

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

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POSTAL RATE AND FEE CHANGES, 2000)

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Docket No. R2000-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

VAL-PAK DIRECT MARKETING SYSTEMS, INC.,
VAL-PAK DEALERS' ASSOCIATION, INC., AND
CAROL WRIGHT PROMOTIONS, INC.
FIRST FOLLOW-UP INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS VIRGINIA J. MAYES (VP-CW/USPS-T32-16)
(April 7, 2000)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Val-Pak Direct Marketing Systems, Inc., Val-Pak Dealers' Association, Inc., and Carol Wright Promotions, Inc., hereby submit the following interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



William J. Olson

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Counsel for:

Val-Pak Direct Marketing Systems, Inc.,

Val-Pak Dealers' Association, Inc., and

Carol Wright Promotions, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


William J. Olson

April 7, 2000

VP-CW/USPS-T32-16.

Please refer to your response to VP-CW/USPS-T32-12, where you state that the increase in Standard A ECR's price elasticity (more than 25 percent since Docket No. R97-1) reflects a decrease in Standard A ECR's value of service. VP-CW/USPS-T32-12(b) asked whether this change in price elasticity supported a change in the allocation of institutional costs to ECR. You responded in part that, "[i]f witnesses Thress and Tolley indicated that the increase in the price elasticity measured in this case relative to the elasticity measured in the most recent case were statistically significant, **and if nothing else had changed since the last case, then it would be appropriate to consider a change in allocation of institutional burden.**" (Emphasis original.)

- a.
 - (1) Did witnesses Thress and Tolley indicate that the change in ECR elasticity of more than 25 percent since Docket No. R97-1 was statistically significant?
 - (2) If not, did you ever ask them whether they believed the increase to be statistically significant?
- b. Do you believe the change in ECR elasticity of more than 25 percent since Docket No. R97-1 was statistically significant? If not, what change in the elasticity would be statistically significant?
- c.
 - (1) What type of changes since the last rate case are you referring to?
 - (2) What changes of this type have occurred since the last rate case?
- d. Is it your view that a statistically significant decrease in the value of service of a subclass in and of itself constitutes evidence supporting a change in the allocation of institutional costs to that subclass? If not, please identify when "it would be appropriate to consider a change in allocation of institutional burden."