

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

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Docket No. R97-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997)

NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.
FIRST INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS CHARLES L. CRUM, (NDMS/USPS-T28-1-16)
(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.

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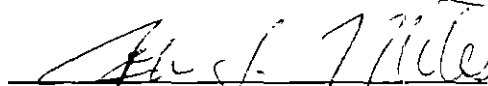
McLean, Virginia 22102-3823

(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-T28-1.

Please refer to your testimony at page 10, where you refer to LR-H-108.

- a. Did you prepare, or participate in any way in the preparation of, the study contained in LR-H-108?
- b. Unless your answer to preceding part (a) is an unqualified negative, please describe your role with respect to preparation and conduct of the study contained in LR-H-108.
- c. Are you sponsoring the study contained in LR-H-108?
- d. Please indicate whether any other witness in this docket is sponsoring LR-H-108.
- e. When did Christensen Associates commence the study in LR-H-108?
- f. The study in LR-H-108 is undated. When did Christensen Associates submit the final report that has been submitted as LR-H-108?
- g. Under terms of the contract for LR-H-108, did the Postal Service designate a technical representative to oversee the study? If so, were you the Postal Service's designated technical representative at any time during the term of this project?

NDMS/USPS-T28-2.

In Docket No. MC97-2, you submitted testimony concerning cost data to support a proposed surcharge for Standard A pieces that are neither letter- nor flat-shaped. Your testimony in that docket referred to Library Reference PCR-38.

- a. Other than the changes to the title page to designate the library reference in this docket, is the study submitted in this docket as LR-H-108 identical to the study in LR-PCR-38?
- b. Unless your answer is an unqualified affirmative, please describe how the study in LR-H-108 differs from that in LR-PCR-38?

NDMS/USPS-T28-3.

Your testimony at page 10 presents FY 1996 volume shares for bulk Standard A letters, flats, and parcels (derived from Library Reference H-108).

- a. Describe in detail which pieces of mail are referred to as "parcels".
- b. Identify all characteristics that distinguish parcels from flats.
- c. With respect to LR-H-108 and your testimony, are IPPs and "parcels" synonymous?

Unless your answer is an unqualified affirmative, please explain all differences between the two.

NDMS/USPS-T28-4.

Your testimony at page 11 states that "[s]everal studies supply additional data as necessary." Please identify all other studies that supplied additional data, and provide references to the data that were utilized from each other study which you identify.

NDMS/USPS-T28-5.

- a. Does the Postal Service have a definition of an IPP in terms of length, height, weight, shape etc.? If so, please provide.
- b. What distinguishes an IPP from a parcel (*i.e.*, a piece that is a non-letter, non-flat)?
- c. Are IPPs ever machinable? On what machines? Please supply all cost data available that show the cost of processing (i) machinable IPPs versus the cost of processing (ii) nonmachinable IPPs, or (iii) machinable small parcels versus (iv) nonmachinable small parcels.

NDMS/USPS-T28-6.

- a. Please provide cross references between the components of the hardcopy version of LR-H-108 and all of the various directions and files within each directory found on the CD version of LR-H-108.
- b. For each individual file contained in the CD version of LR-H-108, please indicate the program (including the version of the program) that was used to generate the file (*e.g.*, Excel 5.0, WordPerfect 7.0., etc.)

NDMS/USPS-T28-7.

Did you make any effort to compute separately the cost of Standard A Regular Rate ECR parcels and ECR flats? If so, please provide those results, and show the computation used to derive those results. If not, please explain why you made such a computation in your testimony in Docket No. MC97-2, USPS-T-7, but did not feel that it was necessary in this docket.

NDMS/USPS-T28-8.

Are the costs shown in Table 3 of LR-H-108 for Regular Rate and Nonprofit Rate combined?

NDMS/USPS-T28-9.

LR-H-108 states (p. 2) that "the mailing statement includes the shape...and weight by detailed rate category of mail."

- a. Provide a copy of a blank mailing statement.

- b. Please explain all ways in which the mailing statement distinguishes between Standard A parcels and flats.
- c. How does the mailing statement distinguish between an 8-ounce flat and an 8-ounce non-flat (*i.e.*, a "parcel")?
- d. Suppose envelopes with height 7" and length 9-1/2" contained photographic prints with thickness that varied between 3/4" and 1" thick. How would such envelopes be recorded on a mailing statement? In the survey conducted for LR-H-108, would such envelopes be classified as flats or parcels?
- e. How would 7" x 9-1/2" envelopes containing 1 to 3 rolls of film be recorded on a mailing statement? In the survey conducted for LR-H-108, would such envelopes be classified as flats or parcels?
- f. Suppose a Standard A bulk mailing consists of non-identical 7" x 9-1/2" envelopes (*i.e.*, varying weight and thickness). Assume some envelopes are less than 3/4" thick while others exceed 3/4" thick. In the survey conducted for LR-H-108, would such pieces be recorded as flats or parcels?

NDMS/USPS-T28-10.

With respect to the study in LR-H-108, please describe all edit programs and other checks used to assure that parcels were not mis-recorded as flats, and vice-versa.

NDMS/USPS-T28-11.

Please refer to LR-H-108, at the table showing FY 1996 Bulk Standard Mail (A) costs by shape. The costs shown under Cost Segment 3.1a, Mail Processing Variable with

Piggyback, are sourced to LR-H-106. Please provide precise citations to the page, row and column(s) in LR-H-106 where the mail processing costs for letters (1,692,471), flats (1,417,869) and IPPs & Parcels (278,593) can be found.

NDMS/USPS-T28-12.

Please refer to LR-H-106, page IV-5, and LR-H-108, pp. 6-7. As shown below, these two sources show different volumes for Standard A parcels. Please reconcile fully.

	LR-H-106 (Millions)	LR-H-108 (Thousands)
3 rd nPr Cr Rte	1	1,389
3 rd nPr Other	<u>46</u>	<u>42,360</u>
Subtotal	47	43,749
3 rd Reg Cr Rte	77	69,464
3 rd Reg Other	<u>991</u>	<u>869,434</u>
	<u>1,068</u>	<u>938,898</u>
Total	1,115	982,647

NDMS/USPS-T28-13.

Please provide the source of the mail processing cost data in LR-H-106 and explain how the data collection process distinguished between flats and parcels at the time the data were recorded and collected.

NDMS/USPS-T28-14.

In LR-H-106, p. IV-4, in the row labeled "mods MAILGRAM" and under the column "4th Parc Zone R," there exists an entry "246." Please explain this entry.

NDMS/USPS-T28-15.

- a. What is the standard staffing configuration for an SPBS?
- b. What is the average number of pieces processed per person-hour on an SPBS without a barcode reader?
- c. What is the average number of pieces processed per person-hour on an SPBS with a barcode reader?
- d. What is the maximum number of sortations on a typical SPBS?

NDMS/USPS-T28-16.

- a. What is the standard staffing configuration on an FSM 1000?
- b. What is the average number of pieces processed per person-hour on an FSM 1000 without a barcode reader?
- c. What is the average number of pieces expected to be processed per hour on an FSM 1000 with a bar code reader?
- d. What is the maximum number of sortations on a typical FSM 1000?