

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
BRADLEY PAFFORD TO INTERROGATORIES OF VALPAK DIRECT MARKETING
SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.,
VP/USPS-T3-1, 3

The United States Postal Service hereby provides the responses of witness Bradley Pafford to the following interrogatories of the Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc.: VP/USPS-T4-1, 3, filed on June 22, 2006. Interrogatories VP/USPS-T3-2, 4 were redirected for institutional responses from the Postal Service.

Each interrogatory is stated verbatim and followed by the response:

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Kenneth N. Hollies
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -3084
khollies@usps.gov

July 6, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO INTERROGATORY OF VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T3-1. Please refer to your testimony (USPS-T-3) at page 6, lines 13-17.

[Emphases provided by Valpak.]

- a. Do bulk mailing postage statements for Standard Mail, which you mention on line 17, now contain information on the volume of DALs entered by mailers? If not, on what form or forms is such information recorded?
- b. Will information on the volume of DALs entered by mailers be **collected** as part of the Bulk Revenue, Pieces and Weight System ("BRPW") which you discuss in Section IV of your testimony (USPS-T-3, pp. 6-8)? If not, will information on the volume of DALs be **collected** under any of the other data systems discussed in your testimony?
- c. Will information on the volume of DALs entered by mailers be **reported** on a regular basis as part of the BRPW which you discuss in Section IV, starting at page 6, of your testimony? If not, please indicate whether information on the volume of DALs will be part of one or more routine **reports** developed from any of the other data systems discussed in your testimony.

RESPONSE:

- a. Yes.
- b. Currently, information on the volume of DALs is not collected as part of BRPW, but I understand that some DAL data are entered on postage statements processed by PostalOne.
- c. Currently, DAL volume is not reported on a regular basis as part of BRPW. In the future, if the Postal Service's proposal to establish separate charges for mail accompanied by a DAL is implemented, then it seems reasonable to expect that volume information on DALs will need to be reported on a regular basis in some fashion. To my knowledge, details on any such reporting process have not yet been completed, but it seems likely that for any DAL categories that have a fee, DAL revenue will be reported on a regular basis as part of BRPW. The DAL volumes generating this DAL revenue will also be available from BRPW.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO INTERROGATORY OF VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T3-2.

- a. Is your organizational unit, Revenue and Volume Reporting, Finance (USPS-T-3, p. ii, l. 7), responsible for compiling data on the volume of DALs that mailers enter with the Postal Service? If not, what organizational unit is responsible for compiling data on the volume of DALs that mailers enter with the Postal Service?
- b. Does any Postal Service witness in this case come from an organizational unit that has more responsibility for compiling data on the volume of DALs that mailers enter with the Postal Service than your organizational unit? If so, who would that witness be?

RESPONSE:

Redirected to the Postal Service.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO INTERROGATORY OF VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T3-3.

- a. Will data on the volume of DALs that mailers enter with the Postal Service be compiled quarterly, along with other BRPW data? If not, how often will data on the volume of DALs that mailers enter with the Postal Service be compiled?
- b. If data on the volume of DALs that mailers enter with the Postal Service is compiled quarterly, will such data be published in conjunction with other RPW data that are reported quarterly?

RESPONSE:

- a - b. See my response to VP/USPS-T3-1(c).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO INTERROGATORY OF VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T3-4. Please refer to the response of the Postal Service to VP/USPS-T30-3(b)-(d), redirected from witness Kelley.

- a. Did the Postal Service in fact require mailers using DALs to use new postage statements, effective April 3, 2005?
- b. If your answer to preceding part a is negative, please (i) explain why not, and (ii) state when mailers of DALs in fact did start using the new postage statements.
- c. If your answer to preceding part a is affirmative, or if mailers started using the new postage statements before March 2006, please explain what happened to data on DALs since mailers started using the new postage statements. That is:
 - i. Were the data compiled and, if so, where are they recorded?
 - ii. If the data were not compiled, why not?

RESPONSE:

Redirected to the Postal Service.