

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF MCGRAW-HILL TO WITNESS TANG (MH/USPS-T35-18)
(August 11, 2006)

The United States Postal Service hereby objects to the following interrogatory of McGraw-Hill, filed on August 1, 2006, and directed to witness Tang: MH//USPS-T35-

18.

The interrogatory reads:

MH/USPS-T35-18. Please refer to your response to MH/USPS-T35-3 (d) and (e). Those interrogatories stated: "For the purpose of gauging the impact of the proposed rate design on Outside-County Periodicals mailers, please provide alternative (nonbinding) piece rates" that reflect specified elements of current rate design but could be expected to meet test year revenue requirements. In response, you stated: "Developing prices involves a balancing of a number of rate design objectives. I cannot develop any hypothetical alternative prices that necessarily would have met those objectives." However, the interrogatories in question did not call for hypothetical alternative prices that "necessarily would have met those objectives." Rather, for the purpose of estimating the impact on mailers of proposed rate design changes, those interrogatories simply called upon you to provide alternative (non-binding) piece rates reflecting elements of current rate design, but adjusted to meet the projected test year revenue requirement. The Postal Service is uniquely positioned to provide such information, which is essential for gauging the impact of proposed rate design on mailers. In this light, please provide the non-binding alternative piece rates as requested.

As indicated within the question itself, the witness has already explained that she has not developed any such alternative set of rates consistent with Postal Service rate design objectives. In response, the question now indicates that McGraw-Hill is not

concerned that the requested alternative rates meet the Postal Service's ratemaking objectives. In essence, McGraw-Hill is asking for new rate proposals. McGraw-Hill is certainly free to make its own rate proposals in its own direct case. It may not, however, properly use the discovery process to request that the Postal Service's witnesses make alternative rate proposals. To the extent that the question suggests that the Postal Service is uniquely positioned to provide "such information," there is no "information" being requested. Rather, what is being requested is a burdensome application of judgment within the ratemaking process, which the rate design witnesses have done once in developing the Postal Service's proposed rates, and which they cannot be required to do again under the guise of requesting more "information."

The Postal Service therefore objects to MH/USPS-T35-18.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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August 11, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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