

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK
DEALERS' ASSOCIATION, INC. (VP/USPS-T3-2, 4),
REDIRECTED FROM WITNESS PAFFORD

The United States Postal Service hereby provides institutional responses to the following interrogatories of the Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc., filed on June 22, 2006 and redirected from witness Pafford: VP/USPS-T3-2, 4.

Each interrogatory is stated verbatim and followed by the response:

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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VP/USPS-T3-2.

- a. Is your organizational unit, Revenue and Volume Reporting, Finance (USPS-T-3, p. ii, l. 7), responsible for compiling data on the volume of DALs that mailers enter with the Postal Service? If not, what organizational unit is responsible for compiling data on the volume of DALs that mailers enter with the Postal Service?
- b. Does any Postal Service witness in this case come from an organizational unit that has more responsibility for compiling data on the volume of DALs that mailers enter with the Postal Service than your organizational unit? If so, who would that witness be?

RESPONSE:

a.-b. Under the current rate structure, in which the presence or absence of a DAL has no effect on the rate charged, there is no organizational unit charged with the responsibility to produce an estimate of the volume of DALs on a routine basis. Current efforts to incorporate more information regarding DALs into the Postal Service's data systems are described in the Postal Service's response to VP/USPS-T30-3.b – d., redirected from witness Kelley

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VP/USPS-T3-4. Please refer to the response of the Postal Service to VP/USPS-T30-3(b)-(d), redirected from witness Kelley.

- a. Did the Postal Service in fact require mailers using DALs to use new postage statements, effective April 3, 2005?
- b. If your answer to preceding part a is negative, please (i) explain why not, and (ii) state when mailers of DALs in fact did start using the new postage statements.
- c. If your answer to preceding part a is affirmative, or if mailers started using the new postage statements before March 2006, please explain what happened to data on DALs since mailers started using the new postage statements. That is:
 - i. Were the data compiled and, if so, where are they recorded?
 - ii. If the data were not compiled, why not?

RESPONSE:

- a. Yes, as indicated by Postal Service Kiefer on page 32 of his rebuttal testimony (USPS-RT-1) in Docket No. R2005-1
- b. Not applicable.
- c. As explained by Postal Service Kiefer on page 32 of his rebuttal testimony (USPS-RT-1) in Docket No. R2005-1:

I am informed that the Postal Service's data systems personnel are proceeding through the steps necessary to capture the new DAL information from the postage statements for data system reporting purposes. It is my understanding that completion of that process is anticipated sometime after the start of FY 2006.

The process that witness Kiefer described was occurring within the general time frame he indicated (i.e., after the start of FY 2006). The most recent step which occurred was that which allowed generation of the DAL information from March and April 2006 reported in the Postal Service's response to VP/USPS-T30-3b.-d.

As also noted in the Postal Service's response:

The information from PostalOne provided in response to part (b) was extracted by an analysis conducted specifically to respond to

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this question. No further analysis has yet been conducted regarding its reliability. No decisions have yet been made regarding when or how such information might be incorporated into routinely-generated reports. It is now clear, however, that no full-year fiscal year information, from PostalOne, CCCS, or RCCS, will be available before the end of FY 2007. At that time, the Postal Service should have a better understanding of the quality of the DAL information collected by PostalOne, CCCS and RCCS.