

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

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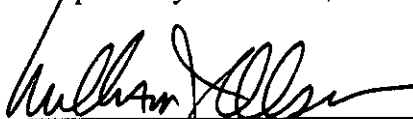
POSTAL RATE AND FEE CHANGES, 2001)

POSTAL RATE COMMISSION
Docket No. R2001-1 SECRETARY

VAL-PAK DIRECT MARKETING SYSTEMS, INC. AND
VAL-PAK DEALERS' ASSOCIATION, INC.
FIRST FOLLOW-UP INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS LESLIE M. SCHENK (VP/USPS-T43-26-27)
(November 30, 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 follow-up 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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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 30, 2001

VP/USPS-T43-26.

Please refer to your response to VP/USPS-T31-38 (redirected from witness Hope). In part a of that response, you provide mail processing and delivery costs for piece-rated and pound-rated pieces for Standard ECR TY Total Costs.

- a. For the costs listed under the caption "3.0 ounce dividing line," please state explicitly whether the costs shown are for pieces **below** the 3.0 ounce dividing line, or for costs **above** the 3.0 ounce dividing line.
- b. Regardless of your answer to preceding part a, please provide the total costs on "the other side" of the 3.0 ounce dividing line.
- c. For the costs shown under the caption "3.5 ounce dividing line," please state explicitly whether the costs are for pieces **below** the 3.5 ounce dividing line, or for costs **above** the 3.5 ounce dividing line.
- d. Regardless of your answer to preceding part c, please provide the total costs on "the other side" of the 3.5 ounce dividing line.

VP/USPS-T43-27.

Please refer to your response to VP/USPS-T31-38 (redirected from witness Hope), as well as your response to VP/USPS-T43-26, regarding each of the different delivery costs that you provide for piece-rated and pound-rated pieces.

- a. For each total delivery cost which you have provided for piece-rated and pound-rated pieces below and above the 3.0 ounce dividing line, please provide a

breakdown of those total delivery costs as between (i) in-office costs, and (ii) street time costs.

- b. For pound-rated pieces **above** the 3.0 ounce dividing line, do the street time costs contain costs attributable to handling detached address labels (“DALs”) on the street (*i.e.*, for the portion of pound-rated pieces that were accompanied by a DAL)? Please explain why, or why not.
- c. For piece-rated pieces **below** the 3.0 ounce dividing line, do the street time costs contain all costs attributable to handling DALs for Standard ECR Mail on the street? If so, please explain why all such costs should be attributed solely to piece-rated pieces. If not, please explain how you partitioned the street time costs attributable to Standard ECR DALs in a manner that would allow them to be distributed ratably between piece-rated and pound-rated pieces.
- d. Please provide the actual volumes that were used to convert total costs which you have provided into (i) unit mail processing costs above and below the 3.0 ounce dividing line, (ii) unit in-office delivery costs above and below the 3.0 ounce dividing line, and (iii) unit street-time costs above and below the 3.0 ounce dividing line.
- e. When you computed unit costs for (i) mail processing, (ii) in-office delivery, and (iii) street time, did you always use the same volumes, and did the sum of the volumes below and above the 3.0 ounce dividing line equal the total projected volumes for Standard ECR Mail in Test Year? If not, please explain the calculations that you performed.