

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

RESPONSE OF POSTAL SERVICE WITNESS PAFFORD
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC.,
AND VALPAK DEALERS' ASSOCIATION, INC.
(VP/USPS-T4-1)
(May 18, 2005)

The United States Postal Service hereby provides the response of witness Pafford to the following interrogatory of the Valpak Direct Marketing Systems, Inc., and Valpak Dealers' Association, Inc., filed on May 3, 2005: VP/USPS-T4—

1.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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May 18, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD TO
INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC., AND
VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T4-1. Since the implementation of the rates recommended in Docket No. R2001-1, the Postal Service charges Standard Regular and Standard ECR letter-shaped mail that weighs between 3.3 and 3.5 ounces both a piece and pound charge. In essence, such letter-shaped mail pays the minimum per-piece letter rate plus the pound rate for all "excess" weight between 3.3 and 3.5 ounces. Pieces that qualify for this rate are sometimes referred as "heavy-weight" letters.

a. (i) When such heavy-weight letters are entered with the Postal Service, does the Revenue, Pieces and Weight ("RPW") system consistently record the volume of such pieces as letters or nonletters?

(ii) Is it possible that such heavy-weight letters are sometimes recorded as letters, and sometimes as nonletters in the RPW system?

(iii) What was the actual volume of such heavy-weight letters recorded by the RPW system in Base Year 2004?

b. When such heavy-weight letters are entered with the Postal Service, does the RPW system record the revenue from such pieces as being derived from letters or from nonletters?

RESPONSE:

a. (i) Revenue, pieces and weight are consistently recorded as letters.

(ii) Mailers are instructed to enter these pieces on Postage Statements PS Form 3602-HP and PS Form 3602-H as letters. Examples of these Postage Statements are provided in Library Reference USPS-LR-K-17.

(iii) The volume of heavy-weight letters in Base Year 2004 was 78,935,073 pieces.

b. The revenue is recorded as being derived from letters.