

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

VAL-PAK DIRECT MARKETING SYSTEMS, INC. AND
VAL-PAK DEALERS' ASSOCIATION, INC.
FOURTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS LESLIE M. SCHENK (VP/USPS-T43-20-25)
(November 26, 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,

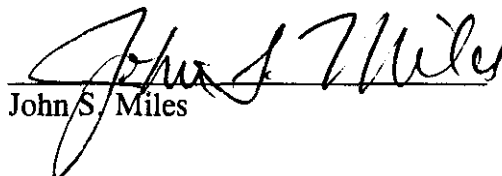


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Val-Pak Dealers' Association, Inc.

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.



John S. Miles

November 26, 2001

VP/USPS-T43-20.

Please refer to USPS-LR-J-117, spreadsheet Lr-j-117, tab City Load.

- a. Please refer to row 53, columns c-f, and explain how the title “Total Unit Costs with DMM Volumes” pertains to the numbers shown immediately below it (which are in the hundreds of thousands of dollars).
- b. In row 62 of that spreadsheet, you show the “DMM-definition Based Distribution Key.”
 - (i) Are the distributions shown in rows 68-69 based on revenues or volumes?
 - (ii) What use do you make of these distributions?
- c. Please refer to row 67, “Standard Mail A ECR” [sic], and row 68. If the distribution in row 68 is based on volumes, did the volumes used to compute the percentage distribution of letters include detached address labels (“DALs”)?

VP/USPS-T43-21.

Please refer to USPS-LR-J-117, spreadsheet Lr-j-117, tab Delivery Volumes. Under column G, CCS Letters, Row 7 shows 9,855,793 Standard ECR letters.

- a. Was this total derived from the City Carrier System (“CCS”) data base?
- b. Does this total volume of CCS letters include DALs? If not, please explain how DALs were excluded from the count. If so, are you able to estimate the number of DALs that are included in the total? If so, please explain how.

VP/USPS-T43-22.

Please refer to USPS-LR-J-117, spreadsheet Lr-j-117, tab Rural Crosswalk. Row 70, column C, shows a total of 3,810,544 Standard ECR letters.

- a. Are these data for rural letters derived from the National Rural Mail Count? If not, from what data source are they derived?
- b. Does this total volume of rural letters include DALs? If not, please explain how DALs were excluded from the count. If so, are you able to estimate the number of DALs that are included in the total? If so, please explain how.

VP/USPS-T43-23.

Please refer to USPS-LR-J-117, spreadsheet Lr-j-117, tab Delivery Volumes.

- a. Row 1, columns K – M have the label “RPW Permit System.” Row 3, columns K – M provide data for First-Class single piece letters, flats and parcels. Please explain the extent to which these First-Class single piece data are derived from the Revenue, Pieces and Weight (“RPW”) Permit System. If they are not derived from the Permit System, please explain either why those data are presented here, or why the label has not been changed.
- b. Please confirm that in row 3, First-Class single piece letters, column C, rural letters are 10,384,160 and column G CCS letters are 21,308,674, and these are exceeded by the corresponding RPW Permit System volume of 47,033,105

shown under column K, by some 15,340,271. If you do not confirm, please provide the correct figures.

- c. Please confirm that in row 4, First-Class presort letters, column C, rural letters are 10,304,441 and column G CCS letters are 28,757,969, and these are exceeded by the corresponding RPW Permit System volume of 44,931,629 letters shown under column K, by some 5,869,219. If you do not confirm, please provide the correct figures.
- d. Please confirm that in row 8, Standard Regular letters, column C, rural letters are 6,961,372 and column G CCS letters are 23,459,132 and these are exceeded by the corresponding RPW Permit System volume of 37,872,913 letters shown under column K, by some 7,452,408. If you do not confirm, please provide the correct figures.

VP/USPS-T43-24.

Please refer to USPS-LR-J-117, spreadsheet Lr-j-117, tab Delivery Volumes. The volume of rural Standard ECR letters shown under column C, row 7 is 3,810,544. The volume of CCS Standard ECR letters shown under column G, row 7 is 9,855,793. The sum of these two is 13,666,337, which exceeds by 1,773,653 the total RPW Permit System figure for Standard ECR letters shown in column K of 11,892,684.

- a. Please confirm that, in this spreadsheet, the apparent excess of rural and city letters relative to the RPW Permit System figure occurs only with respect to Standard ECR letters. If you cannot confirm, please explain.

- b. Could the apparent excess of rural and city Standard ECR letters in the cells referred to above be accounted for in part or in whole by the fact that the City Carrier System and the National Rural Mail Count both include and count DALs as letters, whereas the RPW system does not record DALs? If not, please provide your best explanation for why this occurs.
- c. Please explain how you reconciled the apparent excess of rural and city Standard ECR letters with the RPW Permit figure, and managed also to estimate a positive figure for Standard ECR letters under column O, Implicit P.O. Box Volume, even though the rural and city carrier letters exceeded the total RPW letters.
- d. Would the excess referred to above of 1,773,653 Standard ECR letters, if added to the Implicit P.O. Box Volume of 1,019,088 Standard ECR letters, be a good or reasonable way to estimate the volume of DALs in Base Year 2000? If not, would it represent a good "lower bound" for the estimated number of DALs? Please explain why or why not, and if you do not consider this is a good estimate, please indicate how you would estimate the number of DALs and provide that estimate.

VP/USPS-T43-25.

The City Carrier System and the National Rural Mail Count both include and count DALs as letters, whereas the RPW system does not record DALs. Do any other significant differences exist between the way mail is counted and recorded in the RPW System on the one

hand, and either the city carrier mail count or the national rural mail count on the other? If so, please describe each, and indicate whether you think that the difference would be negligible or non-negligible quantitatively, where any difference greater than 1 percent would be considered as non-negligible.