

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

Station and Branch Optimization and  
Consolidation Initiative

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Docket No. N2009-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND  
VALPAK DEALERS' ASSOCIATION, INC.  
SECOND INTERROGATORIES AND REQUESTS FOR  
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE  
WITNESS ALICE M. VANGORDER (VP/USPS-T1-11-24)  
(September 11, 2009)

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-T1-11.**

Please refer to your response to VP/USPS-T1-8.c.

- a. Approximately what percent of all postage meters still are set, or reset, at Post Offices?
- b. Does the Postal Service envision a time when postage meters no longer will be set and reset at Post Offices? If so, approximately when is that expected to occur?
- c. Please confirm that passports, once issued, are valid for 10 years.
- d. Is it reasonable to assume that bulk and permit mail acceptance involves retail postal functions only for business firms and nonprofit organizations, and not for individuals?

**VP/USPS-T1-12.**

Please refer to the response to VP/USPS-T1-10. In that response, data from 2002 indicate that the cost of selling stamps via windows at Postal Service retail facilities was approximately six times greater than the cost of selling stamps via the consignment program.

- a. Please describe any development of which you are aware that would have changed significantly this ratio since 2002 .
- b. Please describe all Postal Service advertising designed to inform the public that stamps can be purchased at face value from consignment outlets, including media used and percent of total advertising effort.

**VP/USPS-T1-13.**

- a. For each of the stations and branches listed in USPS Library Reference N2009-1/4 as revised, please indicate whether the retail counters are open at least eight hours a day, Monday through Friday, and at least three hours on Saturday.
- b. Unless your answer to preceding part a is an unqualified affirmative, please indicate (i) the number of stations and branches that have reduced the number of days when their retail counters are open, and (ii) for those that have reduced the number of days, indicate the number of days that their retail counters are actually open.
- c. Unless your answer to preceding part a is an unqualified affirmative, please indicate (i) the number of stations and branches that have reduced the number of hours when their retail counters are open, and (ii) for those that have reduced the number of hours, indicate the number of hours that their retail counters are actually open.

**VP/USPS-T1-14.**

For the stations and branches now scheduled to be studied for possible closure under the current Initiative, *i.e.*, listed in the latest version of USPS Library Reference N2009-1/4:

- a. How many have retail operations only, *i.e.*, have no carriers operating from them?
- b. How many have both retail and carrier operations, *i.e.*, front-office and back office operations?
- c. Of those stations and branches identified in response to preceding part b that have both retail and carrier operations, (i) how many have city carrier routes operating from them, and (ii) how many have rural carrier routes operating from them?

**VP/USPS-T1-15.**

The response to PR/USPS-16(e-f) states that “Rural carriers often operate as ‘mini-Post Offices on wheels,’ selling retail products and providing certain services that city carriers do not.”

- a. In what year did rural carriers start serving as “mini-Post Offices on wheels?”
- b. Please indicate how successful this “mini-Post Offices on wheels” program has been (in terms of actual usage) in taking retail postal services to customers who live on routes served by rural carriers identified in your response to preceding VP/USPS-T1-14(c)(ii) — *i.e.*, rural carriers operating from those stations or branches identified for possible closure or consolidation as part of the Initiative in this docket. In your response, please discuss whether those services provided by rural carriers’ “mini-Post Offices on wheels” are used chiefly for (i) sale of stamps and other products, or (ii) collection.
- c. Have the alternate access services from the “mini-Post Offices on wheels” provided by rural carriers reduced by any measurable degree visits to retail facilities at those delivery units served by rural carriers?
- d. Do you have any knowledge, whether formal or informal, concerning the nature of customers that take advantage of this alternate access service provided by rural carriers? If so, please describe it. For instance, is the alternate access service from rural carriers used principally by individuals with disabilities, or older citizens who have difficulty getting around, or people who live in areas more distant from the station or branch?

- e. Has this alternate access program of rural carriers taking retail postal services to customers been more successful (*i.e.*, used with greater frequency) by customers who live in suburban areas or by those who live in rural areas?

**VP/USPS-T1-16.**

Please refer to your response to VP/USPS-T1-4.d. Since visits to, and purchases from, a mobile retail van are considered to be visits neither to a Postal Service retail facility nor to an alternate access channel, what are they considered?

**VP/USPS-T1-17.**

- a. Please refer to your responses to VP/USPS-T1-2.b. and VP/USPS-T1-7.b. The first of these two responses indicates that the total number of mobile retail vans currently operated by the Postal Service is 179, whereas the second response indicates that in 2009 YTD the Postal Service has 204 mobile retail vans. Please reconcile these two answers.
- b. Your response to VP/USPS-T1-2.c. indicates that some mobile retail vans “have designated routes.”
  - (i) How many different locations would a mobile retail van typically serve each day on a designated route?
  - (ii) Would the designated route serve the same locations each day, or would the locations served vary from one day to the next? If locations vary from day to

day, how many different locations would a mobile retail van typically serve each week?

- (iii) Do designated routes reflect changes monthly or seasonally?

**VP/USPS-T1-18.**

Please refer to your response to VP/USPS-T1-5.a. With respect to service provided to assisted living facilities by mobile retail vans, is such service in the nature of a “special event,” or is it provided as a stop on designated routes?

**VP/USPS-T1-19.**

- a. With respect to FY2008 or the last year for which data are available, for those mobile retail vans that serve designated routes, what was the average gross revenue from sale of retail postal products and services?
- b. Of the stations and branches listed in USPS Library Reference N2009-1/4, please provide comparable data for the average gross revenue for those three stations or branches that had the lowest revenue (N.B. the branches can be identified simply as 1 to 3, or A to C).
- c. Please refer to the attachment to the Postal Service’s response to Commission Information Request No. 1, question 16. The heading of the final column in the table contained in that attachment indicates “Last Year Revenue Data,” followed by a footnote number 1, which does not appear on that attachment.

- i. Please confirm that those revenue data are for an entire fiscal year or, if you do not confirm, indicate the number of months for which the data are applicable.
- ii. Please provide the missing footnote.

**VP/USPS-T1-20.**

- a. Your response to VP/USPS-T1-6.c. states that “mobile retail vans do not have wireless data transmission capacity.” Please explain why the Postal Service’s mobile retail vans do not have wireless data transmission capacity.
- b. Your response to VP/USPS-T1-1.d. states that mobile retail vans accept credit and debit cards “for special events only.” How do those vans accept credit and debit cards without having wireless data transmission capacity?

**VP/USPS-T1-21.**

Please refer to your response to VP/USPS-T1-8.b and, also, Status Report of the United States Postal Service Concerning Response to Commission Information Request No. 1 (Questions 15, 16 and 20) (filed August 28, 2009). Does the revision to USPS Library Reference N2009-1/4 discussed in the response to Question 15 (p. 2), or any subsequent revision to that library reference, alter the number of stations and branches (125) reported to have a CPU in the same 5-digit ZIP code area? If so, please update your response to VP/USPS-T1-8b and provide the revised datum.

**VP/USPS-T1-22.**

Of the 125 or so CPUs located in the same 5-digit ZIP area as a station or branch listed in USPS Library Reference N2009-1/4, how many would be situated in (i) drug stores, (ii) grocery stores, (iii) convenience stores, *e.g.*, 7-eleven, or (iv) other (please describe if more than 20 percent of total)?

**VP/USPS-T1-23.**

- a. Inasmuch as all the stations and branches listed in USPS Library Reference N2009-1/4 are located in metropolitan areas that include multiple stations and branches, please explain whether it would be reasonable to refer to those CPUs mentioned in your response to VP/USPS-T1-8.b. as “urban” CPUs?
- b. Please refer to your response to VP/USPS-T1-8.e.
  - (i) Of those 125 or so “urban” CPUs, what percentage is known to be open for 10 or more hours on weekdays (*i.e.*, Monday to Friday)?
  - (ii) Of those 125 or so “urban” CPUs, what percentage is known to be open for at least 8 hours on Saturday?
  - (iii) Of those 125 or so “urban” CPUs, what percentage is known to be open for at least 6 hours on Sunday?

**VP/USPS-T1-24.**

Please explain how the Postal Service compensates those 125 or so CPUs located in the same 5-digit ZIP area as a station or branch listed in USPS Library Reference N2009-1/4:

(i) solely on a commission basis, *i.e.*, some agree-upon percent of revenues collected from the sale of postal products and services; (ii) solely on a fixed fee basis, *i.e.*, a fixed monthly or annual payment negotiated and agreed to between the Postal Service and the CPU; or (iii) some combination of the two.