

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.
SIXTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS JOHN P. KELLEY (VP/USPS-T30-26-27)
(July 6, 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-T30-26.

Please refer to your response to VP/USPS-T30-10.

- a. When you emphasize that USPS-LR-L-67 only disaggregates, or partitions, delivery costs from the subclass level in the CRA to the rate category level, does this mean that if the unit costs provided in your response were to be (i) multiplied by the city carrier volumes of each category, and (ii) then summed, the result would equal the volume variable street time cost (segment 7) for all ECR saturation flats? If this is not correct, please indicate what such a sum would represent.
- b. With reference to the unit costs provided in your response, is it reasonable to infer that the street time unit cost of handling a Cased DAL (\$0.0254) is about 92 percent of the unit cost of handling a Cased ECR Saturation Flat (\$0.0277)? If this is not a reasonable inference, please explain why not, and indicate how one would go about comparing the volume variable street time unit cost of these two items.
- c. Is it reasonable to infer that the street time unit cost of handling a Cased DAL (\$0.0254) is about 149 percent of the cost of handling a Sequenced DAL (\$0.0171)? If this is not a reasonable inference, please explain why not, and indicate how one would go about comparing the volume variable street time unit cost of these two items.
- d. Is it reasonable to infer that the street time unit cost of handling a Sequenced Saturation Flat (\$0.0198) is about 71 percent of the cost of handling a Cased

ECR Saturation Flat (\$0.0277)? If this is not a reasonable inference, please explain why not, and indicate how one would go about comparing the volume variable street time unit cost of these two items.

- e. Is it reasonable to interpret the unit costs provided in your response to VP/USPS-T30-10 as the marginal street time costs for city carriers to handle one more (or less) Saturation Flat/DAL when taken to the street in the various conditions described (*e.g.*, cased or sequenced)? If it is not reasonable to interpret these unit costs as the marginal street time costs for city carriers to handle one more (or less) Saturation Flat/DAL, please indicate where a better estimate of the marginal cost can be found, or how it can be derived.

VP/USPS-T30-27.

Please refer to your response to NAA/USPS-T30-7, which provided separate delivery costs for Basic and High Density ECR flats, at USPS costing.

- a. Please provide similar delivery costs for Basic and High Density ECR letters, at USPS costing.
- b. Provide costs for ECR letters, Basic and High Density, at PRC costing, consistent with USPS-LR-L-101.
- c. Provide costs for ECR flats, Basic and High Density, at PRC costing, consistent with USPS-LR-L-101.