

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
DANIEL TALMO TO INTERROGATORY OF VALPAK DIRECT  
MARKETING SYSTEMS, INC. AND VALPAK DEALERS'  
ASSOCIATION, INC., REDIRECTED FROM WITNESS KIEFER  
(VP/USPS-T36-5(c))  
(June 9, 2006)

The United States Postal Service hereby provides the response of Postal Service witness Talmo (USPS-T-27) to interrogatory VP/USPS-T36-5, part (c), which has been redirected from witness Kiefer (USPS-T-36).

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Keith E. Weidner

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-6252, Fax -3084

RESPONSE OF POSTAL SERVICE WITNESS TALMO  
TO VALPAK INTERROGATORY, REDIRECTED FROM WITNESS KIEFER

**VP/USPS-T36-5.** In Commercial ECR Standard, please refer to the rates proposed at the minimum perpiece level for saturation **letters** of 17.2 cents (per piece) and for saturation **flats** of 18.2 cents, the former being required to be machinable and automation compatible. (See, e.g., Request, Attachment A, p. 19, Rate Schedule 322.)

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(c) Please confirm that workbook LR-K-119.xls, tab 'Unit Costs,' in USPS-LR-K-119, Docket No. R2005-1, showed the FY 2006 cost for all ECR letters, exclusive of mail processing and carrier costs, to be 0.2341 cents, and the corresponding cost for flats to be 0.8012 cents, and that Postal Service witness Yorgey, in Docket No. MC2005-3, USPS-T-2 (see, e.g., p. 4 of Appendix A, footnote 9), used the figures of 0.2341 cents and 0.8012 cents as the cost of letters and flats beyond mail processing and carrier costs. If you do not confirm, please provide alternative add-on costs, identifying their source. Also, please update the costs of 0.2341 cents and 0.8012 cents to FY 2008.

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**RESPONSE:**

(c) Confirmed. Please see USPS-LR-L-135 for the update to USPS-LR-K-119.