

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.
SECOND INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS THOMAS W. HARAHUSH (VP/USPS-T4-4-6)
(July 12, 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-T4-4.

For the universe of flats delivered by the Postal Service, please provide the following information and indicate the source(s) used:

- a. What proportion or share of all flats is delivered by city carriers?
- b. What proportion or share of all flats is delivered by rural carriers?
- c. What proportion or share of all flats is delivered by highway contract carriers or to post office boxes and General Delivery?

VP/USPS-T4-5.

Please refer to your testimony, page 5, Table 2, and the distribution of standard flats shown therein. Also, please refer to the Attachment to this interrogatory, which uses the USPS FY 2005 Billing Determinants. Columns (1)-(3) of the Attachment contain the FY 2005 volume of Standard flats as shown in the billing determinants. Column (4) of the Attachment shows the distribution of Standard flats in the billing determinants. Column (5) shows the billing determinants distribution of flats “normalized” — or reduced — to 0.7504, so as to be comparable to the corresponding “Proportion of Total” entries shown in your Table 2, column 1.

- a. Based on the Coefficient of Variation (“C.V.”) of ECR Saturation flats in your Table 2, what is the likelihood that ECR Saturation flats in fact represented 20.39 percent of all flats delivered by city carriers as shown in the Attachment?

- b. Based on the C.V. of ECR All Other flats in your Table 2, what is the likelihood that ECR All Other flats in fact represented 27.77 percent of all flats delivered by city carriers as shown in the Attachment?
- c. Based on the C.V. of Other Standard flats in your Table 2, what is the likelihood that Other Standard flats in fact represented 26.88 percent of all flats delivered by city carriers as shown in the Attachment?
- d. Please provide any explanation that you might have, or insights to offer, as to why the proportions of Standard flats volume in the billing determinants do not fall within the 95 percent confidence limits in your Table 2?

VP/USPS-T4-6.

Please provide a table that (i) is similar in format to your Table 2, and (ii) shows the FY 2005 proportions of flat-shaped mail volume delivered by rural carriers.

	(1)	(2)	(3)	(4)	(5)	(6)
	FY 2005 Billing Determinants			Billing Determinants Flats Distribution	B.D. Flats Distribution "Normalized"	FY 2005 CCSTS Distribution
ECR FLATS	Commercial	Nonprofit	Total			
Saturation	10,646,187,084	460,054,962	11,106,242,046	27.17%	20.39%	0.1966
Other ECR	13,783,130,762	1,342,053,989	15,125,184,751	37.00%	27.77%	0.2990
TOTAL ECR	24,429,317,846	1,802,108,951	26,231,426,797			
ECR LETTERS	7,537,106,525	1,254,884,596	8,791,991,121			
	31,966,424,371	3,056,993,547	35,023,417,918			
REGULAR FLATS	12,573,206,223	2,071,763,007	14,644,969,230	35.83%	26.88%	0.2548
REGULAR LETTERS	41,355,658,971	9,918,045,338	51,273,704,309			
	53,928,865,194	11,989,808,345	65,918,673,539	100.00%	75.04%	0.7504

Source of column 6: USPS-T-4, page 5, Table 2. (See response to NAA/USPS-T4-1.)

Source of column 5: Column 4, normalized to 75.04%.