

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF NASHUA, DISTRICT, MYSTIC & SEATTLE
(NDMS/USPS-T32-17, 18c-e, 20)**

The United States Postal Service hereby files its responses to the following interrogatories of Nashua, District, Mystic & Seattle, dated August 8, 1997, which have been redirected from witness David Fronk: NDMS/USPS-T32-17, 18c-e and 20.

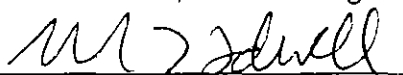
The interrogatories are stated verbatim and are followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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August 22, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
SECOND INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC. (NDMS)**

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?

RESPONSE

- a. Test Year 1998.
- b. Please see response to NDMS/USPS-T32-2e. and repeated below.

The reference for CRA units costs for letters, flats and parcels in LR-H-106 would be pages II-5, III-5 and IV-5 in LR-H-112, respectively. However it appears that LR-H-106 references an old file. The correct numbers are listed in the table below. An errata correcting LR-H-112 has been filed.

Letters	CRA Unit Cost
Single Piece	11.74
Presort	4.60
Flats	
Single Piece	32.43
Presort	20.87
IPPs	
Single Piece	74.08
Presort	21.96

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NDMS/USPS-T32-18c-e

- c. Is the average mail processing cost single-piece flats shown in LR-H-112, Exhibit A, (i.e., \$0.3266) 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?

RESPONSE

- c. It is for (i) all First-Class flats.
- d. See LR-H-106.
- e. The additional mail processing cost for a two-ounce flat is unknown.

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NDMS/USPS-T32-20. Please refer 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)?

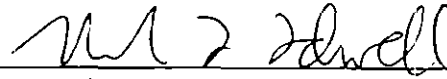
RESPONSE

a. Data are not available in the docket to calculate the cost of processing automatable non-presorted single piece flats.

b. The numbers indicate that is correct.

CERTIFICATE OF SERVICE

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

A handwritten signature in black ink, appearing to read "M T Tidwell", written over a horizontal line.

Michael T. Tidwell

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August 22, 1997