

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

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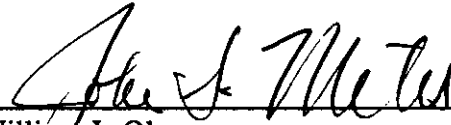
POSTAL RATE AND FEE CHANGES, 2000)

Mar 9 4 10 PM '00
Docket No. R2000-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

VAL-PAK DIRECT MARKETING SYSTEMS, INC.,
VAL-PAK DEALERS' ASSOCIATION, INC., AND
CAROL WRIGHT PROMOTIONS, INC.
SECOND INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO UNITED STATES POSTAL SERVICE
WITNESS SHARON DANIEL (VP-CW/USPS-T28-16-26)
(March 9, 2000)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Val-Pak Direct Marketing Systems, Inc., Val-Pak Dealers' Association, Inc. and Carol Wright Promotions, 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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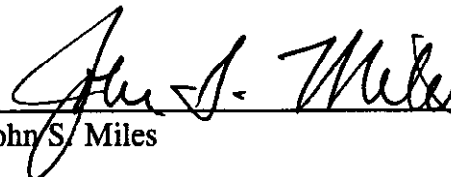
Val-Pak Direct Marketing Systems, Inc.,

Val-Pak Dealers' Association, Inc., and

Carol Wright Promotions, Inc.

CERTIFICATE OF SERVICE

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



John S. Miles

March 9, 2000

VP/USPS-T28-16.

Please refer to Table 1 (Revised 3/1/00) at page 11 of your testimony, where you provide the estimated total unit cost for each of the 11 individual one-ounce weight ranges for First-Class Single-Piece Mail.

- a. For each ounce increment, and for the portion of cost shown in the first three rows consisting of (i) all mail processing, (ii) window service, and (iii) delivery in-office (6.1), please provide the total number of tallies that you used to develop the cost estimates shown in the first three cost-estimate rows in Table 1 (Revised 3/1/00).
- b. For the total tallies which you provide for each ounce increment in response to preceding part a, please show the total broken down into (i) direct individual piece handling tallies, (ii) direct tallies handling more than one piece of mail (*e.g.*, items or containers), (iii) mixed mail tallies, (iv) handling empty equipment tallies, (v) not handling tallies (break, etc.), and (vi) other (please specify).

VP/USPS-T28-17.

Please refer to Table 2 (Revised 3/1/00) at page 14 of your testimony, where you provide the estimated total unit cost for each of the 11 individual one-ounce weight ranges for First-Class Presort Mail.

- a. For each ounce increment, and for the portion of cost shown in the first three rows consisting of (i) all mail processing, (ii) window service, and (iii)

delivery in-office (6.1), please provide the total number of tallies that you used to develop the cost estimates shown in the first three cost-estimate rows in Table 2 (Revised 3/1/00) .

- b. For the total tallies which you provide for each ounce increment in response to preceding part a, please show the total broken down into (i) direct individual piece handling tallies, (ii) direct tallies handling more than one piece of mail (*e.g.*, items or containers), (iii) mixed mail tallies, (iv) handling empty equipment tallies, (v) not handling tallies (break, etc.), and (vi) other (please specify).

VP/USPS-T28-18.

At page 9 (ll. 12-14) of your testimony, you state “Since rural carriers are compensated on the basis of shape and not weight, costs are first distributed to shape and then to weight increment on the basis of pieces.”

- a. Please provide a detailed explanation of the last step; *i.e.*, the distribution to weight increment on the basis of pieces. In particular, please explain what (piece) data (and from what source) are used to distribute costs to weight increment.
- b. Also, please explain how the distribution by pieces distinguishes between the weight-cost relationship and the piece-cost relationship.

VP/USPS-T28-19.

Please refer to USPS-LR-I-92, Section 1, pages 10 and 12. On each page there appears a scatter diagram with the identical title: "Std. A Regular All Shapes." On page 10, the diagram contains a regression line with the following equation:

$$y = 0.0481x + 0.0312$$

On page 12, the diagram contains a regression line with the following equation:

$$y = 0.0412x + 0.0588$$

- a. Please explain the difference between these two regression diagrams and equations with identical titles.
- b. In your opinion, which of these two regression equations best represents the weight-cost relationship for Standard A Regular All Shapes?

VP/USPS-T28-20.

Please refer to USPS-LR-I-92, Section 1, pages 11 and 12. On each page there appears a scatter diagram with the identical title: "Std. A Regular All Shapes Pound-Rated." On page 11, the diagram contains a regression line with the following equation:

$$y = 0.0628x - 0.133$$

On page 12, the diagram contains a regression line with the following equation:

$$y = 0.0524x - 0.0594$$

- a. Please explain the difference between these two regression diagrams and equations with identical titles.

- b. In your opinion, which of these two regression equations best represents the weight-cost relationship for Standard A Regular All Shapes Pound-Rated?

VP/USPS-T28-21.

Please refer to USPS-LR-I-92, Section 2, pages 10 and 12. On these two pages appear three scatter diagrams with no titles. Please indicate the appropriate title for each of these three diagrams.

VP/USPS-T28-22.

Please refer to USPS-LR-I-92, Section 2, pages 10 and 12. On page 10, the diagram contains a regression line with the following equation:

$$y = 0.0192x + 0.0126$$

On page 12, the first diagram contains a regression line with the following equation:

$$y = 0.0161x + 0.0257$$

- a. Please explain the difference between these two regression diagrams and equations. That is, what does each represent?
- b. In your opinion, which of these two regression equations best represents the weight-cost relationship for Standard A ECR Mail?

VP/USPS-T28-23.

Please refer to USPS-LR-I-92, Section 2, pages 11 and 12. On page 11 there appears a scatter diagram with the title, "Pound Rated Mail," which presumably refers to all Standard A

ECR Pound-Rated Mail (since the title of Section 2 is “Standard Mail (A) ECR”). On page 11, the diagram contains a regression line with the following equation:

$$y = 0.0247x - 0.0495$$

On page 12, the second (untitled) diagram contains a regression line with the following equation:

$$y = 0.0214x - 0.0312$$

- a. Please explain the difference between these two regression diagrams and equations.
- b. In your opinion, which of these two regression equations, if either, best represents the weight-cost relationship for Standard A ECR Pound-Rated Mail?

VP/USPS-T28-24.

Please refer to USPS-LR-I-92, Section 2, page 12, where you have combined and reduced the weight increments for Standard A ECR Mail to a total of nine.

- a. For each of the nine weight increments shown on page 12, and for the portion of cost shown in the first three rows consisting of (i) all mail processing, (ii) window service, and (iii) delivery in-office (6.1), please provide the total number of tallies that you used to develop the cost estimates shown in the first three cost-estimate rows.
- b. For the total tallies which you provide for each ounce increment in response to preceding part a, please show the total broken down into (i) direct individual piece handling tallies, (ii) direct tallies handling more than one piece of mail

(*e.g.*, items or containers), (iii) mixed mail tallies, (iv) handling empty equipment tallies, (v) not handling tallies (break, etc.), and (vi) other (please specify).

VP/USPS-T28-25.

Please refer to Table 4a at page 19a of your testimony, where you provide the estimated total unit cost for each of nine weight ranges for Regular and Nonprofit Periodicals Combined.

- a. For the weight ranges shown in Table 4a, and for the portion of cost shown in the first three rows consisting of (i) all mail processing, (ii) window service, and (iii) delivery in-office (6.1), please provide the total number of tallies that you used to develop the cost estimates shown in the first three cost-estimate rows in Table 4a.
- b. For the total tallies which you provide for each individual weight range in response to preceding part a, please show the total broken down into (i) direct individual piece handling tallies, (ii) direct tallies handling more than one piece of mail (*e.g.*, items or containers), (iii) mixed mail tallies, (iv) handling empty equipment tallies, (v) not handling tallies (break, etc.), and (vi) other (please specify).

VP/USPS-T28-26.

For the studies which you conducted to determine the weight-cost relationship for First-Class, Periodicals and Standard A Mail, as described in your testimony at pages 10-19, please provide the following information:

- a. How did you treat "handling empty equipment" tallies? If you treated them differently for the different classes of mail, please specify and explain.
- b. How did you treat tallies such as bundle, item, or container, that indicated that the clerk or mailhandler tallied was handling more than one piece of the same class of mail? Please indicate whether you (i) disregarded or omitted such tallies altogether from your analysis, (ii) used the weight of the top piece if such weight was recorded, (iii) prorated the cost associated with the tally over all direct single piece tallies, and/or (iv) did something else (please specify).
- c. How did you treat mixed mail tallies in your analysis? Please indicate whether you (i) disregarded or omitted such tallies altogether from your analysis, (ii) used the weight (and subclass) of the top piece if such weight was recorded, (iii) prorated the cost associated with the tally over all direct single piece tallies, and/or (iv) did something else (please specify).