

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

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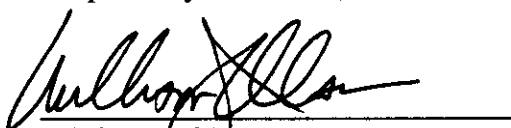
POSTAL RATE AND FEE CHANGES, 2001)

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 JOSEPH D. MOELLER (VP/USPS-T32-1-4)
(October 11, 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,



William J. Olson

John S. Miles

WILLIAM J. OLSON, P.C.

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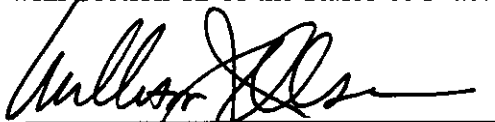
Counsel for:

Val-Pak Direct Marketing Systems, Inc. and

Val-Pak Dealers' Association, Inc.

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 11, 2001

VP/USPS-T32-1.

Please refer to your testimony at pages 3-5, where you discuss extension of the weight limit for Standard Mail Regular Automation letters.

- a. Please confirm that one rationale for your proposal is that it will enable mailers of Standard Regular Automation letter-shaped mail that weighs between 3.3 and 3.5 ounces and that can be processed on automation equipment to avoid a big increase in postage that otherwise would occur when an automation letter crosses the breakpoint weight. If you do not confirm, please explain fully.
- b. Is it your understanding that the Postal Service can and does process routinely on automation equipment letter-shaped mail that weighs between 3.3 and 3.5 ounces and is pre-barcoded? If not, please explain.
- c. Please state and explain any other justification or rationale on which you rely to support your proposed rates for Standard Regular and Nonprofit Automation letters that weigh between 3.3 and 3.5 ounces.

VP/USPS-T32-2.

In this docket, Postal Service witness Hope (USPS-T-31) is proposing that all ECR High Density and Saturation letters must bear delivery point barcodes and meet other Postal Service requirements for automation compatibility in order to qualify for the letter rate (USPS-T-31, p. 9).

- a. Would you agree that ECR and NECR High Density and Saturation letters that meet the stipulated requirements and weigh between 3.3 and 3.5 ounces also can

be run on Postal Service automation equipment just as can Standard Regular and Nonprofit Automation letters weighing between 3.3 and 3.5 ounces? If you do not agree, please explain fully.

- b. Would you agree that extending your proposed treatment for Standard Regular and Nonprofit Automation letters weighing between 3.3 and 3.5 ounces to ECR and NECR High Density and Saturation letters weighing between 3.3 and 3.5 ounces would enable ECR and NECR mailers of such letters to avoid a big increase in postage that would otherwise occur when ECR and NECR High Density and Saturation letters cross the breakpoint weight? If not, please explain.
- c. Please state and explain every argument on which you and the Postal Service rely to justify or support your statement at page 15, lines 12-13, that “This proposal [for automation letters in the 3.3 to 3.5 ounce weight range] is limited to Regular and Nonprofit Automation Letters” and which, thereby, necessarily excludes ECR and NECR High Density and Saturation letters.

VP/USPS-T32-3.

- a. Please confirm that the maximum percentage rate increase that you propose for any cell in Standard Regular mail is 9.5 percent for Mixed AADC (automated area distribution center) Automation letters, as shown in your WP1, page AA (LR-J-132). If you do not confirm, please indicate the correct cell and the proposed percentage increase for that cell.

- b. Please confirm that Mixed AADC Automation letters is the rate cell with the highest ratio of percentage rate increase (9.5 percent) to the percentage change in revenue per piece (8.0 percent) shown on page 1 of your testimony; *i.e.*, 1.1875. If you do not confirm, please provide the correct figures for the preceding computation.

VP/USPS-T32-4.

In Docket No. R2000-1, you prepared a chart showing the implicit coverage for Standard (A) Mail ECR that weighed (i) both less than and more than 3.0 ounces, and (ii) both less than and more than 3.5 ounces (Docket No. R2000-1, USPS-T-35, p. 21 (Revised 4/3/2000)). In this docket, witness Hope offers a similar chart for Standard Mail ECR (USPS-T-31, p. 13, Table 3).

- a. In this docket, when preparing your testimony (USPS-T-32), did you compute implicit coverages for Standard Regular Mail similar to those you computed for Standard (A) Mail ECR in Docket No. R2000-1?
- b. If your answer to the preceding question is affirmative, please provide the results in a format similar to that used by witness Hope in this docket.
- c. If your answer to part a is negative, please explain why you did not consider the computation to be worth the effort.
- d. Please provide the implicit coverages for Standard Mail Regular that weighs (i) both less than and more than 3.0 ounces, and (ii) both less than and more than 3.5 ounces.