

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF POSTAL SERVICE WITNESS PAGE
TO INTERROGATORY OF VALPAK
(VP/USPS-T23-5)
(July 24, 2006)

The United States Postal Service hereby provides the response of witness Page to the following interrogatory of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc.: VP/USPS-T23-5, filed on July 10, 2006.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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VP/USPS-T23-5.

Please refer to your response to VP/USPS-T36-10(e), where you provide aggregate TYBR (\$946,000) and TYAR (\$820,000) adjustments for the three NSAs.

a. Please clarify whether these cost figures are for Commercial Regular, Commercial ECR, Commercial Regular and Commercial ECR combined, or some broader group of subclasses.

b. Please explain the relationship of these cost figures to the sum of the numbers in cell E25 on the 'Summary' tab of each of Bank OneChase-USPS.xls, HSBC-USPS.xls, and Discover-USPS.xls, in USPS-LR-L-59.

c. Please provide NSA cost adjustments, BR and AR, for the categories of Commercial Regular and Commercial ECR separately, at both USPS and PRC costing.

d. Please state whether these cost adjustments have been removed from both the TYBR and TYAR total costs by subclass provided by witness Waterbury (USPS-T-10) in:

- (i) USPS-LR-L-7 (R2006_TY2008BR_USPS.DRpt.xls and R2006_TY2008AR_USPS.DRpt.xls); and
- (ii) USPS-LR-L-96 (R2006_TY2008BR_PRC.DRpt.xls and R2006_TY2008AR_PRC.DRpt.xls).

RESPONSE:

a. The costs are for Commercial ECR.

b. The cell E25 figures include costs for Standard Regular in addition to Commercial ECR.

c.		USPS	PRC
	Standard Regular		
	TYAR	\$18,588	\$24,000
	TYBR	\$23,082	\$23,987
	ECR		
	TYAR	\$820	\$711
	TYBR	\$946	\$935

d. It is my understanding that witness Waterbury adjusted rollforward report D with the costs in the Final Adjustment Summary, which includes these cost adjustments.