

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

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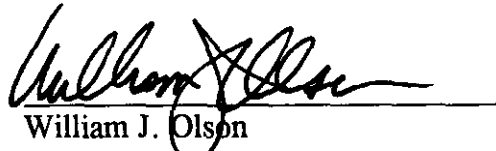
POSTAL RATE AND FEE CHANGES, 2001)

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2001-1

VAL-PAK DIRECT MARKETING SYSTEMS, INC.
AND VAL-PAK DEALERS' ASSOCIATION, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL W. MILLER (VP/USPS-T24-1-4)
(October 2, 2001)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Val-Pak Direct Marketing Systems, Inc. and Val-Pak 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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Val-Pak Direct Marketing Systems, Inc. and
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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.



William J. Olson

October 2, 2001

VP/USPS-T24-1.

- a. Please state whether you and/or the Postal Service have studied empirically, modeled separately, or otherwise estimated a separate unit cost for carriers to case saturation Standard ECR mail when such mail consists of:
 - i. letters;
 - ii. enveloped flats;
 - iii. catalogs;
 - iv. Detached Address Labels (“DALs”);
 - v. flat-shaped pieces (including any inserts) that accompany DALs;
 - vi. periodicals that accompany DALs
 - vii. merchandise samples that accompany DALs; or
 - viii. bound printed matter that accompany DALs.
- b. For each affirmative answer to the preceding part a, please indicate the estimated Base Year unit cost for carrier casing, and provide references to where such unit cost estimates can be found in your testimony, your exhibits and workpapers, or library references on which your testimony relies.
- c. For each negative answer to preceding part a, please explain why separate estimates for such unit costs have not been prepared.

VP/USPS-T24-2.

Please refer to your testimony at page 6, lines 24-27, where you discuss “worksharing related fixed” cost pools and state that “[t]hese costs represent tasks that have not actually been modeled.”

- a. Please identify all tasks or cost pools for Standard flats that have not actually been modeled.
- b. What plans does the Postal Service have to model any of these “worksharing related fixed” tasks/cost pools that as yet have not actually been modeled?
- c. Is it possible that if or when these tasks/cost pools were to be modeled, they could turn out to be reclassified as “worksharing related proportional”? That is, to what extent do you know that they are worksharing related fixed, and to what extent are you simply assuming that they are worksharing related fixed?
- d. Have you modeled any cost pools/tasks that either were or have turned out to be “worksharing related fixed”? If so, please describe them.

VP/USPS-T24-3.

At page 7, lines 6-9, you discuss briefly the “non-worksharing fixed” category of costs.

- a. Have you modeled any of these costs? If so, which ones?
- b. What plans does the Postal Service have to model any of these non-worksharing fixed tasks/cost pools that as yet have not actually been modeled?
- c. For Standard ECR Mail, what percentage of mail processing costs did this classification represent in Base Year?

- d. For Standard ECR Mail, please provide representative examples of the types of costs pools or tasks that constitute non-worksharing fixed costs.

VP/USPS-T24-4.

Please refer to Table 1 at page 14 of your testimony.

- a. For each unit cost shown in that table, please provide (i) the modeled cost and (ii) the adjustment(s) used to reconcile the modeled cost with the Cost and Revenue Analysis (“CRA”) cost.
- b. Please provide also the percentage adjustments that were necessary to reconcile the modeled cost with the CRA cost, if those percentages are not readily calculable from the data which you provide.