

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS DANIEL TO INTERROGATORY OF
VAL-PAK DIRECT MARKETING SYSTEMS, INC., VAL-PAK DEALERS'
ASSOCIATION, INC., AND CAROL WRIGHT PROMOTIONS, INC.
(VP-CW/USPS-T29-1-2(b))

The United States Postal Service hereby provides the response of witness Daniel to the following interrogatory of Val-Pak Direct Marketing Systems, Inc., Val-Pak Dealers' Association, Inc., and Carol Wright Promotions, Inc.: VP-CW/USPS-T29-2(b), filed on August 21, 1997. This response is filed one day out of time. The Postal Service filed a motion for extension of time to file the response to this subpart on September 4, 1997. The undersigned counsel will send a copy of this response to counsel for Val-Pak via facsimile transmission.

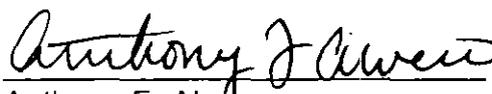
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Anthony F. Alverno

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 5, 1997

**RESPONSE OF U.S. POSTAL SERVICE WITNESS DANIEL TO
INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC., VAL-
PAK DEALERS' ASSOCIATION, INC., AND CAROL WRIGHT PROMOTIONS, INC.**

VP-CW/USPS-T29-2.

Please refer to Exhibit USPS-29C, page 3, including footnote 2, which states that "ECR Mail Processing costs reflect current level of dropshipping."

* * * * *

- b. For the Test Year, what are the unit mail processing costs for ECR letters and nonletters that are:
- (i) dropshipped to DDUs (*i.e.*, 100 percent dropshipped to DDUs);
 - (ii) dropshipped to DSCFs (*i.e.*, 100 percent dropshipped to DSCFs);
 - (iii) dropshipped to DBMCs (*i.e.*, 100 percent dropshipped to DBMCs);
 - (iv) Not dropshipped to any destinating facility.

* * * * *

RESPONSE:

* * * * *

- b. Estimates of test year unit mail processing costs for ECR (average letter/nonletter) using nontransportation cost avoidances for dropshipping are found below. Note this is not a bottom-up cost analysis.
- (i) 1.26 cents per piece dropshipped to DDU
 - (ii) 1.45 cents per piece dropshipped to DSCF
 - (iii) 1.57 cents per piece dropshipped to DBMC
 - (iv) 1.74 cents per piece with no destination entry

* * * * *

DECLARATION

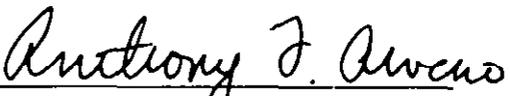
I, Sharon Daniel, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


SHARON DANIEL

Dated: September 5, 1997

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.


Anthony F. Alvelo

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