

ORDER NO. 174

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Dan G. Blair, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton  
Ruth Y. Goldway; and  
Tony L. Hammond

Annual Compliance Report, 2008

Docket No. ACR2008

ORDER CONCERNING MOTION FOR ISSUANCE OF  
COMMISSION INFORMATION REQUEST

(Issued January 23, 2009)

On January 13, 2009, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. (Valpak) filed a motion requesting that the Commission issue an information request to the Postal Service regarding costing data for Detached Address Label (DAL) mail.<sup>1</sup>

Valpak asks for information concerning the Postal Service's handling and accounting of DAL mail in two instances. First, Valpak seeks information on the total cost associated with Delivery Point Sequenced (DPS'd) DAL mail to evaluate whether

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<sup>1</sup> Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Motion for Issuance of Commission Information Request Concerning Core Costing Data on Detached Address Labels, January 13, 2009 (Motion).

costs are appropriately allocated between saturation flats and saturation letters. Motion at 3. Second, Valpak seeks information on a perceived discrepancy as to the volume of DAL mail in the billing determinants. *Id.* at 4.

In the first instance, Valpak is concerned that DALs entered at a destination delivery unit (DDU) must be sorted at an upstream facility in order to be DPS'd. *Id.* at 2. Valpak believes that the need to DPS the DALs implies that the Postal Service incurs costs by transporting DALs upstream, processing them, and transporting them back to the DDU for delivery. *Id.* Valpak seeks information from the Postal Service on how DAL costs were developed to determine whether "these DPS and local transportation costs are being properly charged to saturation flats or erroneously charged to saturation letters." *Id.*

In the second instance, Valpak requests that the Postal Service explain perceived discrepancies in the billing determinates as to the volume of DAL mail. *Id.* at 4. Valpak references billing determinates which show DAL volume of 901,954,000, and a different sheet with carrier study DAL volume of 640,824,000. *Id.* Valpak requests that the Commission order the Postal Service to identify the correct volume of DALs and explain the discrepancy in figures. *Id.*

No parties filed in opposition to the Motion.

Valpak's requests for additional detail concerning DAL mail costs and volumes will clarify the record. At the technical conference, the Postal Service shall be prepared to provide information in response to the issues raised by Valpak in its Motion.

*It is Ordered:*

1. Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Motion for Issuance of Commission Information Request Concerning Core Costing Data on Detached Address Labels, filed January 13, 2009, is granted as set forth in the body of this Order.

2. The Postal Service shall provide information in response to the issues raised by Valpak in its Motion at the technical conference to be held January 26, 2009.

By the Commission.

Steven W. Williams  
Secretary