

ORIGINAL

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
NASHUA/MYSTIC/SEATTLE WITNESS HALDI
(USPS/NMS-T1-40-48)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Nashua/Mystic/Seattle witness Haldi: USPS/NMS-T1-40-48.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

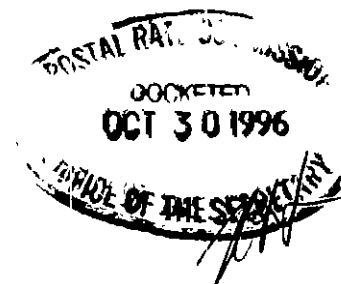
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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October 30, 1996



INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
TO NMS WITNESS JOHN HALDI

USPS/NMS-40.

Please refer to Table WP2-1 of NMS Workpaper 2. Explain the derivation of the daily hours used in calculating the annual hours shown in Columns 2a and 2b.

USPS/NMS-41.

Please refer to page 5 of NMS Workpaper 2, where it states that "the unit cost data for Nashua should be highly indicative, if not completely robust, to similar operations."

- (a) Describe in detail the "similar operations" to which you refer.
- (b) Explain what you mean by the term "robust" in this context.
- (c) Please describe the method by which you obtain your daily cost estimates and provide all underlying documentation.
- (d) Explain why you believe Nashua's costs are highly indicative of other BRM users which may qualify for the new special service classifications you propose at Appendices II-1 and II-2.
- (e) Identify all reasons why Nashua's operation may not be "completely robust to similar operations."
- (f) In your opinion, are the weight averaging costs of Mystic and Seattle FilmWorks also highly indicative of other BRM mailers
 - (i) which are currently using weight averaging?
 - (ii) which could employ weight averaging to qualify for the new special service classifications you propose at Appendices II-1 and II-2?
- (g) Other than the three film processors, Nashua, Mystic, and Seattle FilmWorks,
 - (i) are there any other all Business Reply Mail users whose operations you have studied? If so, please list them and

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(USPS/NMS-41(g) continued)

- (ii) identify which ones have reverse manifest or weight averaging systems, and
- (iii) indicate which ones identified in response to (iii) you have studied and
- (iv) provide the results of all such studies and the underlying documentation.

USPS/NMS-42.

Please refer to your testimony at page 15, fn. 15. Please describe the percentage of business reply mail pieces, with the associated weight for each, received by Nashua, Mystic and Seattle, which have the following contents:

- (a) a roll 35mm 24 exposure film;
- (b) a roll of 35mm 36 exposure film;
- (c) each roll described in (a) and (b) inside its respective plastic canister;
- (d) 2 rolls of 35mm 24 exposure film;
- (e) 2 rolls of 35mm 36 exposure film;
- (f) each roll described in (d) and (e) inside its respective plastic canister;
- (g) a disposable camera with exposed film;
- (h) each piece described in (a) through (g) with a cash payment enclosed.
- (i) each package described above in (a) through (g) with a payment enclosed which includes coins.

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USPS/NMS-43.

Please refer to your testimony at page 29, lines 9-10. What is the basis for your assertion that "perhaps, some abstract commitment to automation" was one factor in the Commission's deaveraging of fees for advance deposit BRM?

USPS/NMS-44.

Please refer to DMM §922.5 and confirm that qualifying for BRMAS and preparing an envelope to meet BRMAS specifications involve much more than "preprinting a designated barcode on an envelope."

USPS/NMS-45.

Assuming that no other mailers qualify for the classification changes that you propose, do you believe that those classification and fee changes should be adopted solely for your clients?

USPS/NMS-46.

- (a) Is it your belief that the average unit cost for the accounting function for pieces that qualify for BRMAS is actually 2 cents? If your answer is anything other than an unqualified affirmative response, please explain.
- (b) What would be the impact of your proposal on the cost coverage for BRM, assuming that mail from only the customers who take advantage of your lower proposed fees is already processed using a reverse manifest system of weight averaging?
- (c) Please refer to Docket No. R94-1, USPS Exhibit USPS-11F, page 3, which shows that for the Postal Service's initial 6-cent fee proposal in that proceeding, the cost coverage for BRM was only 109.3 percent, and that almost all of the contribution for BRM was derived from the BRM Other category, for which you propose that the fee be substantially lowered. If either of your classification proposals were adopted, to what degree are you confident that the resulting cost coverage for BRM would be above 100 percent?

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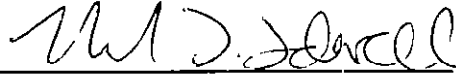
Please refer to page 58, lines 13-15 of your testimony. For the alternative classification proposal in which you suggest that the BRMAS category be redefined, why do you believe that "the problem of undue discrimination against bulk BRM can be solved without consideration of any [other] BRMAS-related problem.

USPS/NMS-48.

- (a) Please refer to Docket No. R90-1, Exhibit USPS-23C, page 2, and confirm that the record in that proceeding reflects witness Pham's finding that over 27 percent of the mail paying the non-BRMAS fee was actually being processed using BRMAS.
- (b) Please refer to Docket No. R94-1, USPS Library Reference G-136, page 18, as revised on July 13, 1994, and confirm that the record in that proceeding reflects witness McCartney's finding that nearly 26 percent of the mail paying the non-BRMAS fee was processed on BRMAS.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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