

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER  
TO INTERROGATORY OF ADVO INC.  
(ADVO/USPS-T36-1)

The United States Postal Service hereby files the response of witness Kiefer to above-listed interrogatory, filed on July 14, 2006.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Nan K. McKenzie

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July 28, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER TO  
INTERROGATORY OF ADVO

**ADVO/USPS-T36-1.** USPS witness Kelley in response to VP/USPS-T30-3 provided DAL volume data for the two-month period of March-April 2006. That data shows that for ECR High Density Non-Letters entered at the DDU, 7.0 percent used DALs.

- a. Please confirm that under Domestic Mail Manual Section 602.4.1, DALs are permitted to be used only for saturation flat mailings, merchandise samples, and Bound Printed Matter, not for high-density flat mailings.
- b. Notwithstanding the above DMM provision, are DALs used by any ECR High Density flat mailers, such as newspaper "total market coverage" programs mailed to nonsubscribers?
- c. Of the 7 percent of High Density Non-Letters entered at the DDU, what proportion are flats?
- d. Please confirm that under the Postal Service's proposed rate schedule (Attachment A, page 21 of the USPS's Request), the proposed surcharge for DALs, as currently worded, would apply only to "Saturation Rate pieces addressed using detached address labels (DALs)."
- e. Is it the Postal Service's intent that only saturation-rate pieces, which are authorized to use DALs, should be subject to the DAL surcharge, but that nonsaturation high density-rate pieces should be exempt from the surcharge. If so, please explain the Postal Service's rationale.

**RESPONSE:**

- a. That is my understanding.
- b-c Based on the available data I am unable to determine the nature of the High Density rate flats that were identified in the data as using DALs. I can confirm that the standards clearly state that, unless the piece is a merchandise sample, DALs are not permitted with High Density rate flats. Nevertheless, I can confirm that the seven percent were flats, though I do not know the content of the piece.
- d. Confirmed.
- e. Under the current rules, the Basic or High Density rate flats that are not merchandise samples are not permitted to use DALs. I understand that the Postal Service has no intention of changing that rule and permitting High Density or Basic rate flats to use DALs. In that light there is no need for the DMCS language to specifically refer to "Saturation Rate Pieces" and could easily refer to "flat-shaped

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pieces” since the only flat-shaped pieces (other than merchandise samples)  
eligible to use DALs should be Saturation rate pieces.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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Nan K. McKenzie

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