

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

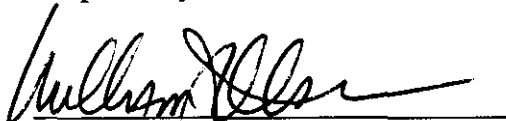
RECEIVED
Nov 8 4 20 PM '01
POSTAL RATE COMMISSION
OFFICE OF THE CLERK
Docket No. R2001-1

POSTAL RATE AND FEE CHANGES, 2001)

VAL-PAK DIRECT MARKETING SYSTEMS, INC.
AND VAL-PAK DEALERS' ASSOCIATION, INC.
THIRD INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS WILLIAM P. TAYMAN, JR. (VP/USPS-T6-11-13)
(November 8, 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,

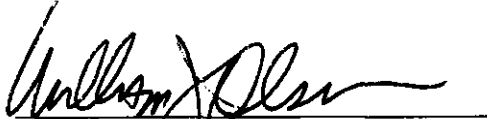


William J. Olson
John S. Miles
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

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

November 8, 2001

VP/USPS-T6-11.

In his remarks at the open meeting of the Postal Service Board of Governors held on September 11, 2001, Postmaster General and CEO John E. Potter said, “[o]f late, like other businesses, we have seen costs rise significantly for things such as energy and health benefits while revenue and volume have lagged projections.”

- a. Please indicate the assumptions that were made with respect to the Postal Service’s Request in the present case regarding the forecasts for fuel/energy prices.
- b. The prices of oil and other energy sources recently have fallen. Assuming they stay down, or even decline further over the next few months as many believe they will, would the Postal Service realize any significant cost savings in this item? If so, please provide an estimate of such expected savings if the average prevailing price of oil during Test Year were to be (i) \$20 per barrel, and (ii) \$15 dollars per barrel.

VP/USPS-T6-12.

Please refer to your response to OCA/USPS-T6-32 and MPA/USPS-T6-4.

- a. Please confirm that the Postal Service projects nether an increase nor a decrease in Total Factor Productivity (“TFP”) in Test Year 2003 from FY 2002? If you do not confirm, please explain what is assumed for TY 2003.
- b. If all of the Postal Service’s key projections and assumptions for interim year FY 2002 were to be realized exactly, except that TFP showed zero improvement

as opposed to the 1.1 percent that you project in FY 2002, how would this affect net revenue (loss) for FY 2002?

VP/USPS-T6-13.

In VP/USPS-T6-7(g), you were asked:

Is there a moratorium on closing post offices? Please specify the source of any such moratorium (*e.g.*, Appropriations rider, Board of Governors' policy, etc.), and provide copies of the relevant documentation.

Your response indicated, "[t]he moratorium on post office closings was initiated by the Postal Service on March 16, 1998 and is still in effect."

As requested in VP/USPS-T6-7, please specify the source of the decisions to implement any such moratorium (*e.g.*, Appropriations rider, Board of Governors' policy, etc.), particularly including the moratorium of March 16, 1998 which you mentioned, and provide copies of the relevant documentation.