

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2005)

Docket No. R2005-1

RESPONSES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC. TO INTERROGATORIES
OF ADVO, INC. (ADVO/VP-1, 2 and 7)
(August 23, 2005)

Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. hereby submit responses to the following interrogatories of Advo, Inc. that were redirected from witness Haldi: ADVO/VP-1, 2 and 7, filed on August 9, 2005. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

William J. Olson
John S. Miles
Jeremiah L. Morgan
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

Counsel for:
Valpak Direct Marketing Systems, Inc. and
Valpak Dealers' Association, Inc.

**Response of Valpak Direct Marketing Systems, Inc. and
Valpak Dealers' Association, Inc. to Advo, Inc. Interrogatory**

ADVO/VP-1.

Please provide Valpak's annual ECR saturation coupon envelope mail volumes (including both owned and franchisee programs) for the period from 1995 through 2004.

RESPONSE:

| <u>Year</u> | <u>Volume (millions)</u> |
|-------------|------------------------------|
| 1995 | 335.7 |
| 1996 | 330.1 |
| 1997 | 348.3 |
| 1998 | 380.4 |
| 1999 | 414.9 |
| 2000 | 463.2 |
| 2001 | 458.9 |
| 2002 | 483.0 |
| 2003 | 496.7 |
| 2004 | 490.9 |

**Response of Valpak Direct Marketing Systems, Inc. and
Valpak Dealers' Association, Inc. to Advo, Inc. Interrogatory**

ADVO-VP-2.

For the year 2004, please provide a breakout of the following volume information for Valpak's coupon envelope program (including both owned and franchisee operations):

- a. The volume of letter mail pieces and percentage of total volume that weighed 3.3 ounces or less and paid the ECR saturation letter rate.
- b. The volume of letter mail pieces and percentage of total volume that weighed between 3.3 and 3.5 ounces and paid the "heavyweight" saturation letter rate.
- c. The volume of letter mail pieces and percentage of total volume that weighed more than 3.5 ounces and paid the ECR saturation non-letter rate.
- d. If the percentages in a-c above do not total to 100 percent, please explain why (e.g., pieces under 3.3 ounces but flat-shaped; pieces that were not saturation density). If information for 2004 is not available, please provide the information for the most recent 12-month period (specifying the period).

RESPONSE:

- a. 452.7 million (92.2%)
- b. 14.2 million (2.9%)
- c. 23.9 million (4.9%)
- d. Not applicable.

**Response of Valpak Direct Marketing Systems, Inc. and
Valpak Dealers' Association, Inc. to Advo, Inc. Interrogatory**

ADVO/VP-7.

Do Valpak's coupon envelopes ever include inserts other than singlesheet or folded advertisements, such as product samples? If so, please explain what those items are, their weights, their physical dimensions, and the percentage of Valpak's coupon envelopes that contain such inserts.

RESPONSE:

Yes, but only on rare occasions. Valpak does not separately track the percentage or the nature of such inserts, but they are known to have included small magnets and mini CD's.