

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.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO ADVO, INC. (VP/ADVO-1-7)
(July 29, 2005)

Pursuant to sections 26 and 27 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.

Respectfully submitted,

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July 29, 2005

VP/ADVO-1.

Please refer to section 602.4 of the Domestic Mail Manual (“DMM”) which describes detached address labels (“DALs”).

- a. Please identify all products, including its Shopwise(TM) product, that Advo, Inc. (“Advo”) mails with a DAL.
- b. For Advo’s Shopwise(TM) product, and any other product identified in response to preceding part a, please indicate the annual number of items accompanied by a DAL that Advo entered with the Postal Service for the three years starting January 1, 2002 and ending December 31, 2004.
- c. Please provide the percentage or the number of DALs indicated in response to preceding part b that were barcoded by Advo.
- d. What plans does Advo have to increase the percentage of DALs that it barcodes by September 30, 2006; *i.e.*, the end of the Test Year in this docket?
- e. For the DALs indicated in response to preceding b, please provide the annual number of DALs that were addressed to Post Office boxes.
- f. For the DAL mailings indicated in response to preceding part b, what percentage were mailed to businesses?
- g. For Advo’s DALs identified in response to preceding part b, (i) what are their dimensions (*i.e.*, height and length), and (ii) what is the thickness of the paper stock used?

- h. Please indicate whether the specifications of Advo's DALs that were provided in response to preceding part g conform with the automation standards in the DMM.
- i. Unless the response to preceding part h is to the effect that all of Advo's DALs currently conform with the automation standards in the DMM, please indicate each automation requirement that Advo's DALs fail to meet; *e.g.*, size, thickness of paper stock, etc.
- j. Unless the response to preceding part h is to the effect that all of Advo's DALs currently conform with the automation standards in the DMM, for each automation standard with which Advo's DALs fail to conform, please indicate whether, by September 30, 2006, Advo plans to change its DALs in any way so that they will conform.

VP/ADVO-2.

Please respond to the following questions for Advo's subsidiary, Mail Marketing Systems, Inc. ("MMSI"), which is identified in Advo's most recent Form 10-K filed with Securities and Exchange Commission.

- a. Please identify all products that MMSI mails with a DAL.
- b. For all MMSI products identified in response to preceding part a, please indicate the annual number of items accompanied by a DAL that MMSI entered with the Postal Service for the three years starting January 1, 2002 and ending December 31, 2004.

- c. Please provide the percentage or the number of DALs indicated in response to preceding part b that were barcoded by MMSI.
- d. What plans does MMSI have to increase the percentage of DALs that it barcodes by September 30, 2006; *i.e.*, the end of the Test Year in this docket?
- e. For the DALs indicated in response to preceding b, please provide the annual number of DALs that were addressed to Post Office boxes.
- f. For MMSI's products that are accompanied by DALs, approximately what percentage was mailed to businesses?
- g. For MMSI's DALs identified in response to preceding part b, (i) what are their dimensions (*i.e.*, height and length), and (ii) what is the thickness of the paper stock used?
- h. Please indicate whether the specifications of MMSI's DALs that were provided in response to preceding part g conform with the automation standards in the DMM.
- i. Unless the response to preceding part h is to the effect that all of MMSI's DALs currently conform with the automation standards in the DMM, please indicate each automation requirement that MMSI's DALs fail to meet; *e.g.*, size, thickness of paper stock, etc.
- j. Unless the response to preceding part h is to the effect that all of MMSI's DALs currently conform with the automation standards in the DMM, for each automation standard with which MMSI's DALs fail to conform, please indicate

whether, by September 30, 2006, MMSI plans to change its DALs in any way so that they will conform.

VP/ADVO-3.

- a. Please identify all subsidiaries of Advo, other than MMSI, that mail products with DALs.
- b. For all each subsidiary identified in response to preceding part a, please indicate the annual number of items accompanied by a DAL that were entered with the Postal Service for the three years starting January 1, 2002 and ending December 31, 2004.
- c. Please provide the percentage or the number of DALs indicated in response to preceding part b that were barcoded before being entered with the Postal Service.
- d. For each subsidiary identified in response to preceding part a, what plans exist to increase the percentage of DALs that will be barcoded by September 30, 2006; *i.e.*, the end of the Test Year in this docket?
- e. For the DALs indicated in response to preceding b, please provide the annual number of DALs that were addressed to Post Office boxes.
- f. For the items with DALs indicated in response to preceding b, approximately what percentage was mailed to businesses?

- g. For DALs identified in response to preceding part b, (i) what are their dimensions (*i.e.*, height and length), and (ii) what is the thickness of the paper stock used?
- h. Please indicate whether the specifications of DALs that were provided in response to preceding part g conform with the automation standards in the DMM.
- i. Unless the response to preceding part h is to the effect that all DALs currently conform with the automation standards in the DMM, please indicate each automation requirement that such DALs fail to meet; *e.g.*, size, thickness of paper stock, etc.
- j. Unless the response to preceding part h is to the effect that all of DALs currently conform with the automation standards in the DMM, for each automation standard with which the DALs fail to conform, please indicate whether, by September 30, 2006, any subsidiary plans to change its DALs in any way so that they will conform.

VP/ADVO-4.

For all mail products distributed through the network identified as “A.N.N.E.” in Advo’s most recent Form 10-K filed with Securities and Exchange Commission, please respond to the following:

- a. Please identify all products that were mailed through the Postal Service with DALs.

- b. For all products identified in response to preceding part a, please indicate the annual number of items accompanied by a DAL that were entered with the Postal Service for the three years starting January 1, 2002 and ending December 31, 2004.
- c. Please provide the percentage or the number of DALs indicated in response to preceding part b that were barcoded before being entered with the Postal Service.
- d. For each product identified in response to preceding part a, what plans exist to increase the percentage of DALs that will be barcoded by September 30, 2006; *i.e.*, the end of the Test Year in this docket?
- e. For the DALs indicated in response to preceding b, please provide the annual number of DALs that were addressed to Post Office boxes.
- f. For the items with DALs indicated in response to preceding b, approximately what percentage was mailed to businesses?
- g. For DALs identified in response to preceding part b, (i) what are their dimensions (*i.e.*, height and length), and (ii) what is the thickness of the paper stock used?
- h. Please indicate whether the specifications of DALs that were provided in response to preceding part g conform with the automation standards in the DMM.
- i. Unless the response to preceding part h is to the effect that all DALs currently conform with the automation standards in the DMM, please indicate each

automation requirement that such DALs fail to meet; *e.g.*, size, thickness of paper stock, etc.

- j. Unless the response to preceding part h is to the effect that all of DALs currently conform with the automation standards in the DMM, for each automation standard with which the DALs fail to conform, please indicate whether, by September 30, 2006, Advo and its A.N.N.E. affiliates have any plans to change those DALs in any way so that they will conform.

VP/ADVO-5.

Does Advo mail any flat-shaped products in envelopes? If so, please indicate the annual volume of such enveloped flat-shaped mailings in calendar years 2002, 2003 and 2004.

VP/ADVO-6.

Are any of Advo's products distributed by private (non-mail) delivery? If so, please provide the following information:

- a. The total volume of such privately-delivered pieces in calendar years 2002, 2003 and 2004.
- b. The percentage of Advo's products that is delivered privately.
- c. The markets where private delivery is used, and, for each market, the name of the private delivery company used.

- d. Whether privately-delivered items include a card that is similar in size and shape to DALs used for mailings with the Postal Service and, if so, whether any such cards contain a name or address.

VP/ADVO-7.

- a. Does Advo have an ownership interest in Mailcoups, Inc., of East Taunton, Massachusetts?
- b. Unless your response is an unqualified negative, please indicate whether Advo owns a controlling interest in Mailcoups, Inc.
- c. Indicate whether, to the best of Advo's knowledge, Mailcoups, Inc. enters any mail with the Postal Service that is accompanied by DALs.
- d.
 - (i) What percentage of Mailcoups, Inc. envelopes is delivered within an Advo mailing?
 - (ii) What percentage of Mailcoups, Inc. envelopes is mailed with the Postal Service?
 - (iii) What percentage of Mailcoups, Inc. envelopes is delivered privately?