

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
L. PAUL LOETSCHER (USPS-T-28) TO INTERROGATORY OF  
VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS'  
ASSOCIATION, INC., REDIRECTED FROM WITNESS JOHN P. KELLEY (USPS-T-30)  
(VP/USPS-T30-20) (June 29, 2006)

The United States Postal Service hereby provides the response of witness L. Paul Loetscher (USPS-T-28) to the following interrogatory of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc., filed on June 15, 2006, and redirected from witness John P. Kelley (USPS-T-30):

VP/USPS-T-30-20

The 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

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RESPONSE OF USPS WITNESS LOETSCHER (USPS-T-28) TO  
INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK  
DEALERS' ASSOCIATION, INC.,  
REDIRECTED FROM WITNESS KELLEY (USPS-T-30)

**VP/USPS-T30-20.** Please refer to USPS-LR-L-67, workbook VolAdj.USPS.xls (hereinafter "workbook- 1"), and to USPS-LR-L-36, workbook WP-STDECR.xls (hereinafter "workbook-2"), the latter library reference containing the rate design workpapers of Postal Service witness Kiefer (USPS-T-36).

a. In workbook-1, tab 'RPW,' the volume in cell F14 (i.e., 35,023,418 [000 omitted]) is equal to the sum in workbook-2 of (i) cell H35 under tab 'ECR Commercial BDs,' and (ii) cell H37 under tab 'ECR Nonprofit BDs.' However, the two cells included in this sum do not include the heavy letters shown in cells H135, H140 and H145 of tab 'ECR Commercial BDs,' and cells H138, H143 and H148 of tab 'ECR Nonprofit BDs.' Please explain whether the volume in cell F14 includes the volume of heavy letters.

b. In workbook-1, tab 'RPW,' the letter volume in cell C14 (i.e., 9,040,800 [000 omitted]) does not equal the workbook-2 sum of the letter volume on tab 'ECR Commercial BDs' (cells H11 + H46 + H66) plus the letter volume on tab 'ECR Nonprofit BDs' (cells H13 + H47 + H67), regardless of whether the heavy letters referenced in part a of this question are included. Please explain this apparent misalignment.

**RESPONSE:**

a. The value in cell F14 of the tab 'RPW' of USPS-LR-L-67 workbook VolAdj.USPS.xls represents the estimated volume of Standard ECR in FY05 and includes 'heavy letters' and RSS pieces. The values in cell H35 of tab 'ECR Commercial BDs' and cell H37 of tab 'ECR Nonprofit BDs' in USPS-LR-L-36 workbook WP-STDECR.xls also include 'heavy letters' and RSS pieces.

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**RESPONSE TO VP/USPS-T30-20 (continued)**

b. The letter volume in cell C14 of the 'RPW' tab in workbook VolAdj.USPS.xls of USPS-LR-L-67 comes from the RPW by shape estimates described in USPS-LR-L-87. The RPW by shape estimates are developed to produce shape estimates that are as consistent as possible with the DMM 101 shape definitions. The Billing Determinant data refers to letter rate categories and will exclude DMM 101 letters that exceed 3.5 ounces, (3.3 ounces in the case of nonautomation pieces) and nonautomation ECR DMM 101 letters mailed at nonletter ECR rates

## **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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June 29, 2006  
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