

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

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
FOURTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS JOHN P. KELLEY (VP/USPS-T30-19-22)
(June 15, 2006)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

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VP/USPS-T30-19.

Please refer to USPS-LR-L-67, workbook VolAdj.USPS.xls, tab ‘RPW.’ The source in cell A3 is given as “USPS-LR-L-20, Shape_GFY_2005rV.xls.” USPS-LR-L-20, however, as appearing on the Commission’s web site, appears to contain only a summary report, named: Fy2005_RPWsummaryreport.xls. However, USPS-LR-L-87 does contain a file named “Shape GFY 2005rV.xls.”

- a. Please confirm that the source of USPS-LR-L-67, VolAdj.USPS.xls, tab ‘RPW’ is found in USPS-LR-L-87. If you do not confirm, please provide the actual source.
- b. Please confirm that none of the volumes shown on tab ‘RPW’ include DALs as separate pieces. If you do not confirm, please indicate which figures include the DALs.

VP/USPS-T30-20.

Please refer to USPS-LR-L-67, workbook VolAdj.USPS.xls (hereinafter “workbook-1”), and to USPS-LR-L-36, workbook WP-STDECR.xls (hereinafter “workbook-2”), the latter library reference containing the rate design workpapers of Postal Service witness Kiefer (USPS-T-36).

- a. In workbook-1, tab ‘RPW,’ the volume in cell F14 (*i.e.*, 35,023,418 [000 omitted]) is equal to the sum in workbook-2 of (i) cell H35 under tab ‘ECR Commercial BDs,’ and (ii) cell H37 under tab ‘ECR Nonprofit BDs.’ However, the two cells included in this sum do not include the heavy letters shown in cells

H135, H140 and H145 of tab 'ECR Commercial BDs,' and cells H138, H143 and H148 of tab 'ECR Nonprofit BDs.' Please explain whether the volume in cell F14 includes the volume of heavy letters.

- b. In workbook-1, tab 'RPW,' the letter volume in cell C14 (*i.e.*, 9,040,800 [000 omitted]) does not equal the workbook-2 sum of the letter volume on tab 'ECR Commercial BDs' (cells H11 + H46 + H66) plus the letter volume on tab 'ECR Nonprofit BDs' (cells H13 + H47 + H67), regardless of whether the heavy letters referenced in part a of this question are included. Please explain this apparent misalignment.

VP/USPS-T30-21.

Please refer to USPS-LR-L-67, workbook VolAdj.USPS.xls.

- a. Please refer to tab 'CagingEstimates.' Are all figures on this sheet for the Base Year? If not, please identify them.
- b. In tab 'CagingEstimates,' does the zero in cell C13 mean that no unaddressed Saturation flats (of the kind that would be accompanied by a DAL) are ever (i) cased, or (ii) collated? If it does not, please explain. If it does, please explain whether this is an assumption or is based on actual data from operations.
- c. Please refer to tab 'SaturationVols.' Does the zero in cell D13 mean that no DALs are ever DPS'd? If it does not, please explain what it means. If it does, please: (i) indicate whether this is an assumption, or is based on actual data from operations, and (ii) reconcile the zero figure with the statement of witness

McCrery (USPS-T-42) at pages 12-13 that “[t]his includes Detached Address Labels (DALs), which are also often transported back to the plant for DPS processing in order to eliminate the need to manually case the cards in delivery.” (USPS-T-42, p. 12, l. 27 to p. 13, l. 1.)

- d. Please refer to tab ‘CCSDisag.’ Are DAL volumes included in any figures on this sheet? If they are, please indicate each cell in which they can be found.

VP/USPS-T30-22.

Please refer to the table below, which represents an effort to collect some of the costs in Library Reference USPS-LR-L-67. The lightly shaded boxes do not apply.

- a. Please confirm that each estimate shown in the table is an appropriate estimate for the Base Year. If you do not confirm, please provide alternative estimates that you support.
- b. Please confirm that all direct casing costs shown in the table are the result of applying casing rates from Docket No. R90-1, USPS-T-10, and do not represent results from actual, more recent operations. If you do not confirm, please explain all sources.
- c. To the extent that your analysis allows, please fill in the blank boxes in the table.
- d. To the extent that you believe them important, please list any key assumptions on which the figures in the table are based.

Standard ECR Mail — DPS & City Carrier Marginal Costs (cents per piece) (BY2005) (USPS version)					
ECR Category	DPS Costs	In-office Casing Direct	In-office Non-casing Direct	In-office Indirect	Street
Letter Size					
DPS					1.81 1/
Non-Sat, Non-DPS					1.81 1/
Sat, Non-DPS, Non-Seq		1.43 5/			1.81 1/
Seq					1.22 2/
DAL					
DAL DPS					1.81 1/
DAL Cased		1.43 6/			1.81 1/
DAL Seq					1.22 2/
Addressed Flats					
Non-Sat					1.98 3/
Sat Cased		2.16 7/			1.98 3/
Sat Seq					1.33 4/
Unaddressed Flats					
Sat Cased		2.16 8/			1.98 3/
Sat Seq					1.33 4/

1/ UDCModel.USPS.xls, tab '21.ECRUnit Costs' cell E9.

2/ UDCModel.USPS.xls, tab '21.ECRUnit Costs' cell I13.

3/ UDCModel.USPS.xls, tab '21.ECRUnit Costs' cell E10.

4/ UDCModel.USPS.xls, tab '21.ECRUnit Costs' cell I14.

5/ VolAdj.USPS.xls tab 'CasingEstimates' cell F9.

6/ VolAdj.USPS.xls tab 'CasingEstimates' cell F10.

7/ VolAdj.USPS.xls tab 'CasingEstimates' cell F12.

8/ VolAdj.USPS.xls tab 'CasingEstimates' cell F13.