

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 QUESTION POSED BY VALPAK AT THE JULY 8, 2005 HEARINGS
REDIRECTED FROM WITNESS SMITH
(July 15, 2005)

The United States Postal Service hereby responds to the above-described question of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc., which was originally posed to Postal Service witness Smith. Because the response required the knowledge of information that was outside the scope of witness Smith's testimony, the question has been redirected to the Postal Service.

The question is paraphrased, with a citation to the transcript, and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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TR 7/2717: Regarding the treatment of DALs in IOCS, with a focus on the MODS cost pool for BCS/DBCS equipment, please provide any available numbers as to the pieces that are identified or unknown, and how those pieces are allocated.

Response:

The recording of DALs for the In-Office Cost System (IOCS) is described in the IOCS handbook, F-45, pages 12-8 to 12-11 (which was provided in Docket No. R2000-1, in USPS-LR-I-14). This includes both the cases when the DAL parent piece is known or unknown.

A review of the FY 2004 IOCS data has indicated that there are no Standard Mail "DAL" tallies for the MODS cost pool BCS/DBCS. This is consistent with witness Lewis's testimony that there is not much automation processing of DALs, see TR 6/2430-31.

Standard Mail DAL tallies are most often found in city carrier in-office work or in manual sorting operations by clerks at stations and branches. The predominate shape of parent pieces is flat shape. In those cases where the parent piece cannot be identified, IOCS editing labels these tallies as flat shape (see USPS LR-K-9, Appendix B, page 137.)

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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