

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

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
FIFTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS JOHN P. KELLEY (VP/USPS-T30-23-25)
(July 5, 2006)

Pursuant to sections 25 and 26 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. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

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.

VP/USPS-T30-23.

Please refer to your response to VP/USPS-T30-10, and the table in which you provide unit delivery costs — that you do not endorse — for DALs delivered by city carriers.

- a. The volume variable street time cost for a Cased DAL and Host-Piece Sequenced Flat, as shown in your table, is \$0.0462. That amount is not equal to the sum of (i) a Cased DAL (\$0.0254) and (ii) a Sequenced Flat (\$0.0198), the sum of which equals \$0.0452. Please explain the difference.
- b. The volume variable street time cost for a Sequenced DAL and Host-Piece Sequenced Flat, as shown in your table, is \$0.0380. That amount is not equal to the sum of (i) a Sequenced DAL (\$0.0171) and (ii) a Sequenced Flat (\$0.0198), the sum of which equals \$0.0369. Please explain the difference.

VP/USPS-T30-24.

Please refer to your response to VP/USPS-T30-10, and the table in which you provide unit delivery costs — that you do not endorse — for DALs delivered by city carriers. Also refer to the Postal Service “Request,” Attachment A, page 21, footnote 7, which proposes a 1.5 cent surcharge for DALs.

- a. On those occasions when city carriers case DALs, what is the estimated unit cost per DAL?
- b. What is the combined, weighted average in-office and street time unit cost per DAL for city carriers to process and deliver DALs? Please explain how your answer is derived.

- c. What is the average unit cost per DAL for rural carriers to handle DALs?

Please explain how your answer is derived.

VP/USPS-T30-25.

Please refer to the delivery costs for ECR letters, as contained in (1) USPS-LR-L-67 (at USPS costing) and USPS-LR-L-101 (at PRC costing) in the instant docket and (2) USPS-LR-K-67 (at USPS costing) and USPS-LR-K-107 (at PRC costing) in Docket No. R2005-1.

Please explain why high-density letters were shown as a separate category in the studies of Docket No. R2005-1 but are not shown as a separate category in the studies of the instant docket, and describe the effects of this change.