

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

RECEIVED
Nov 23 4 33 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SCHENK TO INTERROGATORY OF VAL-PAK DIRECT MARKETING
SYSTEMS, INC. AND VAL-PAK DEALERS' ASSOCIATION, INC., REDIRECTED
FROM WITNESS HOPE
(VP/USPS-T31-38)

The United States Postal Service hereby provides the responses of witness Schenk to the following interrogatory of Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers' Association, Inc.: VP/USPS-T31-38, filed on November 8, 2001.

Interrogatory VP/USPS-T31-38 was redirected from witness Hope.

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3089 Fax -5402
November 23, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO INTERROGATORY OF VAL-PAK DIRECT MARKETING SYSTEMS, INC. AND VAL-PAK DEALERS' ASSOCIATION, INC. REDIRECTED FROM WITNESS HOPE

VP/USPS-T31-38.

- a. With reference to the total cost data requested in VP/USPS-T31-39, please provide a breakdown among (i) mail processing, (ii) delivery, (iii) transportation, and (iv) other, for each of the four categories discussed: i.e., for piece-rate and pound-rated pieces above and below 3.0 ounces and 3.5 ounces. If the requested breakdown is not available for Test Year costs, please provide it for Base Year 2000.
- b. Please describe how transportation costs are distributed to piece-rated and pound-rated pieces by ounce increment.
- c. Please describe how delivery costs are distributed to piece-rated and pound-rated pieces by ounce increment.

RESPONSE:

- a. I assume this interrogatory is referring to VP/USPS-T31-37, rather than VP/USPS-T31-39 as stated above. The requested breakdown is provided below.

	Standard ECR TY Total Costs (\$000)	
	Piece-Rated Pieces	Pound-Rated Pieces
3.0 ounce dividing line		
Mail Processing	213,592	150,922
Delivery	645,205	602,574
Transportation	18,132	39,063
Other	40,027	82,105
3.5 ounce dividing line		
Mail Processing	253,305	111,208
Delivery	750,968	496,811
Transportation	23,197	33,998
Other	50,819	71,314

*Other includes window service, vehicle service, and other.

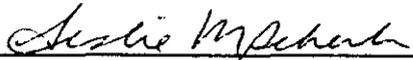
- b. The same distribution key is used to distribute costs to ounce increment for piece- and pound-rated pieces; see response to VP/USPS-T43-4b for distribution keys.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SCHENK TO
INTERROGATORY OF VAL-PAK DIRECT MARKETING SYSTEMS, INC. AND VAL-
PAK DEALERS' ASSOCIATION, INC. REDIRECTED FROM WITNESS HOPE**

- c. The same distribution keys are used to distribute costs to ounce increment for piece- and pound-rated pieces; see response to VP/USPS-T43-4b for distribution keys.

DECLARATION

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



Leslie M. Schenk

Dated: 11/23/01

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.


Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
November 23, 2001