

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 UNITED STATES POSTAL SERVICE  
TO VAL-PAK INTERROGATORIES  
(VP/USPS-1-3)

The United States Postal Service hereby provides responses to the following interrogatories of Val-Pak Direct Marketing Systems, Inc., and Val-Pak Dealers' Association, Inc.: VP/USPS-1-3, filed on November 8, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking

  
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November 27, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.**

**VP/USPS-1** Please refer to the Postal Service's response to VP/USPS-T-39-10(b), where the Postal Service describes the collation of flat pieces from multiple Detached Address Label ("DAL") mailings into trays for delivery on the same day. For purposes of responding to this interrogatory, please add the following assumptions to those in VP/USPS-T39-10: (i) each mailing has just enough DALs (specifically addressed to an individual customer or residence) to satisfy the minimum requirements necessary to qualify for the saturation rate, so that some of the stops on the route will not receive one of the pieces in each DAL mailing; (ii) many of the "omitted" stops are covered stops in the other DAL Saturation mailings; and (iii) in each mailing the number of DALs is exactly equal to the number of wraps in that mailing. To elaborate briefly, under this hypothetical, a number of the stops along the route may receive all of the different wraps being delivered that day, but some of the stops will not receive all of them. Please explain how a mounted carrier who has pre-collated all of the wraps and taken them on the route will handle delivery as the carrier proceeds from stop to stop; *e.g.*, at stops where at least one of the wraps is not to be delivered, does the carrier set aside the "omitted" wrap(s) for delivery later? If not, what procedure does the carrier follow?

**Response:**

The carrier, upon reviewing the mail prior to delivery to the customer, would deliver the appropriate unaddressed mail piece for each DAL. The unaddressed piece for the second mailing where a DAL was not evident for the delivery would be retained for the appropriate delivery.

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**VP/USPS-2** Please refer to the Postal Service's response to VP/USPS-T39-24.

- a. In the response to part d, the Postal Service states that "[t]he DAL and host mailpiece ... are considered two pieces for costing purposes." Please indicate specifically all instances where the DAL and host piece are considered as two pieces for costing purposes.
- b. In the response to part e (ii), the Postal Service states that "When volume exists to saturate a route, DALs facilitate the casing and delivery of **some** flats and parcels." (Emphasis added.) Please provide examples of instances where DALs do not facilitate the casing and delivery of (some) flats and parcels.

**Response:**

- a. In both the city carrier and rural carrier cost systems, the DAL and host mailpiece are counted as two mailpieces. The estimated volumes from those two systems are utilized to produce proportions of mail in each subclass in each shape. The proportions are then used to distribute volume variable costs to subclasses in Cost Segments 7 and 10.
- b. In the event that the accompanying unaddressed mail piece is large, e.g., soap sampler, diaper sampler, or cereal samples, foot and park & loop routes would be limited as to the number of pieces that can be taken out on any one carry irrespective of the presence of a DAL. The accompanying DAL is still preferred over addressed parcels.

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**VP/USPS-3** Please refer to the Postal Service's response to VP/USPS-T39-28.

- a. For DAL mailings delivered on rural routes, please provide the Postal Service's best estimate of the share, or percentage, that have simplified addresses, and the share, or percentage that are specifically addressed to an individual customer or residence.
- b. In part b of that response, the Postal Service states that "[a]ll DAL mailings count as two mail pieces on rural routes." For purposes of distributing rural delivery costs to letters versus flats, please explain whether DAL mailings count as (i) two flats, or (ii) one letter and one flat.
- c. In part b of that response, the Postal Service also provides the time value of DALs for sortation, depending on whether the DAL (i) is specifically addressed to a customer or (ii) uses a simplified address. Regardless of which address form is used, is the time value for sorting DALs, during the specified count period, treated as a cost of sorting letters or flats? Please explain.

**Response:**

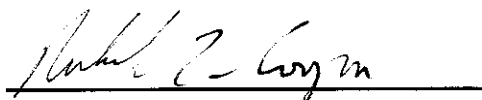
- a. The USPS does not maintain records indicating this information. Rural carriers would have more simplified address mailings than city carriers, however, there is no way to determine a viable estimate.
  - b. The rural carrier cost system would count the DAL as either an "other letter" or a boxholder, depending on the address format. The host piece would be counted under the applicable shape. The estimated volumes from the rural carrier cost system are utilized to produce proportions of mail in each subclass in each shape. The proportions are then used to distribute volume variable costs to subclasses in Cost Segment 10.
  - c. The time value of sorting DALs during the count period does depend on whether the DAL is specifically addressed or has a simplified address. The time values
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*are provided in response to VP/USPS-T-39-28b. Since DALs, according to DMM A060.2.1, can only be letter shaped (up to 5 inches tall and 9 inches long), they would be counted as letters.*

### 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.

A handwritten signature in cursive script, appearing to read "Richard T. Cooper", is written over a horizontal line.

Richard T. Cooper

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