

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.
EIGHTH INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS JOHN P. KELLEY (VP/USPS-T30-31)
(July 13, 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-T30-31.

Please refer to your response to VP/USPS-T30-17(b).

- a. Is your estimate of \$165 million for the base year cost of DALs for (i) DALs delivered by city carriers only, (ii) DALs delivered by both city and rural carriers, or (iii) all DALs, including those delivered to post office boxes or General Delivery, or by highway contract carriers?
- b. Is the \$165 million estimate applicable only to out-of-office delivery (*e.g.*, cost segment 7 for city carriers and, possibly, cost segment 10 for rural carriers), or does it also include in-office costs in segment 6?
- c. What is the volume of DALs to which your \$165 million is applicable?
- d. Please refer to your analysis of carrier costs as contained in USPS-LR-L-67.

Please assume that the Commission were to find that the actual volume of DALs was different in the base year than the estimate you used, and a decision were made to adopt a new, higher estimate. On a step-by-step basis, referring to specific workbooks, sheets in those workbooks, and cells, please explain how the Commission would use the new estimate so that revised cost estimates were generated by the workbooks corresponding to a different volume of DALs.