

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

POSTAL RATE AND FEE CHANGES, 2005)

Docket No. R2005-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
FOURTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS ROBERT L. SHAW, JR. (VP/USPS-T2-24-27)
(June 9, 2005)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

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June 9, 2005

VP/USPS-T2-24.

Please refer to your response to VP/USPS-T2-19, where you state:

While IOCS does record mailpiece characteristics when a sampled employee is handling a mailpiece, **these are not necessarily representative of the population of mailpiece characteristics.** [Emphasis added.]

- a. Would it be reasonable to infer from your response to VP/USPS-T2-19 that, under the circumstances posed in that interrogatory, information on mail characteristics, such as shape or weight contained in IOCS sample data, (i) clearly should not be considered representative of the entire population of 32,995 million pieces of ECR mail, and (ii) further, information on such mail characteristics may not even be representative of the subset of 26,105 million pieces that were subject to sampling? If you disagree with these inferences, please explain what inferences should be drawn.
- b. If one were to study certain mailpiece characteristics, would you agree that, in general, it would be desirable to have sample data that can be considered representative of the population of the mailpiece characteristic or characteristics under study? If you do not agree, please explain.
- c. Please assume that certain significant volumes of ECR mail systematically are excluded from IOCS sampling, as hypothesized in VP/USPS-T2-19, and explain whether the resulting IOCS data from the subset of volume subject to sampling are (or are not) suitable for studying the weight-cost relationship of the entire population of Standard ECR mail.

VP/USPS-T2-25.

Please refer to the institutional response to VP/USPS-T2-20 (redirected from you to the Postal Service). For Base Year 2004, and for each MODS pool, please provide the following information:

- a. The total number of IOCS tallies separately for each MODS pool.
- b. The percentage of tallies in each MODS pool for which (i) a specific mail product was identified, (ii) a mixture or group of mail was identified, and (iii) no mail was identified.
- c. For all other IOCS tallies in Cost Segment 3, a summary showing the number of such tallies, and for these other tallies the percentage for which (i) a specific mail product was identified, (ii) a mixture or group of mail was identified, and (iii) no mail was identified.

VP/USPS-T2-26.

Please refer to your responses to VP/USPS-T2-16 and 17. Please also refer to the testimony of witness Bradley (USPS-T-14) at page 59 (l. 9), where he explains how “to estimate the amount of cased ECR Saturation mail that exists,” and says that Step 1 of the procedure is to “identify the casing hours for ECR Saturation from IOCS.”

- a. For ECR Saturation letters and flats separately, please explain how you identify those IOCS tallies that correspond to “casing hours for ECR Saturation.”
- b. For ECR Saturation letters and flats separately, please explain what distinguishes the IOCS tallies from those tallies discussed in preceding part a

from other IOCS tallies of Saturation mail; *e.g.*, tallies taken when carriers were loading sequenced mail that was not cased or delivery-point sequenced (“DPS’d”) into their vehicles.

- c. For ECR Saturation letters and flats separately, what was the total number of tallies in Base Year 2004 that would be classified as casing of ECR Saturation mail?
- d. For ECR Saturation letters and flats separately, what was the total number of tallies in Base Year 2004 that would be classified as some activity other than casing of ECR Saturation mail?

VP/USPS-T2-27.

Please refer to the institutional response to VP/USPS-T2-20. In the same format used there to classify IOCS tallies — *i.e.*, (i) specific mail product identified, (ii) mixture or group of mail, or (iii) no mail identified — please provide the total number of IOCS tallies for each MODS cost pool in Cost Segment 3, and either the percentage breakdown or the actual number of tallies within each cost pool according to the above classification. In your response, please include an “all other” category for any tallies not in a MODS cost pool, so that the total number of tallies is equal to the entire set of tallies used to develop mail processing costs in Cost Segment 3.