

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, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS HARAHUSH TO VAL-PAK INTERROGATORIES
(VP/USPS-T5-7a, 8abcd, 9abc, 10a, 13abc, 14b)

The United States Postal Service hereby provides the responses of witness Harahush to the following interrogatories of Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers' Association: VP/USPS-T5-7a, 8abcd, 9abc, 10a, 13abc, 14b, filed on October 30, 2001. Interrogatories 7b, 8e, 9d, 10bcd, 11ace, 12, 14a, 15 and 16 were redirected to the Postal Service, 11bd, 13de were redirected to witness Schenk.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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November 13, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
TO INTERROGATORIES OF VAL-PAK

VP/USPS-T5-7.

Please refer to your response to VP/USPS-T5-1.

- a. Would the detached address label ("DAL") accompanying a merchandise sample be recorded as a letter-shaped piece, a flat-shaped piece, or a parcel-shaped piece (*i.e.*, as a nonletter, non-flat-shaped) piece?

Response:

- a. Almost invariably, the DAL would be counted as a letter in the city carrier system.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
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VP/USPS-T5-8.

Please assume that a carrier has a Standard ECR Saturation mailing consisting of DALs and unaddressed flat-shaped "wraps."

- a. Would the Carrier Cost Systems (CCS) include the number of DALs in the count of pieces?
- b. Unless your answer to part a is an unqualified negative, would the DALs be recorded as letter-shaped or flat-shaped pieces?
- c. Would the CCS include the number of wraps in the count of pieces?
- d. Unless the answer to preceding part c is an unqualified negative, would the wraps be recorded as letter-shaped or flat-shaped pieces?

Response:

- a. Yes.
- b. Almost invariably, the DAL would be counted as a letter in the city carrier system. In the rural carrier cost system, almost invariably, the DAL would be counted either as an "Other Letter" or a boxholder, depending on the address format on the DAL.
- c. Yes.
- d. In the city carrier system wraps would almost invariably be counted as flats. In the rural carrier system wraps would almost invariably be counted as either flats or boxholders.

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VP/USPS-T5-9:

Please assume that a carrier has Bound Printed Matter ("BPM") items with an accompanying DAL.

- a. Would the CCS record the DAL accompanying the BPM item as a separate piece?
- b. Unless your answer to preceding part a is an unqualified negative, would the DAL be recorded as a letter-shaped or flat-shaped piece?
- c. Should the DAL be recorded as a Standard Regular piece, a Standard ECR piece, or a BPM piece? Please explain.

Response:

- a. Yes.
- b. Almost invariably, the DAL would be counted as a letter in the city carrier system. In the rural carrier cost system, almost invariably, the DAL would be counted either as an "Other Letter" or a boxholder, depending on the address format on the DAL.
- c. The DAL should be counted as a BPM piece, because the indicia and endorsements would indicate BPM.

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VP/USPS-T5-10.

The Summary Description of USPS Development of Costs by Segments and Components, FY 2000, USPS-LR-J-1, Section 7.2.4 states that the volume variable cost of access time is distributed to the pertinent classes and subclasses of mail on the basis of the class and subclass proportions of pieces constituting each aggregate in the FY 1999 CCS volume data.

- a. When CCS volume data are recorded, do those data records distinguish between letters, flats, and parcels?

Response:

- a. Yes.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HARAUSH
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VP/USPS-T5-13.

Please refer to LR-J-131, WP1, Page H, tab COST, column 2, which shows unit delivery costs for ECR letters and flats in various presort conditions.

- a. Were you, or any of the library references sponsored by you, the source of the unit delivery cost estimates for ECR letters and flats.
- b. If your answer to preceding part a is in the affirmative, please indicate the data (and source of those data) that went into the estimated unit delivery costs for ECR letters and flats.
- c. If your answer to preceding part a is an unqualified negative, please indicate the source of the unit delivery cost data for ECR letters and flats, and the sponsoring witness for those data.

Response:

- a. No.
- b. Not applicable.
- c. The unit delivery costs were estimated by witness Schenk in USPS-LR-J-117.

Parts d-e are redirected to witness Schenk.

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TO INTERROGATORIES OF VAL-PAK

VP/USPS-T5-14.

Tables 1-4 in your testimony show the distribution of city carrier costs of each route type to the different classes and subclasses of mail, and, in a similar format, Tables 5-8 show the distribution of rural carrier costs for evaluated factors to the different classes and subclasses and subclasses of mail.

b. Once the volume variable carrier costs attributed to each class and subclass of mail have been determined, are you the witness responsible for determining the delivery costs for each rate cell within each class and subclass (as shown, for instance, in USPS-LR-J-131, Page H)? If you are not the witness with this responsibility, please indicate who is, and where the delivery costs by rate cell are developed.

Response:

b. No. Schenk, USPS-LR-J-117.

DECLARATION

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

Thomas W. Harahush

Date: 11-13-01

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.


Richard T. Cooper

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