

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 INTERROGATORIES OF VALPAK DIRECT MARKETING
SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.,
REDIRECTED FROM WITNESS TAUFIQUE (VP/USPS-T28-49-50)
(June 30, 2005)

The United States Postal Service hereby files its institutional response to the following interrogatories of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc.: VP/USPS-T28-49-50, redirected from witness Taufique.

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

Keith E. Weidner

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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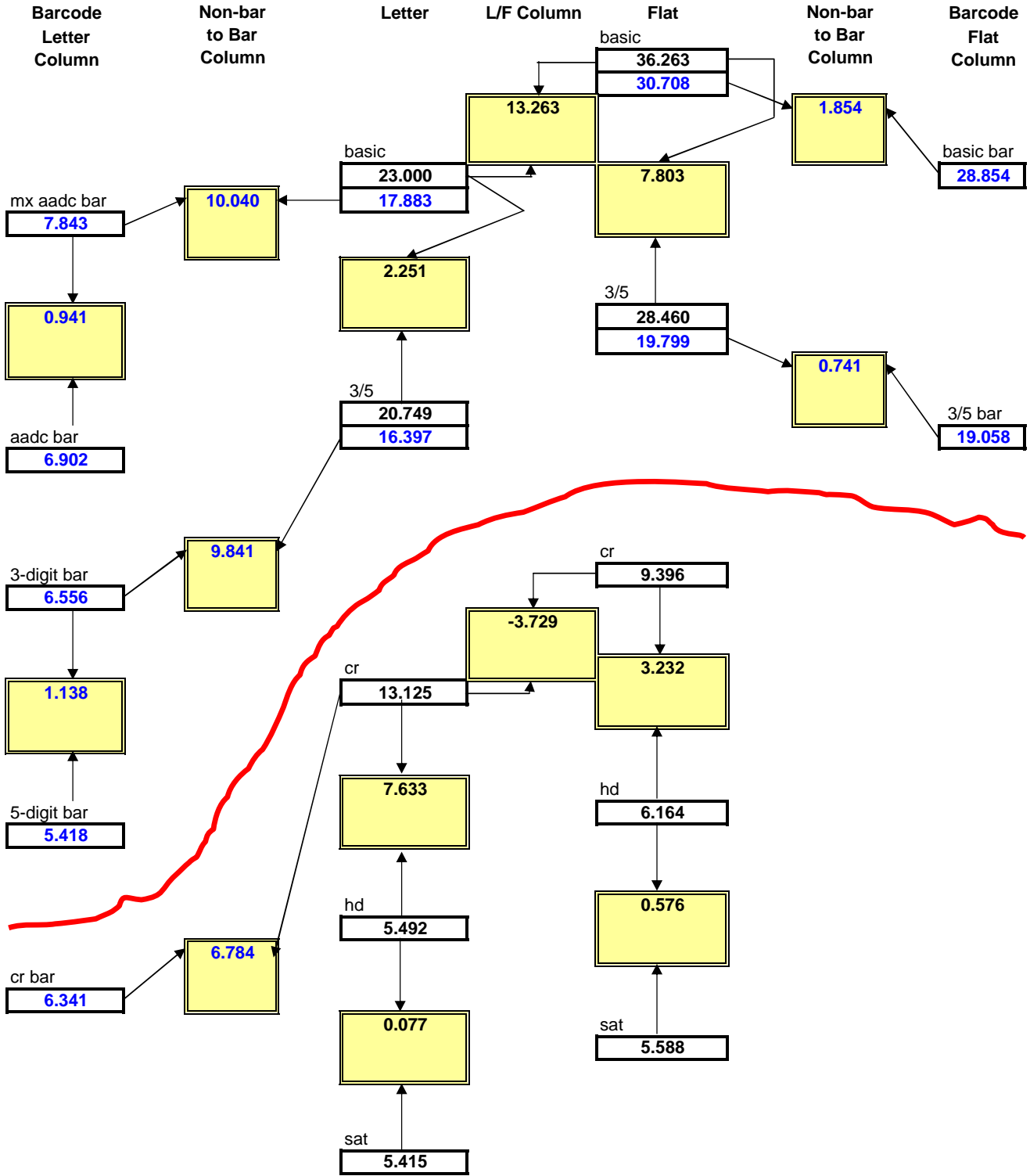
RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF VALPAK,
REDIRECTED FROM WITNESS TAUFIQUE

VP/USPS-T28-49. In presort-tree form, Chart Nos. 1 and 2 attached show costs (cents per piece), workshare-related and not, as appropriate, for Standard Regular (above the uneven line) and Standard ECR (below the uneven line) mail. Chart No. 1 is for the commercial category, and Chart No. 2 is for the nonprofit category. Both charts show PRC costs from library references in Docket No. R2005-1.

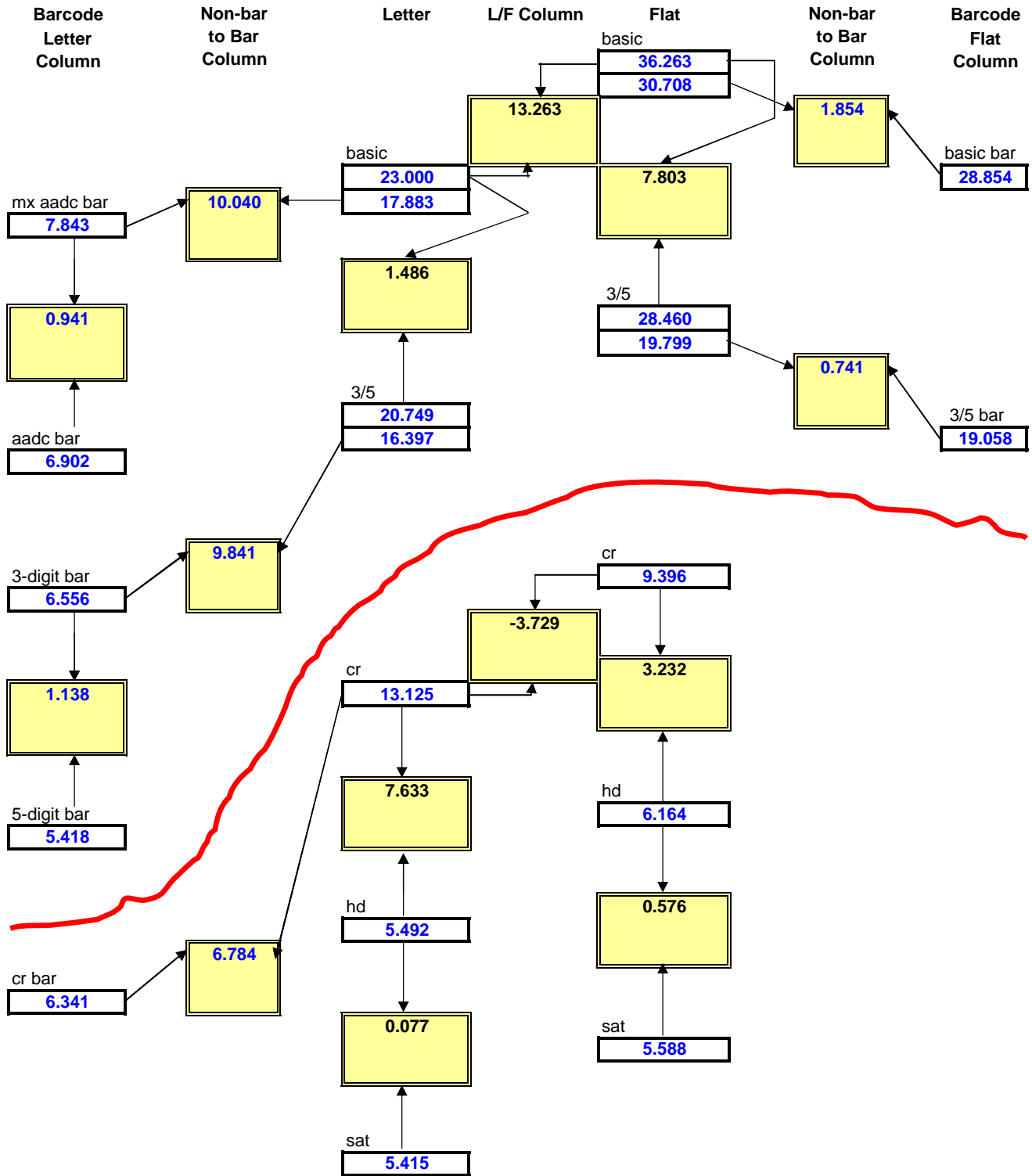
The columns on each chart are labeled. Boxes with **one** layer set out either total or workshare-related costs, as appropriate. Boxes with **two** layers set out total costs on the top layer and workshare-related costs on the bottom layer. The largest boxes with **three** possible layers set out a cost difference in the top layer, with the second two layers empty. The arrows show the sources of the cost differences.

- (a) With respect to the columns labeled (i) barcode letter, (ii) letter, (iii) flat, and (iv) barcode flat, please confirm that the cost shown in each single-layer box is correct. If any are incorrect, please provide the correct cost and a reference to its source.
- (b) With respect to the columns labeled (i) letter and (ii) flat, please confirm that the unit cost in each of the double-layer boxes is correct. If any are incorrect, please provide the correct cost and a reference to its source.

Commercial Standard, PRC Costs, Docket No. R2005-1



Nonprofit Standard, PRC Costs, Docket No. R2005-1



ATTACHMENT TO VALPAK INTERROGATORY

Sources for figures in Charts 1 and 2 of Attachment to VP/USPS-T28-49

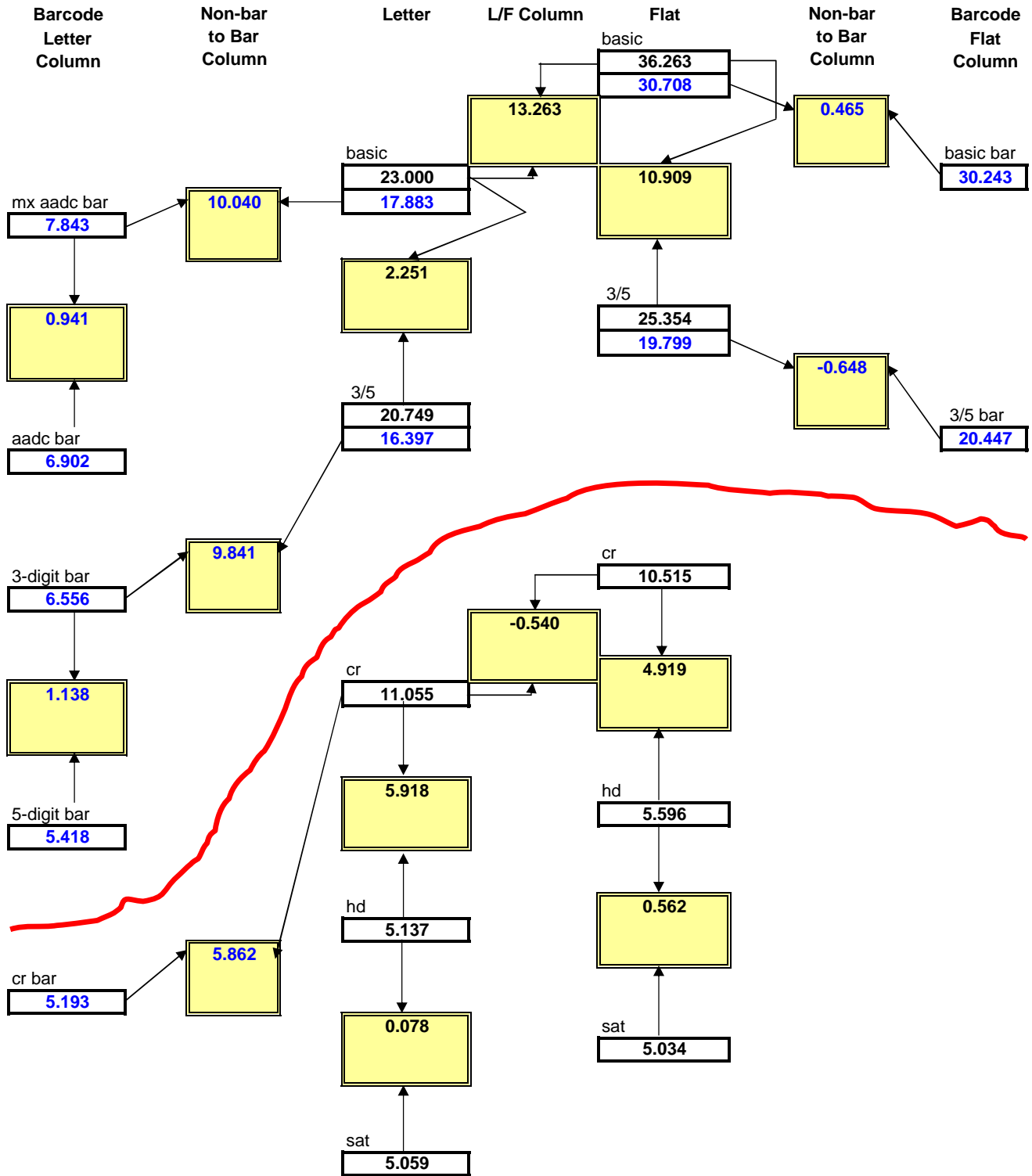
Figure Column 1	Component Mail Processing	Source	Component Delivery	Source
7.843	4.022	LR-K-110STDLTRS.xls, sheet 'Letter Sum' as modified in response to Question 3 of POIR No. 3.	3.821	LR-K-110STDLTRS.xls, sheet 'Letter Sum'
6.902	3.165		3.737	
6.556	2.857		3.699	
5.418	1.819		3.599	
6.341	1.523	LR-K-107.xls, sheet 'CompTab'	4.818	LR-K-101.xls, sheet 'Table 1'
Column 5				
23.000	18.665	LR-K-110STDLTRS.xls, sheet 'Letter Sum' as modified in response to Question 3 of POIR No. 3.	4.335	LR-K-110STDLTRS.xls, sheet 'Letter Sum'
17.883	13.548		4.335	
20.749	16.071		4.678	
16.397	11.719		4.678	
13.125	3.431	LR-K-107.xls, sheet 'CompTab'	9.694	LR-K-101, sheet 'Table 1'
5.492	1.056		4.436	
5.415	1.056		4.359	
Column 7				
36.263	26.468	LR-K-102, file STANDARD FLATS PRC.xls, sheets 'CRA ADJ UNIT COSTS' AND 'PRESORT LEVELS HELD CONSTANT' as modified in response to Question 3 of POIR No. 3.	9.795	LR-K-101.xls sheet 'Table 1' as modified in response to Question 3 of POIR No. 3
30.708	20.913		9.795	
28.460	18.665		9.795	
19.799	10.004		9.795	
9.396	3.223	LR-K-107.xls, sheet 'CompTab'	6.173	
6.164	1.480		4.684	
5.588	1.480		4.108	
Column 11				
28.854	19.059	LR-K-102, file STANDARD FLATS PRC.xls, sheet 'PRESORT LEVELS HELD CONSTANT'	9.795	LR-K-101.xls, sheet 'Table 1'
19.058	9.263		9.795	

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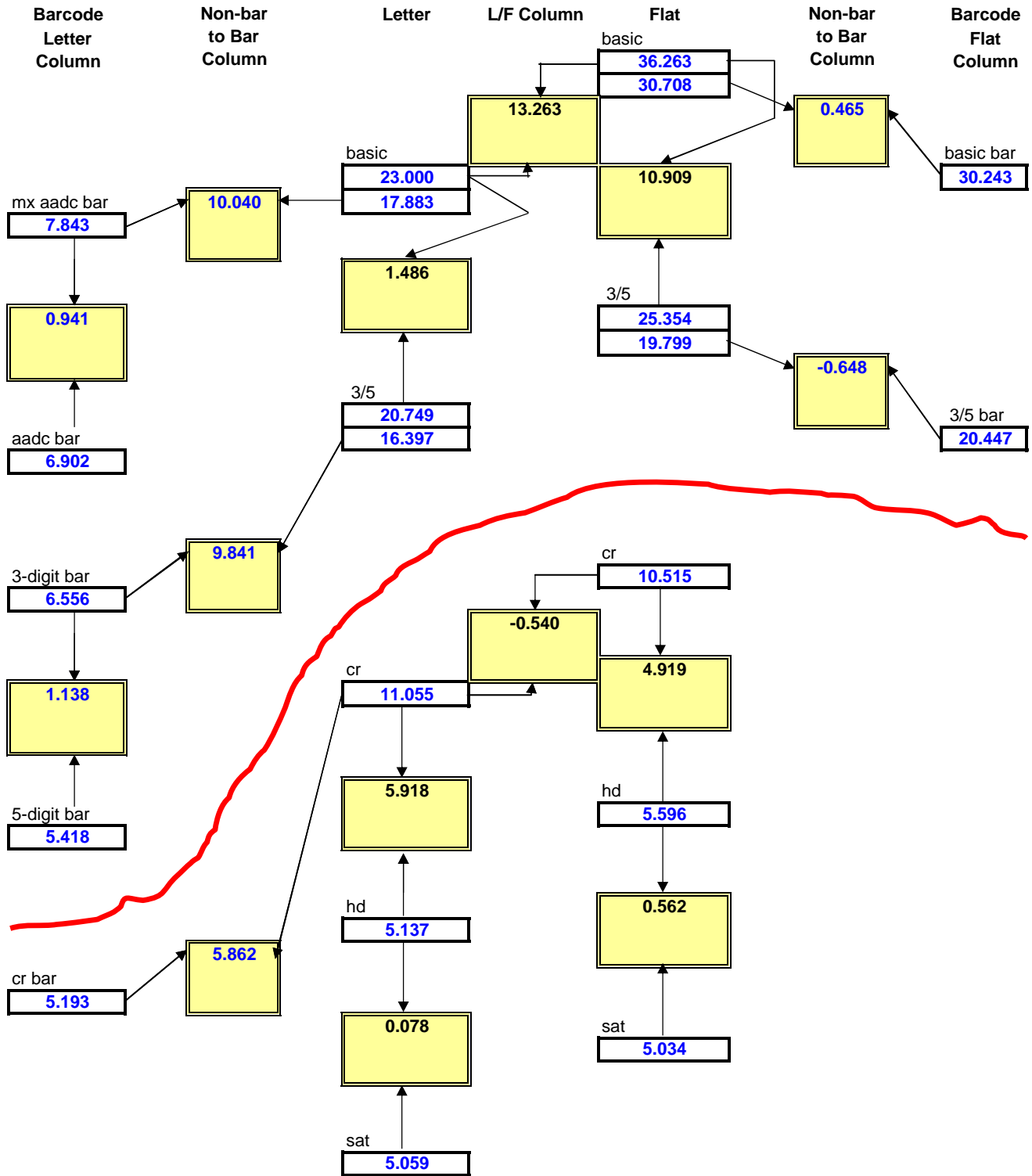
RESPONSE TO INTERROGATORY 49:

(a)-(b) Please see the following charts, which are also on the attached Excel spreadsheet.

Commercial Standard, PRC Costs, Docket No. R2005-1



Nonprofit Standard, PRC Costs, Docket No. R2005-1



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Figure Column 1	Component Mail Processing	Source	Component Delivery	Source
7.843	4.022	LR-K-110STDLTRS.xls, sheet 'Letter Sum' as modified in response to Question 3 of POIR No. 3.	3.821	LR-K-110STDLTRS.xls, sheet 'Letter Sum'
6.902	3.165		3.737	
6.556	2.857		3.699	
5.418	1.819		3.599	
5.193	1.523	LR-K-107.xls, sheet 'CompTab'	3.670	LR-K-101_Revised.xls, sheet 'Table 1
Column 5				
23.000	18.665	LR-K-110STDLTRS.xls, sheet 'Letter Sum' as modified in response to Question 3 of POIR No. 3.	4.335	LR-K-110STDLTRS.xls, sheet 'Letter Sum'
17.883	13.548		4.335	
20.749	16.071		4.678	
16.397	11.719		4.678	
11.055	3.431	LR-K-107.xls, sheet 'CompTab'	7.624	LR-K-101_Revised.xls, sheet 'Table 1
5.137	1.056		4.081	
5.059	1.056		4.003	
Column 7				
36.263	26.468	LR-K-102, file STANDARD FLATS PRC.xls, sheets 'CRA ADJ UNIT COSTS' AND 'PRESORT LEVELS HELD CONSTANT' as modified in response to Question 3 of POIR No. 3.	9.795	LR-K-101_Revised.xls sheet 'Table 1' as modified in response to Question 3 of POIR No. 3
30.708	20.913		9.795	
25.354	15.559		9.795	
19.799	10.004		9.795	
10.515	3.223	LR-K-107.xls, sheet 'CompTab'	7.292	
5.596	1.480		4.116	
5.034	1.480		3.554	
Column 11				
30.243	19.059	LR-K-102, file STANDARD FLATS PRC.xls, sheet 'PRESORT LEVELS HELD CONSTANT'	11.184	LR-K-101_Revised.xls sheet 'Table 1'
20.447	9.263		11.184	

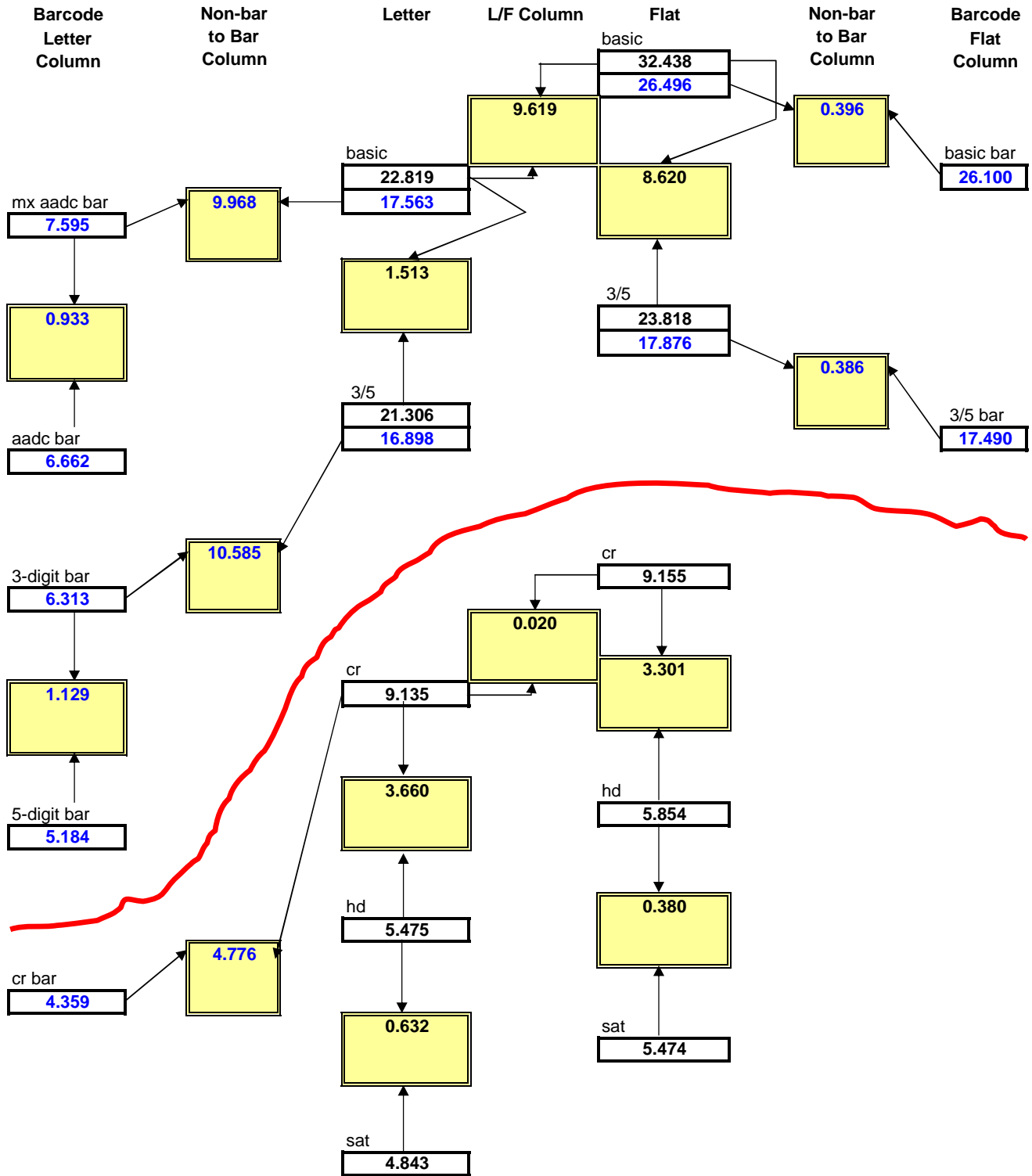
RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF VALPAK,
REDIRECTED FROM WITNESS TAUFIQUE

VP/USPS-T28-50. In presort-tree form, Chart Nos. 1 and 2 attached show costs (cents per piece), workshare-related and not, as appropriate, for Standard Regular (above the uneven line) and Standard ECR (below the uneven line) mail. Chart No. 1 is for the commercial category, and Chart No. 2 is for the nonprofit category. Both charts show USPS costs from library references in Docket No. R2005-1.

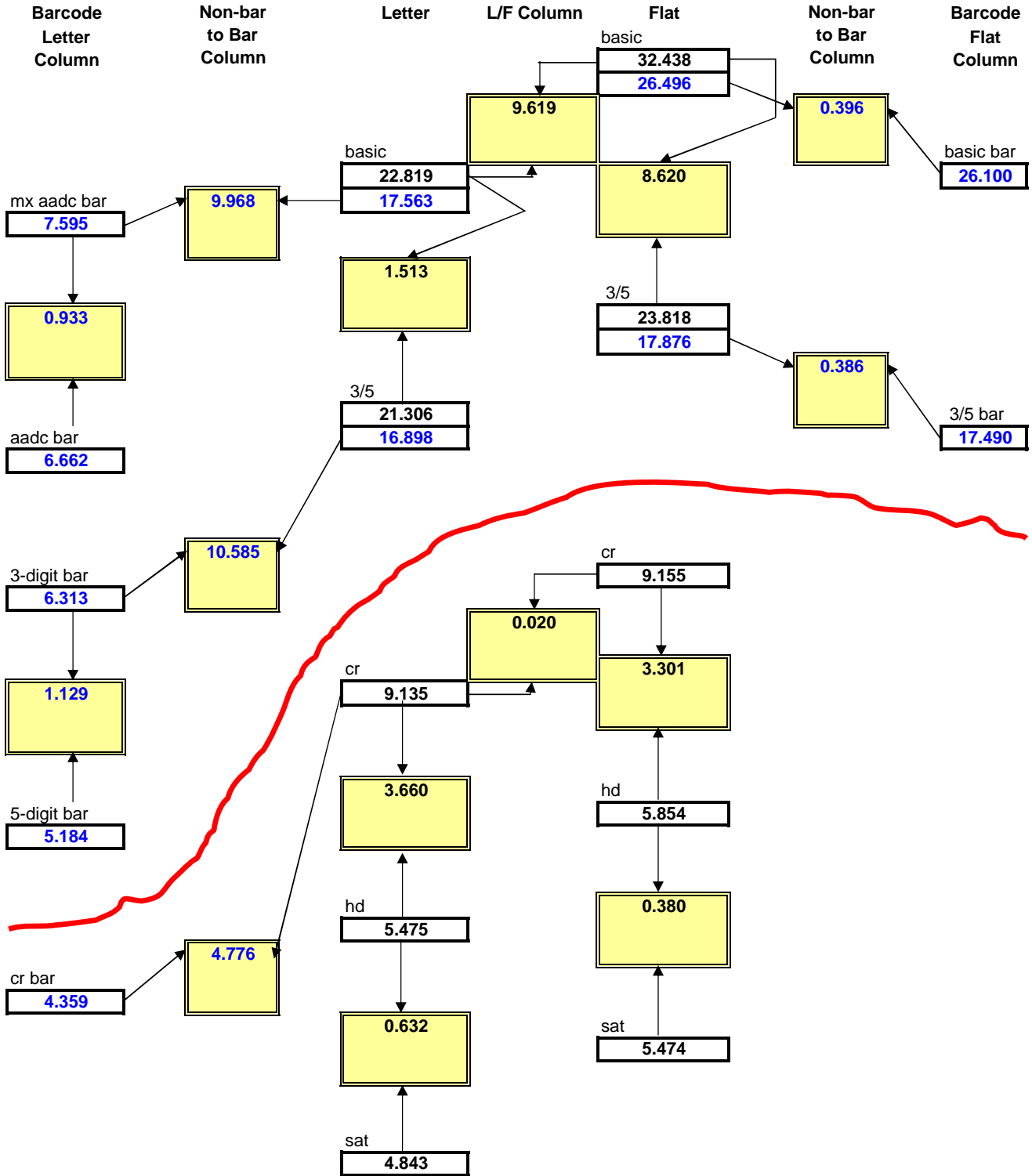
The columns on each attachment are labeled. Boxes with **one** layer set out either total or workshare-related costs, as appropriate. Boxes with **two** layers set out total costs on the top layer and workshare-related costs on the bottom layer. The largest boxes with **three** possible layers set out a cost difference in the top layer, with the second two layers empty. The arrows show the sources of the cost differences.

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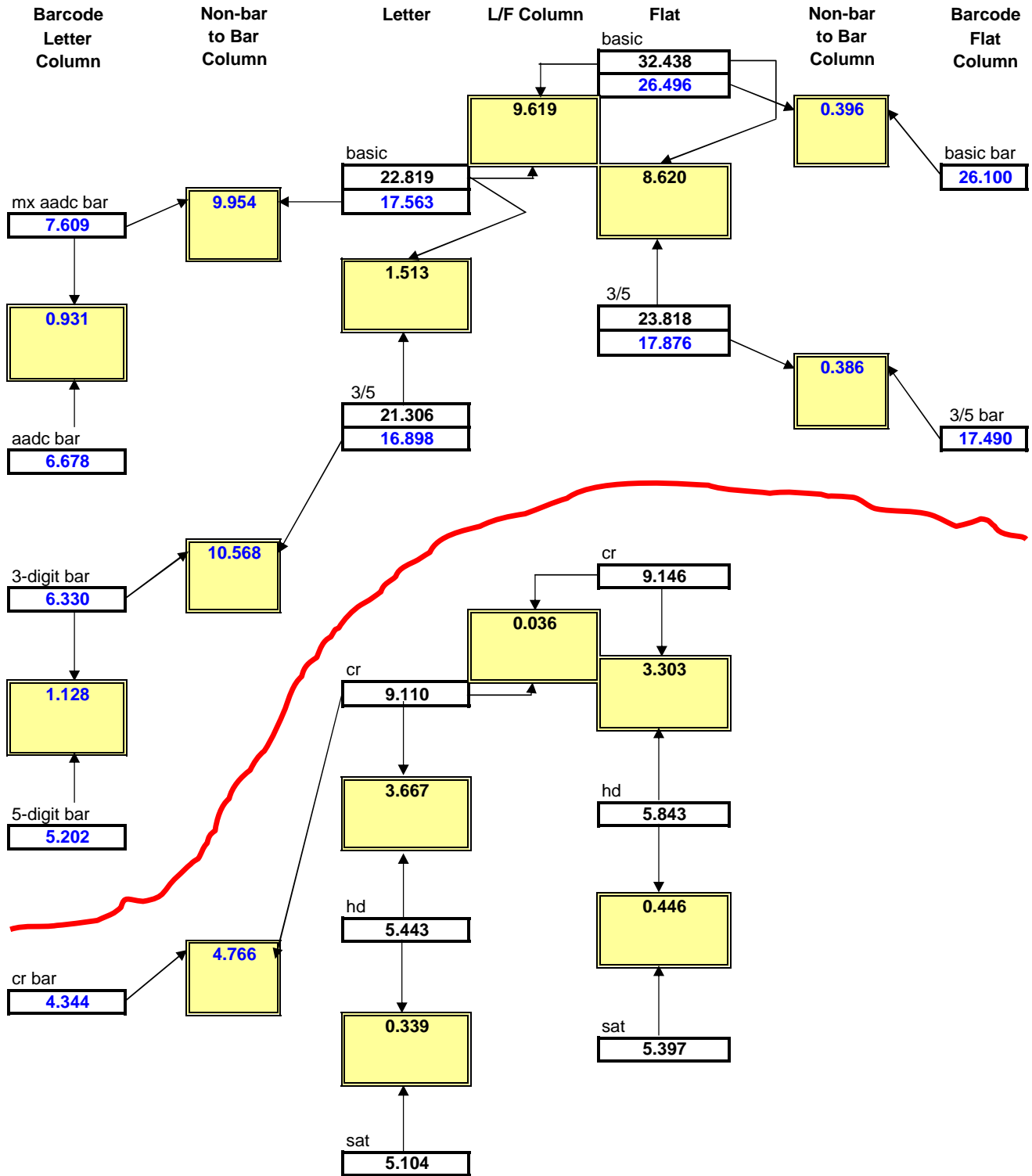
Figure Column 1	Component Mail Processing	Source	Component Delivery	Source
7.609	3.505	LR-K-48STDLETRS.xls sheet 'Letter Sum'	4.104	LR-K-48STDLETRS.xls sheet 'Letter Sum'
6.678	2.788		3.890	
6.330	2.536		3.794	
5.202	1.664		3.538	
4.344	1.457	LR-K-84.xls sheet 'Test Tab'	2.887	LR-K-67_Revised.xls sheet '1.Table 1'
Column 5				
22.817	17.407	LR-K-48STDLETRS.xls sheet 'Letter Sum'	5.410	LR-K-48STDLETRS.xls sheet 'Letter Sum'
17.730	12.320		5.410	
21.314	15.030		6.284	
17.067	10.783		6.284	
9.110	3.776	LR-K-84.xls sheet 'Test Tab'	5.334	LR-K-67_Revised.xls sheet '1.Table 1'
5.443	0.967		4.476	
5.104	0.967		4.137	
Column 7				
32.438	23.148	LR-K-43, file STANDARD FLATS.xls, sheet 'CRA ADJ UNIT COSTS'	9.290	LR-K-67_Revised.xls sheet '1.Table 1'
26.496	17.206		9.290	
23.818	14.528		9.290	
17.876	8.586		9.290	
9.146	3.003	LR-K-84.xls sheet 'Test Tab'	6.143	
5.843	1.234		4.609	
5.397	1.234		4.163	
Column 11				
26.100	16.810	LR-K-43, file STANDARD FLATS.xls, sheet 'CRA ADJ UNIT COSTS'	9.290	LR-K-67_Revised.xls sheet '1.Table 1'
17.490	8.200		9.290	

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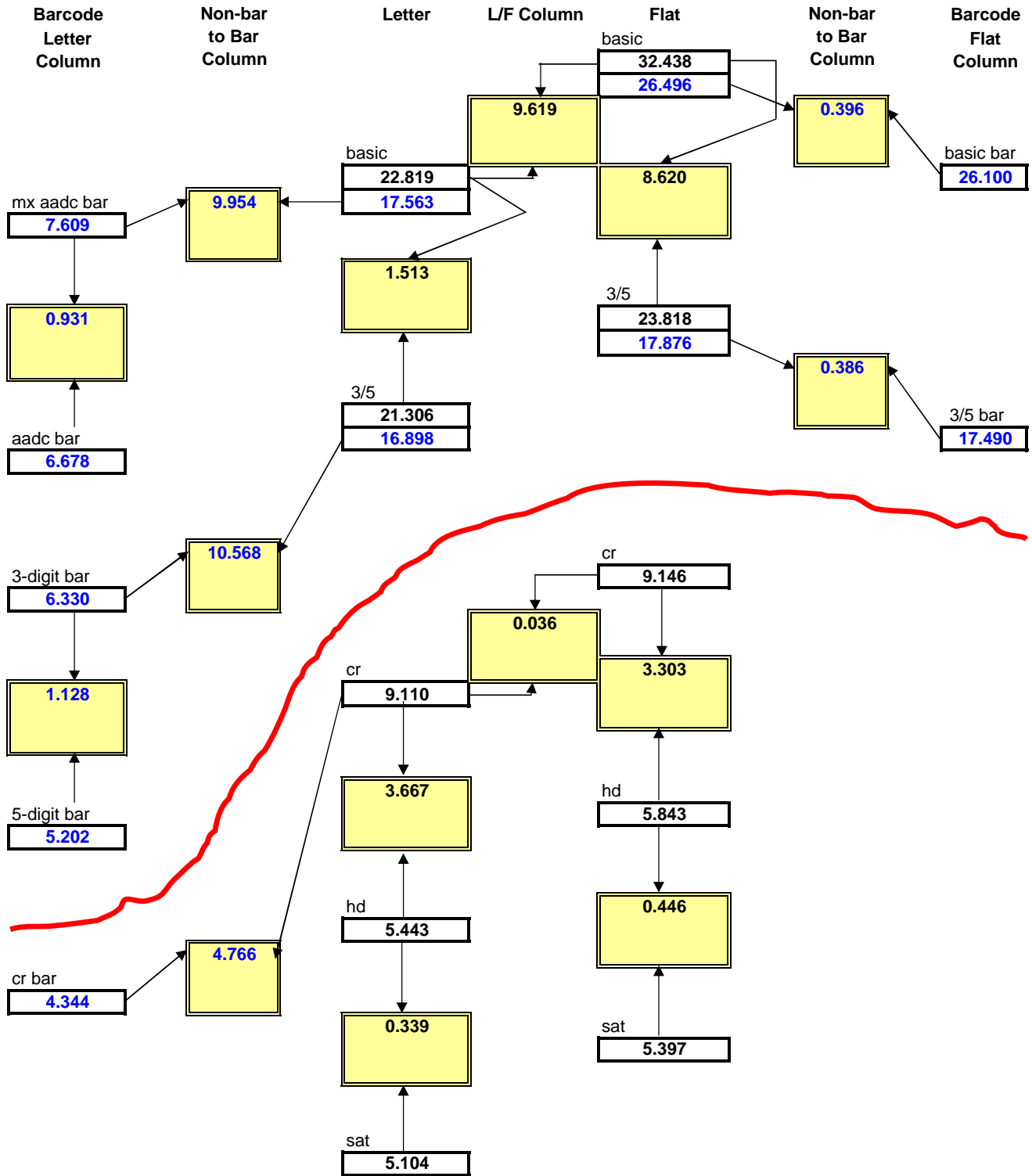
RESPONSE TO INTERROGATORY 50:

(a)-(b) Please see the following charts, which are also on the attached Excel spreadsheet.

Commercial Standard, USPS Costs, Docket No. R2005-1



Nonprofit Standard, USPS Costs, Docket No. R2005-1



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Figure Column 1	Component Mail Processing	Source	Component Delivery	Source
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6.678	2.788		3.890	
6.330	2.536		3.794	
5.202	1.664		3.538	
4.344	1.457	LR-K-84.xls sheet 'Test Tab'	2.887	LR-K-67_2nd.revised.xls sheet '1.Table
Column 5				
22.819	17.409	LR-K-48STDLETRS.xls sheet 'Letter Sum'	5.410	LR-K-48STDLETRS.xls sheet 'Letter Sum'
17.563	12.153		5.410	
21.306	15.022		6.284	
16.898	10.614		6.284	
9.110	3.776	LR-K-84.xls sheet 'Test Tab'	5.334	LR-K-67_2nd.revised.xls sheet '1.Table 1'
5.443	0.967		4.476	
5.104	0.967		4.137	
Column 7				
32.438	23.148	LR-K-43, file STANDARD FLATS.xls, sheet 'CRA ADJ UNIT COSTS'	9.290	LR-K-67_2nd.revised.xls sheet '1.Table 1'
26.496	17.206		9.290	
23.818	14.528		9.290	
17.876	8.586	9.290		
9.146	3.003	LR-K-84.xls sheet 'Test Tab'	6.143	
5.843	1.234		4.609	
5.397	1.234		4.163	
Column 11				
26.100	16.810	LR-K-43, file STANDARD FLATS.xls, sheet 'CRA ADJ UNIT COSTS'	9.290	LR-K-67_2nd.revised.xls sheet '1.Table 1'
17.490	8.200		9.290	