

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.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS THOMAS E. THRESS (VP/USPS-T7-1-4)
(July 11, 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,

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VP/USPS-T7-1.

Please refer to your testimony, page 9, Table 1.

- a. In column 2, does the 2005 GFY volume of ECR mail, indicated as 31,966.424 million pieces, include ECR automation letters? If so, what was the volume of ECR automation letters in GFY 2005?
- b.
 - (i) Does the 2008 GFY Before-Rates volume forecast for ECR mail (col. 4, 33,295.868 million pieces) include ECR automation letters? If so, what is the volume of ECR automation letters included?
 - (ii) Does the 2008 GFY After-Rates volume forecast for ECR mail (col. 7, 29,346.811 million pieces) include ECR automation letters? If so, what is the volume of ECR automation letters included?

VP/USPS-T7-2.

- a. Please refer to your testimony at Table 27 (USPS-T-7, p. 122), and please confirm that Table 27 indicates that the own-price elasticity of Standard (Commercial) ECR mail is estimated to be -1.079. If you do not confirm, please provide the correct figure for own-price elasticity of ECR mail.
- b. Please refer to your testimony in Docket No. R2005-1, at Table 1 (USPS-T-7, p. 9), and please confirm that Table 1 indicates that the own-price elasticity of Standard (Commercial) ECR mail was estimated to be -1.093. If you do not confirm, please provide the correct figure for own-price elasticity of ECR mail in Docket No. R2005-1.

- c. Referring to the own-price elasticity of Standard (Commercial) ECR mail in parts a and b, please discuss whether the decline in (absolute value of) own-price elasticity (from -1.093 to -1.079) is statistically significant.

VP/USPS-T7-3.

- a. Please refer to your testimony at Table 25 (USPS-T-7, p. 114), and please confirm that Table 25 indicates that the own price elasticity of Standard (Commercial) Regular mail is estimated to be -0.296. If you do not confirm, please provide the correct figure for own-price elasticity of Standard Regular Mail.
- b. Please refer to your testimony in Docket No. R2005-1, at Table 1 (USPS-T-7, p. 9), please confirm that Table 1 indicates that the Postal own-price elasticity of Standard (Commercial) Regular mail was estimated to be -0.267. If you do not confirm, please provide the correct figure for own-price elasticity of Standard Regular Mail in Docket No. R2005-1.
- c. Referring to the own-price elasticity of Standard (Commercial) Regular mail in parts a and b, please discuss whether the increase in (absolute value of) own-price elasticity (from -0.267 to -0.296) is statistically significant.

VP/USPS-T7-4.

Please refer to your testimony at Figure 6 (USPS-T-7, p. 116).

- a. Please confirm that the total volume of ECR mail in PFY 1996 was approximately 29.0 to 29.5 billion pieces. If not confirmed, please provide the total volume of ECR mail in PFY 1996.
- b. Please confirm that the total volume of ECR mail in GFY 2005 was 31.97 billion pieces, as shown in Table 1 (USPS-T-7, p. 9). If not confirmed, please provide the total volume of ECR mail in GFY 2005.
- c. Please refer to your testimony at page 120, lines 22-23.
 - (i) Please explain in more detail what you mean by your reference to “a 26.4 percent decline in Standard ECR mail volume over the past ten years.”
 - (ii) Please reconcile the 26.4 percent decline in volume over the past 10 years with your statement at page 115, lines 9-11, of your testimony that “[s]ince [1988] volume has been relatively flat, with 2003 volume of only 29.3 billion pieces. Standard ECR volume has grown by about 9.0 percent over the past two years, however.”