

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC.
AND VALPAK DEALERS' ASSOCIATION, INC. (VP/USPS-12)

The United States Postal Service hereby provides its response to the following interrogatory of Valpak Direct Marketing Systems, Inc. And Valpak Dealers' Association, Inc., filed on June 10, 2005: VP/USPS-12.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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June 23, 2005

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VP/USPS-12.

Please refer to the institutional response to IRET/USPS-3b, which states:

It is not clear if voluntarily pre-funded amounts would be considered expenses of the Postal Service under the Act.

- a. Please identify and discuss all reasons why voluntarily pre-funded amounts (for post-retirement health benefit obligations) might not be considered expenses of the Postal Service under the Act.
- b. Please identify and describe all other types of amounts that might not be considered expenses of the Postal Service under the Act.

Response:

- a. As referenced in response to IRET/USPS-3a, Postal Service funding of post-retirement health benefit obligations is in accordance with current law. If the Postal Service were to voluntarily pre-fund amounts for post-retirement health benefit obligations, any such amounts could be construed as arbitrary and not in accordance with current law.
- b. Other expenses that might not be considered expenses of the Postal Service under the Act would be any such expenses that are contrary to current law.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Scott L. Reiter

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