

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

INSTITUTIONAL RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC.  
AND VALPAK DEALERS' ASSOCIATION, INC.,  
REDIRECTED FROM WITNESS SHAW  
(VP/USPS-T2-19-20)  
(June 2, 2005)

The United States Postal Service hereby provides institutional responses to  
interrogatories of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc.:  
VP/USPS-T2-19-20, filed on May 19, 2005, and redirected from witness Shaw.

Each interrogatory is stated verbatim, followed by the response.

Respectfully submitted,  
UNITED STATES POSTAL SERVICE

By its attorneys:

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

**VP/USPS-T2-20.** The table below is reproduced from page 73 of the Data Quality Study (April 16, 1999) prepared for the Postal Service by A. T. Kearney, Inc. Please update the table with corresponding data, prepared on a consistent basis, for Base Year 2004.

Table 8.2.1 – % of IOCS Tallies by Tally Category

IOCS Tally Category	Processing Environment – % of IOCS Tallies		
	Manual	Mechanized	Automated
	1969	1986	1996
Specific Mail Product Identified	77	63	45
Mixture or Group of Mail Identified	17	8	6
No Mail Identified	6	29	49

**RESPONSE:**

Updated Table 8.2.1 - % of IOCS Tallies by Tally Category

IOCS Tally Category	Processing Environment – % of IOCS Tallies			
	Manual	Mechanized	Automated	Automated
	1969	1986	1996	2004
Specific Mail Product Identified	77	63	45	43
Mixture or Group of Mail Identified	17	8	6	7
No Mail Identified	6	29	49	50

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**VP/USPS-T2-21** . The Data Quality Study (April 16, 1999) prepared for the Postal Service by A. T. Kearney, Inc. states at page 38 that the Postal Service spends "\$12.5 million for IOCS field data collection efforts alone."

- a. In Base Year 2004, how much did the Postal Service spend for IOCS field data collection efforts alone?
- b. In Base Year 2004, how much did the Postal Service spend for all other IOCS related efforts (*e.g.*, data editing, data processing, etc.), in addition to field collection efforts covered by preceding part a?

**RESPONSE:**

- a. Approximately \$14.6 million.
- b. The Postal Service does not track or calculate the administrative costs on a system by system basis.