

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

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
NASHUA PHOTO INC., DISTRICT PHOTO INC.,  
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.  
(NDMS/USPS-24, 26-28, 29(A)-(B),(D), 30-31,  
REDIRECTED FROM WITNESS FRONK)

The United States Postal Service hereby provides the response to the following interrogatory of Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc.: NDMS/USPS-24, 26-28, 29(a)-(b),(d), 30-31, filed on August 26, 1997 and redirected from witness Fronk.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 9, 1997

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

- NDMS/USPS-T32-24.** Please refer to LR-H-112, Exhibit A, "Nonstandard Surcharge Costs," at "Percent of Nonstandard Pieces by Shape," which shows that the share of First-Class nonstandard letters, flats, and parcels is, respectively, 58, 39, and 3 percent.
- a. Please provide the raw data from which these percentages are computed.
  - b. Please identify the time period from which the raw data underlying these percentages were compiled or derived.
  - c. The reference provided with the above percentages is to Docket No. R90-1, LR-F-160. Please confirm that where these percentages appear in LR-F-160, Docket No. R90-1, no raw data were provided for the Base Year in that case, but instead there is only a reference to Docket No. R78-1, USPS-T-2. If you do not confirm, please provide the raw data underlying the percentages in LR-F-160, Docket No. R90-1, and indicate the year to which they apply.
  - d. On how many occasions since Docket No. R78-1 has the Postal Service updated the data which underlie the percentages applicable to nonstandard First-Class letters, flats, and parcels?

**RESPONSE**

- a. The raw data is presented in the Testimony of Charles R. Gingrich, USPS T-1, Exhibit USPS-2, from Docket No. R78-1 and is attached.
- b. The source of these data is a report dated July 13, 1972 entitled JITCO, "A Special Analysis of Nonstandard Physical Attributes, by Weight Increment, for First-Class and Airmail Letters and Cards."
- c. Confirmed.
- d. The Postal Service has not updated the data for the percentages applicable to nonstandard First-Class letters, flats, and parcels since Docket No. R78-1.

PROFILE OF NONSTANDARD SIZE MAIL AND SUMMARY OF NONSTANDARD VOLUME SUBJECT TO SURCHARGE  
(TEST YEAR-PROPOSED RATES)

	Total Annual 1/ Vol. (M11) A	Percent Over 2/ Specs. B	Total Volume Over Specs. (M11) C (A X B)	Volume Over Specs. (Before Surcharge)				Nonstandard Volume To				
				Under Two Ounces		Under One Ounce		Be Surcharged 5/		Convert 5/		
				3/ D	Vol. (M11) E (D X C)	4/ F	Vol. (M11) G (F X C)	H	I Pcs. (H X E/G)	J	K Pcs. (J I E/G)	
<b>First Class Mail (FCM)</b>												
Letters												
Thickness: 1/4"	50,881.1	.48	244.2	-	-	26.43	64.5	84.0	54.2	16.0	10.3	
Aspect: Less than 1.3 or Greater than 2.5	50,881.1	1.63	829.4	-	-	97.29	806.9	15.0	121.0	85.0	685.9	
Total Letters 7/	50,881.1	2.11	1,073.6	-	-	81.16	871.4	20.1	175.2	79.9	696.2	
Flats	2,731.5	100.00	2,731.5	-	-	21.10	576.3	62.5	360.2	37.5	216.1	
SPRs	264.0	100.00	264.0	-	-	16.44	43.4	84.0	36.5	16.0	6.9	
Total FCM 7/	53,876.6	7.55	4,069.1	-	-	36.64	1,491.1	38.4	571.9	61.6	919.2	
<b>Government 6/</b>												
Letters	2,365.5	-	-	-	-	-	-	-	-	-	-	-
Flats	331.6	100.00	331.6	-	-	21.10	70.0	62.5	43.8	37.5	26.2	
SPRs	14.1	100.00	14.1	-	-	16.44	2.3	84.0	1.9	16.0	.4	
Total Government 7/	2,711.2	12.75	345.7	-	-	20.91	72.3	63.1	45.7	36.9	26.6	
<b>Third Class-Single Piece</b>												
Letters												
Thickness greater than 1/4"	126.7	.48	.6	77.70	.5	-	-	84.0	.4	16.0	.1	
Aspect:	126.7	1.63	2.1	77.70	1.6	-	-	15.0	.2	85.0	1.4	
Total Letters 7/	126.7	2.14	2.7	77.70	2.1	-	-	30.4	.6	69.6	1.5	
Flats	292.1	100.00	292.1	32.2	94.1	-	-	62.5	58.8	37.5	35.3	
SPRs	155.9	100.00	155.9	10.09	15.7	-	-	84.0	13.2	16.0	2.5	
Total Third-Class (S.P.) 7/	574.7	78.43	450.7	24.81	111.9	-	-	64.9	72.6	35.1	39.3	
Total Oversized 7/	57,162.5	8.51	4,865.5	2.30	111.9	31.79	1,563.4	41.2	690.2	58.8	985.1	

1/ See USPS-22, Docket No. R77-1 for annual volumes. See USPS-2, page 2, for annual FCM volumes, page 3, for annual Single-Piece Third-Class volumes by shape, and page 4, for Annual Government volumes.

3/ See Library Reference A-10, Docket No. R76-1, "A Special USPS Weight Study Report" (9/15/75).

5/ See USPS-T-1, Section IV D.

7/ Totals for columns D, E, G, I, K are added down.

2/ See USPS-2, Page 12, Section II (Total line), under the appropriate physical attribute and size (letter mail only).

4/ See USPS-2, Page 12, Section III (letter mail), Page 14, Section I (flats and SPRs) under the appropriate physical attribute and weight increment.

6/ See USPS-2, page 4.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-26. Consider the situation where a mailer deposits a single-piece nonstandard First-Class letter (e.g., a small note or greeting card) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage.
- b. Deliver it to the addressee only on condition that the addressee pay the applicable postage as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

RESPONSE:

(a)-(c) Normally, the Postal Service takes the action in (b). This is not to say, however, that the actions described in (a) and (c) may never occur. Also, please see response of witness Moden to OCA/USPS-T32-39 (redirected from witness Fronk).

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-27. Consider the situation where a mailer deposits a single piece nonstandard First-Class flat (i.e., a "flimsie" one ounce or less) in a collection box with only a 32-cent stamp on it. What does the Postal Service normally do?

- a. Return it to the sender, marked insufficient postage?
- b. Deliver it to the addressee only on condition that the addressee pay the applicable surcharge as postage due?
- c. Deliver it to the addressee without any attempt to collect postage due?

RESPONSE: See the response to NDMS/USPS-T32-26.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-28.

- a. Can the FSM 1000 routinely sort light-weight flats or "flimsies," which witness Crum testified they were designed to handle in Docket No. MC97-2 (see his response to DMA/USPS-T7-20)?
- b. Since Docket No. R78-1, has the Postal Service conducted any studies or analyses of the effect of its ongoing mechanization program on the definition of First-Class nonstandard flats? If so, please provide citations and a copy of each study as a library reference if they are not already available through the Commission's docket room.

RESPONSE:

- (a) See the response of witness Moden to NDMS/USPS-T32-18, redirected from witness Fronk.
- (b) No studies or analyses have been conducted by the Postal Service on the effect of the ongoing mechanization program on the definition of First-Class nonstandard flats.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-29.

a Your response to NDMS/USPS-T32-13 provides the data shown below for nonstandard First-Class letters. Please provide corresponding data for flats and parcels.

1996 Nonstandard Volume (millions)

	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
Single Piece	325.6		
Presort	49.6		
Carrier Route	<u>8.0</u>		
Total	383.2		

- b. Please provide the source of the data for the volume of nonstandard letters, flats and parcels (e.g., ODIS).
- c. Please indicate how letters and flats are determined to be nonstandard when the raw data are collected. (i) Do data collectors only count as nonstandard those pieces that have postage for the nonstandard surcharge affixed? If not, (ii) are letters measured and the aspect ratio computed? (iii) Are flats weighed?
- d. Of the total volume of single-piece nonstandard First-Class mail which the Postal Service delivered in Base Year 1996, what percentage is estimated to have actually paid the nonstandard surcharge?

RESPONSE:

(a)-(b) The counts provided by witness Fronk in response to NDMS/USPS-T32 were total pieces (that is letters, flats, and parcels combined). These pieces were from the 1996 Billing Determinants (USPS LR H-145). The distribution of pieces by shape below is approximate and is based on 1996 mailing statement data, **except** for single-piece which is based on domestic RPW data.

1996 Nonstandard Volume (millions)

	<u>All</u>	<u>Letters</u>	<u>Flats</u>	<u>Parcels</u>
Single Piece	325.6	62.7	238.0	24.9
Presort	49.6	9.1	38.4	2.1
Carrier Route	<u>8.0</u>	<u>1.8</u>	<u>6.0</u>	<u>0.2</u>
Total	383.2	73.6	282.4	27.2

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

RESPONSE to NDMS/USPS-T32-29 (continued)

(c) Redirected to witness Pafford.

(d) Approximately 90.4 percent of Base Year 1996 single-piece nonstandard First-Class mail is estimated to have paid the nonstandard surcharge.

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**NDMS/USPS-T32-30.** The response to NDMS/USPS-T32-10 states that: [i]t is important to note that the average letter cost subtracted from parcels, flats, and manual letters also is not adjusted for any impact related to weight.

- a. What is the average weight of letters used to compute the average letter cost that is subtracted from parcels, flats and manual letters.
- b. For Base Year 1996 please provide the volume and distribution by one-ounce increments of (i) First-Class single-piece letters and (ii) First-Class presort letters.

**RESPONSE**

- a. The average weight of letters used to compute the average letter cost in LR-H-112 is equivalent to the average weight of single-piece letters and presort letters. Please see the response to NDMS/USPS-T32-8 (redirected to the Postal Service).
- b. Please see the response to MMA/USPS-T32-1.

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**NDMS/USPS-T32-31.**

- a. What was the total volume of First-Class flats in Base Year 1996?
- b. Of the total volume of First-Class flats in Base Year 1996, how many or what percent are estimated to have been processed manually?
- c. If any of the following volume data are available for First-Class flats, please supply:

	Processed on Mechanized <u>Equipment</u>	Processed <u>Manually</u>
Under 1 oz.	_____	_____
Over 1 oz.	_____	_____

**RESPONSE**

- a. 5,471,119,000.
- b. This information is not available.
- c. N/A

**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.

  
Anne B. Reynolds

475 L'Enfant Plaza West, S.W.  
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September 9, 1997

