

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 JAMES W. PAGE (VP/USPS-T23-1)  
(May 18, 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,

---

William J. Olson  
John S. Miles  
Jeremiah L. Morgan  
WILLIAM J. OLSON, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

Counsel for:  
Valpak Direct Marketing Systems, Inc. and  
Valpak Dealers' Association, Inc.

**VP/USPS-T23-1.**

Please refer to the adjustment you made to shift the costs of Basic ECR Automation letters (Commercial and Nonprofit) to the Regular (Commercial and Nonprofit) subclasses, discussed on page 26 of your testimony (USPS-T-23), beginning on line 20, and to Table 13, page 27, showing a downward adjustment for all mix changes in ECR of \$164,842,000. *See also* USPS-LR-L-59, workbook “Final Adjustments2008-USPS.xls, sheet ‘Inputs,’” showing (i) a cost for mail processing in cell B41 of 4.75 cents, (ii) a cost for city carriers in cell C41 of 3.52 cents, and (iii) a cost for rural carriers in cell D41 of 1.50 cents.

- a. Please state how much of the \$164,842,000 is due to movement of the Basic ECR Automation letters to Regular (Commercial and Nonprofit) and how much is due to other mix changes.
- b. Please provide the location in USPS-LR-L-67 of the carrier costs of 3.52 cents and 1.50 cents. Only a general reference to Library Reference 67 is shown on the ‘Inputs’ sheet.
- c. Do the delivery costs of 3.52 cents and 1.50 cents mean that it costs 2.35 times as much to have a city carrier deliver a letter as to have a rural carrier deliver a letter? If so, why is this reasonable? If not, what do these costs mean?