

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BOZZO
(USPS-T-12) TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS,
INC. AND VALPAK DEALERS' ASSOCIATION, INC. (VP/USPS-T11-6(b)),
REDIRECTED FROM WITNESS VAN-TY-SMITH (USPS-T-11)
(July 24, 2006)**

The United States Postal Service hereby provides the response of Witness Bozzo (USPS-T-12) to the following interrogatory of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc.: VP/USPS-T11-6(b), filed on July 10, 2006.

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

Frank R. Heselton
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-5204; Fax: -6187
July 24, 2006

Response of United States Postal Service Witness A. Thomas Bozzo
(USPS-T-12) To Interrogatory of Valpak Direct Marketing Systems, Inc., and
Valpak Dealers' Association, Inc.
Redirected from Witness Van-Ty-Smith (USPS-T-11)

VP/USPS-T11-6.

Please refer to the response to VP/USPS-T11-4(a).

- a. Please explain how volume variable costs of the DPS cost pool [sic] are distributed to the different classes and subclasses of mail with letter-shaped volume that is DPS'd.
- b. Please (i) indicate what mail volume data are available for the DPS cost pool [sic], and explain the source of such data — *e.g.*, IOCS tallies, machine counts, etc.; and (ii) explain the extent to which subclasses and rate categories of mail can be ascertained from such data.

Response.

- a. Answered by witness Van-Ty-Smith (USPS-T-11).
- b. Please note that the Postal Service's mail processing model does not define a cost pool specifically for DPS, and that IOCS tallies are not a source of mail volume data.

MODS collects piece handlings for DPS operations at MODS facilities; see, *e.g.*, the response to TW/USPS-T12-1. MODS data do not identify subclasses or rate categories. Estimates of DPS volumes by subclass from the City Carrier Cost System and Rural Carrier Cost System may be found, respectively, in USPS-LR-L-11, ALDRAN.LOTUS.CITY.SATURATN.FY2005, and USPS-LR-L-5, file CS10.xls, tab "Inputs DK."

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Frank R. Heselton

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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