

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

**REVISED RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS HOPE TO INTERROGATORY OF VAL-PAK DIRECT MARKETING  
SYSTEMS, INC. AND VAL-PAK DEALERS' ASSOCIATION, INC.  
[ERRATA]  
(VP/USPS-T31—8(D) & (G))**

The United States Postal Service hereby provides the revised response of witness Hope to the following interrogatory of Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers' Association: VP/USPS-T31—8(d) & (g), filed on October 2, 2001. A supplemental response to this interrogatory is also being filed today.

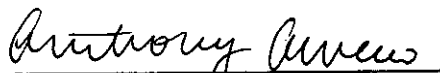
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
\_\_\_\_\_  
Anthony Alverno  
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December 28, 2001

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

**VP/USPS-T31-8:**

Your testimony at page 13 states that "[i]f a goal of rate design were to have equal implicit coverage..."

\* \* \* \* \*

d. Within the Standard ECR subclass, for your proposed rates, what is the implicit coverage for (i) letters, (ii) flats and (iii) parcels?

\* \* \* \* \*

g. Within the Standard ECR flat-shaped mailstream, for your proposed rates, what is the implicit coverage for (i) piece-rated flats and (ii) pound-rated flats?

**REVISED RESPONSE:**

Because of minor changes in costs that witness Schenk filed in her revised USPS-LR-J-58 (see errata of November 20, 2001), there are slight changes in the implicit coverage calculations provided in the responses to ValPak 8(d) and 8 (g). Results of the revised calculations are presented below.

d. As described above, analyses of implicit coverages may be useful under certain circumstances when performed with a specific illustrative purpose. While some of the particular data requested here may be calculated, their value as an illustrative tool may be limited: The calculation can be performed for ECR letters and nonletters. **Implicit coverage for letters, using test year after rates revenue and test year unit costs, is 226.0 percent for ECR letters and 232.7 percent for ECR nonletters.**

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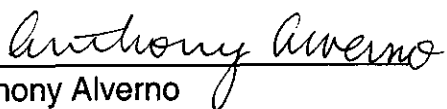
- g. This calculation can be performed for piece-and pound-rated nonletters, using test year after rates revenue. Because data are not available at the 3.3 ounce breakpoint, the following are figures using a 3.0 ounce breakpoint and 3.5 ounce breakpoint.

The implicit coverage for piece-rated ECR nonletters under 3.0 ounces is 217.2 percent. The implicit coverage for pound-rated ECR nonletters greater than or equal to 3.0 ounces is 256.6 percent. The implicit coverage for piece-rated ECR nonletters under 3.5 ounces is 214.4 percent. The implicit coverage for pound-rated ECR nonletters greater than or equal to 3.5 ounces is 252.8 percent.

See also response to subpart (d).

## 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.

  
Anthony Alverno

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