

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 MICHAEL W. MILLER (VP/USPS-T20-1)
(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-T20-1.

Please refer to the mail processing costs for non-automation mixed ADC flats provided in cell G36 of tab 'CRA ADJ UNIT COSTS' of each of STD REG FLATS 6-28-06.xls (in USPS-LR-L-43, revised 6-28-06) and STD REG FLATS - PRC 06-28-06.xls (in USPS-LR-L-102, revised 6-28-06). The cost shown in the first reference is 23.516 cents and in the second is 26.028 cents.

- a. Please explain how you would describe these costs in terms of being for non-machinable flats, for machinable flats, or for a weighted average of flats as they currently exist in the mailstream.
- b. Please explain whether these costs are applicable to the category of non-automation flats being proposed in this case, which, as explained by witness Kiefer (USPS-T-36), will have "tightened" eligibility requirements. *See* USPS-T-36, p. 15, l. 25.
- c. If you believe the subject costs are not applicable to the category being proposed, please provide costs (in the format of the two referenced library references) that you believe to be applicable.