

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

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-T2-25, 27)
(June 23, 2005)

The United States Postal Service hereby provides its responses to the following interrogatories of Valpak Direct Marketing Systems, Inc., and Valpak Dealers' Association, Inc., filed on June 9, 2005, and redirected from witness Shaw: VP/USPS-T2-25, 27.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, Fax -5402
June 23, 2005

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-T2-25. 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.

RESPONSE:

Table 1 below identifies the information requested from VP/USPS-T2-25 a-c and VP/USPS-T2-27 (i) – (iii).

Table 1

| Cost Pool | Weighted Tallies | | | Unweighted Records |
|-----------|-------------------------|------------|--------------------|--------------------|
| | Mail Product Identified | Mixed Mail | No Mail Identified | |
| BCS/ | 54% | 4% | 42% | 1,811 |
| BCS/DBCS | 56% | 3% | 40% | 15,282 |
| OCR/ | 57% | 3% | 41% | 2,611 |
| AFSM100 | 54% | 4% | 43% | 6,066 |
| FSM/ | 40% | 4% | 56% | 100 |
| FSM/1000 | 57% | 3% | 40% | 2,637 |
| MECPARC | 57% | 7% | 37% | 102 |
| MPLSM | 56% | 0% | 44% | 2 |
| SPBS OTH | 44% | 6% | 50% | 4,973 |
| SPBSPRIO | 50% | 8% | 42% | 1,163 |
| 1SACKS_M | 22% | 9% | 68% | 379 |
| 1TRAYSRT | 30% | 11% | 59% | 1,550 |
| MANF | 60% | 4% | 36% | 3,139 |
| MANL | 64% | 2% | 34% | 11,310 |
| MANP | 42% | 7% | 52% | 905 |
| PRIORITY | 46% | 7% | 47% | 2,716 |
| LD15 | 54% | 0% | 46% | 263 |
| 1CANCEL | 47% | 8% | 45% | 3,988 |
| 1DSPATCH | 24% | 14% | 62% | 2,692 |
| 1FLATPRP | 47% | 10% | 42% | 3,094 |
| 1MTRPREP | 44% | 8% | 48% | 407 |

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

| | | | | |
|---------------------------------|------------|-----------|------------|----------------|
| 1OPBULK | 36% | 9% | 55% | 2,449 |
| 1OPPREF | 31% | 12% | 57% | 6,004 |
| 1OPTRANS | 17% | 20% | 63% | 1,541 |
| 1PLATFRM | 9% | 18% | 73% | 16,490 |
| 1POUCHNG | 39% | 6% | 55% | 1,763 |
| 1PRESORT | 28% | 4% | 69% | 778 |
| 1SACKS_H | 22% | 16% | 62% | 1,533 |
| 1SCAN | 25% | 10% | 65% | 1,215 |
| BUSREPLY | 56% | 2% | 42% | 541 |
| EXPRESS | 34% | 3% | 63% | 1,697 |
| MAILGRAM | 35% | 0% | 65% | 48 |
| REGISTRY | 33% | 7% | 60% | 2,170 |
| REWRAP | 41% | 1% | 59% | 309 |
| 1EEQMT | 3% | 4% | 93% | 383 |
| 1MISC | 18% | 3% | 79% | 2,813 |
| 1SUPPORT | 6% | 1% | 93% | 3,421 |
| LD49 | 58% | 2% | 40% | 3,633 |
| LD79 | 21% | 1% | 78% | 1,266 |
| PMPD | 30% | 15% | 56% | 2,173 |
| INTL ISC | 32% | 17% | 51% | 7,421 |
| BMC Mail Proc | 34% | 13% | 54% | 11,522 |
| Non-MODS Mail Proc | 53% | 5% | 42% | 29,520 |
| Subtotal Mail Processing | 43% | 7% | 50% | 163,880 |
| Window Service | 17% | 0% | 82% | 20,293 |
| Other (incl. Administrative) | 2% | 0% | 97% | 14,038 |
| Total Clerk/Mail Handler | 36% | 6% | 58% | 198,211 |

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-T2-27. 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.

RESPONSE:

Please see the response to VP/USPS-T2-25, Table 1.