

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.
THIRD INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS JOYCE K. COOMBS (VP/USPS-T44-16-22)
(June 23, 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,

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VP/USPS-T44-16.

Please refer to your testimony at page 13, lines 15-19, where you describe carriers' practice of collating two sets of saturation flats for delivery on the same day.

- a. If one set of saturation flats consists of addressed catalogs and the other set consists of DALs and unaddressed covers, would one optional way to handle the two mailings be to case the addressed catalogs and take the DALs and covers directly to the street; *i.e.*, instead of collating the flats? If casing the addressed catalogs is not an option to collating the two mailings of saturation flats, please explain why not.
- b. Is collation the "standard," or preferred, method for carriers to handle the two bundles of saturation flats? If so, please explain why.
- c. If two sets of flats generally can be collated faster than the set of saturation catalogs can be cased, the reduction of in-office time from collation would be approximately what percentage the time required for casing (*e.g.*, 10 percent, 15 to 25 percent)?
 - i. If collating is faster than casing, can you estimate how much faster?
 - ii. Do situations exist where casing one set of saturation flats is faster than collating?
- d. When two sets of saturation flats need to be delivered, are you aware of any circumstances or situations where city carrier casing of saturation flats is more expeditious or less time-consuming than collating the two? If so, please explain.

- e. Does the Postal Service have actual data or studies that (i) compare the practice of collating vs. casing, and (ii) document in any way the advantages of collating vs. casing? If so, identify them, and provide them, and discuss.

VP/USPS-T44-17.

Please refer to your testimony at page 13, lines 13-21, including your statement that “[t]here are obviously situations that currently exist where flats are not taken directly to the street such as the presence of two sets of saturation flats on the same delivery day.”

- a. Please confirm that on motorized curblines routes carriers have no contractual restriction on the number of bundles which they can take directly to the street. If you do not confirm, please explain.
- b. If a carrier on a curblines route has two sets of saturation flats for delivery on the same day, would the carrier most likely (i) collate the two sets in the office and then take the collated bundle to the street, or (ii) take both sets of flats directly to the street and work from two separate bundles in the delivery vehicle? If each alternative is commonly used, please explain the operational conditions under which preceding alternative (ii) would be the most efficient way to handle two sets of saturation flats.
- c. When carriers collate two sets of addressed saturation flats, do they need to read the addresses on each piece?
- d. Please explain how carriers collate two sets of addressed saturation flats when one or both of the two sets have less than 100 percent coverage.

VP/USPS-T44-18.

Please assume that a carrier has three sets of addressed saturation flats for delivery on the same day.

- a. Would collation of the three sets into one collated bundle be a viable alternative? Please explain why or why not.
- b. For those routes that have no restriction on the number of extra bundles that carriers can take to the street (*e.g.*, motorized curbside routes), would a viable alternative be to take all three sets directly to the vehicle (*i.e.*, uncollated and uncased) and work from the three separate sets in the vehicle? If this is feasible, please explain how carriers on such routes would work from their bundles of (i) DPS'd letters, (ii) cased flats (and any residual letters), and (iii) three separate bundles of addressed flats.
- c. In today's operating environment, what is the most likely way that carriers would handle three sets of addressed saturation flats for delivery on the same day?
- d. After the Flat Sequencing System ("FSS") is fully deployed and operational, and carriers start the day with bundles of (i) DPS'd letters, (ii) FSS'd flats, and (iii) cased residual pieces, how would carriers most likely handle an additional three sets of addressed saturation flats for delivery on the same day (*i.e.*, if they were faced with working from six separate bundles instead of five, as discussed in preceding part c)?

VP/USPS-T44-19.

Please refer to your response to VP/USPS-T44-2(a).

- a. Please define the term “operationally efficient” as you use it in your response.
- b. Do you mean “operationally efficient” from the perspective of (i) the carrier supervisor at the DDU, (ii) the plant where mail is FSS’d, or (iii) the Postal Service as an entity?
- c. Do you intend “operationally efficient” and “minimum cost” to be synonymous?
 - i. If not, please explain how they differ.
 - ii. Do you mean “minimum cost” from the perspective of the carrier supervisor at the DDU, the plant, or the Postal Service?
- d. When saturation flats are taken directly to the street, they are rarely the subject of an IOCS tally, and incur virtually no recorded cost; *i.e.*, when saturation flats are taken directly to the street, the recorded in-office unit mail processing cost is almost zero. Under what circumstances would you envision that the option of putting saturation mail on the FSS would have a lower unit cost, or be more operationally efficient? Please explain why and in what sense FSSing of saturation flats would have lower cost or be more efficient.

VP/USPS-T44-20.

Please refer to your response to VP/USPS-T44-3(b), where you state that in the environment after FSS is implemented, “the data analysis has not yet been completed and no final decision has been made” with respect to how carriers will handle unaddressed, non-

machinable wraps on route segments where carriers are restricted to three bundles. With respect to Test Year city carrier cost estimates, and the fundamental change in the handling environment that the FSS will create, what assumptions are made concerning the mail processing cost of saturation flats?

VP/USPS-T44-21.

Please refer to your response to VP/USPS-T44-4(f).

- a. Please define the term “conflicts” as you use it there.
- b. Please provide examples of the most common conflicts that would prevent ECR saturation flat mailings from being taken directly to the street:
 - i. in the current operating environment; and
 - ii. in the environment after FSS is implemented.

VP/USPS-T44-22.

Please refer to your response to VP/USPS-T44-7(a), and assume that a carrier takes a mailing of saturation letters directly to the street.

- a. Please explain in more detail how different sizes, shapes and weights of the letter would determine how the letters are handled for “maximum operational efficiency.”
- b. Please describe the major different ways that carriers have for handling saturation letters that are taken directly to the street.