

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,  
2006

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)

Docket No. R2006-1

NOTICE OF ERRATA TO FIRST SET OF INTERROGATORIES OF  
AMERICAN BANKERS ASSOCIATION AND  
NATIONAL ASSOCIATION OF PRESORT MAILERS  
TO USPS WITNESS THOMAS E. THRESS  
(ABA-NAPM/USPS-T7-1-2)  
(July 6, 2006)

ABA-NAPM hereby gives notice that the cover page to the above-captioned interrogatories that ABA-NAPM filed on June 30, 2006 was erroneously dated June 28, 2006. The text of the interrogatories was correct. A corrected copy is attached.

Respectfully submitted,

/S/ Robert J. Brinkmann

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July 1, 2006

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**(June 30, 2006)**

Pursuant to sections 25, 26 and 27 of the rules of practice, the American Bankers Association and the National Association of Presort Mailers direct the following interrogatories to United States Postal Service witness Thomas E. Thress (USPS-T-7). If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

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ABA-NAPM/USPS-T7-1.

In R2005-1, your estimate for the own price elasticity of demand for workshared FCLM was -0.329. In R2006-1, with only four extra quarters of data added, your elasticity estimate for workshared FCLM is less than half of this at -0.130.

- a. What factors in the economic environment would explain such a sudden reduction in elasticity of over 100% in so short a span of time?
- b. What factors in your model would explain such a sudden reduction in elasticity of over 100% in so short a span of time?

ABA-NAPM/USPS-T7-2.

In Table 10 of your testimony on page 51, you show the impact of the Internet and “electronic diversion” on First Class Mail volume. The impact on single piece mail is notable starting in 1990 and more pronounced after 1995, whereas the impact on workshared mail really only begins after 2002. With less than 0.02 billion pieces of workshared mail “diverted” in 2001, 1.1 billion “diverted” in 2004, and 1.3 billion “diverted” in 2005, please explain fully why you see workshared mail as becoming increasingly inelastic between the R2005-1 and R2006-1 rate cases.