines 14-17 of your testimony. Please elaborate on how you used the cost information from witnesses Talmo and Kelley in selecting the base rates for Standard Enhanced Carrier Route mail.

NAA/USPS-T36-7: Please refer to page 32, lines 17-20 of your testimony. Please elaborate on how you used the cost information from witnesses Talmo and Mayes in adjusting the base rates for Standard Enhanced Carrier Route mail.

NAA/USPS-T36-8: Please refer to the "Proposed Rates" spreadsheet of your workpaper WP-STDECR.

- a. Please identify the source of the High-Density and Saturation density cost savings of \$0.0241 and \$0.0185, respectively.
- b. Please explain why you propose to passthrough 120 percent of those cost savings in the density discounts.
- c. Did you consider setting the High-Density and Saturation passthroughs to 100 percent of the cost savings? If so, why did you reject that alternative? If not, why not?

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS JAMES M. KIEFER
(NAA/USPS-T36-1-10)**

NAA/USPS-T36-9: Please refer to page 32, lines 20-24 of your testimony, where you state that you “adjusted some density cost passthroughs to maintain reasonable rate relationships.” Please identify to which density cost passthroughs you adjusted for that reason, and explain how the adjustments that you made maintain reasonable rate relationships and rate changes. Other than the High-Density and saturation passthroughs that are the subject of NAA/USPS-T36-8, did you adjust any other density cost passthroughs? If so, please identify which ones and elaborate on why you made the adjustments.

NAA/USPS-T36-10: Please refer to the sheet labeled “Standard Mail Commercial and Nonprofit ECR Sample Rate Changes” in your Workpaper WP-STDECR. In general, for the illustrative pieces that your present, parcels appear to receive smaller rate increases than either letters or flats. Please elaborate on why that is an appropriate qualitative result given the desire in this case to rate parcels separately.