

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

SECOND REVISED 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 (ERRATA)
(VP/USPS-T31-38)

The United States Postal Service hereby provides the revised response 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 original response filed on November 23, 2001 provided data in the table in Interrogatory 38 (a) for flats mail only. The revised response filed on December 14, 2001 inadvertently provided the original table instead of the revised table. This revised response replaces the previously provided responses.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 9, 2002

**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)	
	For Pieces Below the Dividing Line	For Pieces Above the Dividing Line
3.0 ounce dividing line		
Mail Processing	403,939	187,507
Delivery	1,257,523	627,453
Transportation	23,179	39,471
Other	55,254	83,016
3.5 ounce dividing line		
Mail Processing	449,179	142,267
Delivery	1,374,030	510,947
Transportation	28,443	34,207
Other	66,510	71,760

*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.

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- 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.

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

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