

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

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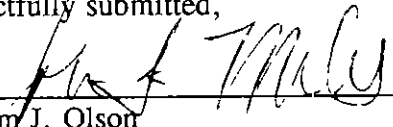
POSTAL RATE AND FEE CHANGES, 1997)

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Box 670, Rm. 2074

NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.
SECOND INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS DAVID R. FRONK (NDMS/USPS-T32-17-23)
(August 8, 1997)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Nashua Photo Inc. (hereinafter "Nashua"), District Photo Inc. ("District"), Mystic Color Lab ("Mystic"), and Seattle FilmWorks, Inc. ("Seattle") (hereinafter collectively referred to as "NDMS"), proceeding jointly herein, hereby submit the following interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



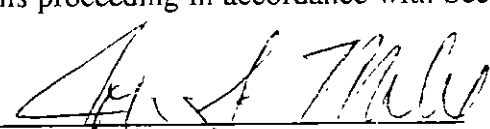
William J. Olson

John S. Miles
Alan Woll
William J. Olson, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3823
(703) 356-5070

Counsel for Nashua Photo Inc., District Photo Inc.,
Mystic Color Lab, and Seattle FilmWorks, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by hand delivery or mail the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



John S. Miles

August 8, 1997

NDMS/USPS-T32-17.

Please refer to LR-H-112, Exhibit A.

- a. Are the unit costs shown in Exhibit A for Base Year 1996, or Test Year 1998?
- b. The Average Mail Processing Unit Costs at the top of Exhibit A are referenced to LR-H-106. Please provide a specific citation to the table and/or page in LR-H-106 where each of the unit costs shown in Exhibit A can be found; *e.g.*, exactly where do (i) the unit cost for single piece letters, \$0.1172, (ii) the unit cost for single piece flats, \$0.3266, and (iii) the unit cost for single piece parcels, \$0.7457 appear in LR-H-106?

NDMS/USPS-T32-18.

- a. Are First-Class flats processed on automated equipment; *i.e.*, on flat sorting machines such as the FSM 881 or the FSM 1000? If so, at P&DCs where FSMs are available, are First-Class flats routinely given (i) outgoing primary, (ii) outgoing secondary, (iii) incoming primary, and/or (iv) incoming secondary sortation on automated equipment?
- b. (i) Can First-Class flats that weigh less than one ounce be processed on FSMs?
(ii) Sometimes? (iii) Always? (iv) Never? (v) If not, please specify how flats that weigh less than one ounce are segregated and processed.
- c. Is the average mail processing cost for single piece flats shown in LR-H-112, Exhibit A, (*i.e.*, \$0.3286) for (i) all First-Class flats, (ii) all automatable flats only, (iii) nonstandard flats under one ounce only, or (iv) some other set of flats?

- d. Please specify the set or subset of flats that have an average cost of \$0.3266? That is, please specify the numerator and the denominator that resulted in an average cost of \$0.3266 for flats.
- e. When one-ounce flats are processed on FSMs along with two-ounce flats, what is the additional mail processing cost for a two-ounce flat, as opposed to a one-ounce flat?

NDMS/USPS-T32-19.

Please refer to LR-H-112, Exhibit B, pp. 1 and 6. The headings at the top of each page are identical; *i.e.*, First-Class Nonautomation Presort Non-Machinable Mail. (i) Please explain how you determine which page is for presort and which page pertains to single piece nonpresort mail, and (ii) provide a library copy which correctly distinguishes between the two and identifies the latter.

NDMS/USPS-T32-20.

According to LR-H-112, the average mail processing cost for flats is \$0.3266, and the manual letter mail processing cost is \$0.2054.

- a. What is the average cost to process automatable non-presorted single piece flats?
- b. Is it correct that the average cost of flats exceeds the manual cost of letters by \$0.1212 (\$0.3266-\$0.2054)?

NDMS/USPS-T32-21.

In today's automated environment, including remote barcoding, please explain the type of letters that routinely would receive manual processing.

NDMS/USPS-T32-22.

- a. Is it correct that any mail piece that has a length greater than 11.5" is a "non-letter," by definition? Please explain any negative answer.
- b. Is it correct that any mail piece that has a height greater than 6.125" is a "non-letter," by definition? Please explain any negative answer.
- c. Is it correct that any mail piece that has a thickness greater than 0.25" is a "non-letter," by definition? Please explain any negative answer.
- d. Please define the term "nonstandard letter," and explain how "letters" constitute 58 percent of nonstandard First-Class pieces (LR-H-112, Exhibit A). What characteristics enable these pieces to be classified as "letters" instead of flats or parcels?

NDMS/USPS-T32-23.

- a. Can two-ounce letters be processed on the Postal Service's automation equipment?
- b. What is the additional mail processing cost for a single two-ounce automatable letter, as opposed to a single one-ounce automatable letter? Do the Postal Service's mail processing cost models identify any additional cost within the range one to three ounces?