

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

EXPERIMENTAL PERIODICALS  
CO-PALLETIZATION DROPSHIP  
DISCOUNTS, 2002

Docket No. MC2002-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS ALTAF H. TAUFIQUE TO INTERROGATORIES OF  
R.R. DONNELLEY & SONS COMPANY (R.R. DONNELLEY/USPS-T1-1-2)

The United States Postal Service hereby files the response of witness Altaf H. Taufique to the following interrogatories of R.R. Donnelley & Sons Company:  
R.R. DONNELLEY/USPS-T1-1-2, filed on October 10, 2002.

The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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October 23, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS ALTAF H. TAUFIQUE TO INTEROGATORIES  
OF R.R. DONNELLEY & SONS COMPANY

**R.R. DONNELLEY/USPS-T1-1.** At lines 16-20 of page 6 of your testimony you say:

Some mail that is combined in a co-mailing operation would also be eligible for the proposed co-palletization discount. Under the rules discussed below, only that portion of co-mailed volume that moves from sacks (if titles or versions are sorted independently) onto pallets that are dropshipped would qualify for the additional incentive.

- a. Please confirm that a bundle of co-mailed pieces consists of more than one title, edition, issue or version packaged together.
- b. If you did not confirm, please supply your understanding of the contents of a co-mailed bundle.
- c. If you did confirm do you intend that no portion of co-mailed volume will qualify for the additional incentive because none will be “sorted independently”?
- d. If that is not your intention, please explain the circumstances under which “mail that is combined in a co-mailing operation” will qualify for the additional incentive.

**RESPONSE:**

- a. Confirmed.
- b. Does not apply.
- c. No. The following is my understanding on how the discounts would work for publications that are combined in a co-mailing operation. To determine the eligibility for the discounts for any or all of the pieces, each single publication, version, etc. would be looked at as if it were prepared as a separate mailing prior to co-mailing. The “Before” documentation would provide the details on how this mail would have been prepared if this title or version were prepared separately.

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**R.R. DONNELLEY/USPS-T1-1, page 2 of 2**

If the pre-co-mailing presort shows that all of the mail for a title or version would have been prepared on ADC (or finer level) pallets of 250 or more pounds, then none of these pieces would qualify for the proposed discounts.

If it turns out that the pre-co-mailing presort would not have the density to make even one 250-pound ADC pallet, then all of the pieces for that title or version would be eligible for the proposed discounts if they are combined with other publications in a co-mailing operation and dropshipped to either a destination ADC or SCF.

The third possibility, and the one expected in many cases, is that there would be some sacked mail and some palletized mail shown in the original separate preparation (before co-mailing). Only the mail that would have been sacked before co-mailing, because it did not have the density to make at least a 250-pound ADC pallet, would qualify for the proposed discounts if combined with other mailings in a co-mail operation and dropshipped to the appropriate destination facility.

d. Please see my response to subpart c.

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**R.R. DONNELLEY/USPS-T1-2.** At lines 12-14 of page 3 of your testimony you observed that:

Co-palletization combines bundles of different publications going to the same destination ADC or SCF, on the same pallet. Co-mailing combines different publications in the same bundles, with the bundles then combined on pallets.

If by taking advantage of a co-mailing a mailer is able to create enough bundles to make up a pallet, will the mailer be entitled to the co-palletization discount if, but for the co-mailing combination, there would not have been sufficient density/weight to make up a pallet?

**RESPONSE:**

Yes.

## **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.

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