

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 JOHN P. KELLEY  
(NAA/USPS-T30-1-7)  
June 21, 2006**

The Newspaper Association of America hereby submits the attached interrogatories to United States Postal Service witness John P. Kelley (USPS-T-30) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

By: 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.

June 21, 2006

William B. Baker  
William B. Baker

**NEWSPAPER ASSOCIATION OF AMERICA  
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UNITED STATES POSTAL SERVICE WITNESS JOHN P. KELLEY  
(NAA/USPS-T30-1-7)**

NAA/USPS-T30-1: In Library Reference L-67, please refer to the sheet labeled UDCModel.USPS.xls, Distributed City Carrier In-Office Direct Costs Without Piggybacks.” Please define the term “WSS-Saturation” as used therein. In particular, please state whether that definition is the same as the definition for saturation mail eligible to use detached address labels found in DMM Section 602.4.1.2.

NAA/USPS-T30-2: In Library Reference L-67, please refer to the sheet labeled UDCModel.USPS.xls, Distributed City Carrier In-Office Direct Costs Without Piggybacks.” Please define the term “ECR Non-Saturation” as used therein.

NAA/USPS-T30-3: Please confirm that in Library Reference L-67, the sheet labeled UDCModel.USPS.xls, Distributed City Carrier In-Office Direct Costs Without Piggybacks,” High-Density mail would be considered “ECR Non-Saturation.” If you cannot confirm, please explain why not.

NAA/USPS-T30-4: Footnote 6 to your testimony references the testimony of Postal Service witness Thomas Shipe from Docket No. R90-1. Does your testimony rely on Mr. Shipe’s testimony from that case for any other purpose than that for which footnote 6 is the citation?

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NAA/USPS-T30-5: Please refer to page 12, lines 3 through 6, of your testimony:

- a. Please identify the “federal law” to which you refer.
- b. Please explain why you choose to reduce your assumption of the number of rural route mailings that use simplified addresses from 20 percent to three percent, rather than by some other amount.
- c. Please explain why no corresponding adjustment is made for city carrier costs.

NAA/USPS-T30-6: Please refer to page 2, lines 7-12 of your testimony. You state that your testimony “updates the analyses done in library reference USPS-LR-K-67 in Docket No. R2005-1.”

- a. Please confirm that you were the witness responsible for USPS-LR-K-67 in Docket No. R2005-1.
- b. Please confirm that in USPS-LR-K-67\_Revised.xls, cells G67, G68, and G69 of worksheet “Table 1,” you estimated flats delivery costs for Standard ECR Basic, High Density, and saturation separately.
- c. Please confirm that in USPS-LR-L-67, cells G45 and G46 in worksheet “1.Table 1” of workbook “UDCModel.USPS.xls”, you do not estimated costs for Standard ECR and High Density ECR separately, but instead include them in “ECR Non-Saturation.”
- d. If you cannot confirm (b) or (c), please explain why not.
- e. Why did you change the way in which you estimated carrier delivery costs?
- f. Please provide separate estimates of unit delivery costs for Standard ECR Basic and High Density in the manner that you presented them in Docket No. R2005-1.

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NAA/USPS-T-30-7: Please refer to “Table 1: Test Year Unit Delivery Costs” in your testimony and to Table 1: Test Year FY2006 Unit Delivery Costs from your 2005 testimony (Docket No. R2005-1, USPS-T-16, second revision). Note that the unit delivery cost for Standard Enhanced Carrier Route High Density flats was estimated at 4.609 cents in your 2005 testimony as revised.

- a. Please confirm that in your testimony in this case, the Test Year unit delivery costs for Standard ECR High-Density mail are included in “ECR Non-Saturation flats.” If you cannot confirm, please explain where such a figure is presented.
- b. Please confirm that the Test Year unit delivery cost for Standard “ECR Non-Saturation” flats in your testimony is estimated to be 7.083 cents.
- c. Please confirm that the estimated unit delivery costs for Standard ECR High Density mail has increased from 4.609 cents in your R2005-1 testimony (where presented separately) to 7.083 cents in your current testimony (as part of “Non-Saturation”), an increase of 2.474 cents.
- d. Please identify the source(s) of the cost increase in (c).
- e. Please explain why estimated delivery costs for Standard ECR High Density flats have increased by 2.474 cents while the estimated unit delivery costs for Standard Basic and saturation flats have increased by only 0.94 cents and 1.05 cents respectively. In particular, what factors unique to High Density flats would cause such a disproportionate increase in cost?