

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

POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAW  
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC.  
AND VALPAK DEALERS' ASSOCIATION, INC.  
(VP/USPS-T2-9 (PART 1))  
(May 3, 2005)

The United States Postal Service filed the response of witness Shaw to interrogatory VP/USPS-T2-9 of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. (collectively "Valpak") on April 29, 2005. Significantly, witness Van-Ty-Smith provided a response to the same interrogatory that same day. The two answers (identified as "shared" responses) differed in that witness Shaw responded with respect to city carrier IOCS tallies while witness Van-Ty-Smith responded with respect to clerk/mailhandler IOCS tallies.

On May 2, 2005, the Commission's docket section contacted Postal Service counsel to say that the Commission's database enforces a one-to-one relationship between a single interrogatory (or part or subpart) and a single witness. As an accommodation to this restriction, the Postal Service is re-filing the respective responses denominating witness Shaw's response as "Part 1" and witness Van-Ty-Smith's as "Part 2".

The interrogatory is stated verbatim followed by witness Shaw's original response now denominated "Part 1".

Respectfully submitted,  
UNITED STATES POSTAL SERVICE

By its attorneys:

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WITNESS SHAW TO VALPAK INTERROGATORY

**VP/USPS-T2-9.** For the costs associated with all tallies which do not indicate that an individual class or subclass of mail was being handled (e.g., handling mixed-mail, handling empty equipment, on break — not handling mail, etc.), please indicate:

- a. Which types of tallies have their associated costs distributed in proportion to the cost of direct “handling-mail” tallies (i.e., tallies where either an individual piece of mail or an identifiable subclass of mail is being handled); and
- b. Which types of tallies have their associated costs distributed on a basis that is not in proportion to the cost of direct “handling-mail” tallies. For any such tallies, please provide a brief description of how their associated costs are distributed.

**RESPONSE (Part 1):**

Explanations of clerk and mail handler mail processing tallies that have their associated costs distributed in proportion to direct “handling-mail” tallies have been redirected to witness Van-Ty-Smith.

Explanations of city carrier tallies which have their associated costs distributed in proportion to direct “handling-mail” tallies are as follows.

- a) Tallies that have activity codes between 5300 and 5750 (i.e., mixed mail tallies) are distributed to direct mail tally activity codes using the methodology described in USPS-LR-K-1/R2005-1, Appendix E. My understanding is that some of the other city carrier costs (i.e., activity codes that are not mixed mail or direct mail handling tallies) are distributed in proportion to direct mail using the methodology described in USPS-LR-K-1/R2005-1, Cost Segment 6, Section 6.2.
- b) See USPS-LR-K-1/R2005-1, Cost Segment 6, Section 6.2.