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

POSTAL RATE AND FEE CHANGES, 1997) Docket No. R97-1

NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.
THIRD INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS CHARLES L. CRUM, (NDMS/USPS-T28-19-26)
(September 17, 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,

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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.

William J. Olson

September 17, 1997

NDMS/USPS-T28-19.

a. In this docket, USPS witness Seckar (USPS-T-26) presents extensive detailed data, including but not limited to MODS data, on the cost of processing non-letter-shaped pieces of mail. In your study of the effect of shape on processing costs, did you utilize any of witness Seckar's data, or any similar data? If you did, please indicate all such data and explain what inferences you drew from such data.

b. If you did not utilize any detailed "bottom-up" cost data of the type presented by witness Seckar (as well as witness Daniel), please explain why you did not consider the use of such data, and such bottom-up approach to costing issues, pertinent in this docket?

c. Does the Postal Service have a cost model that is based on processing mail on the Small Parcel and Bundle Sorter (SPBS)? If so, please provide the unit cost for parcels sorted on an SPBS to (i) outgoing primary, (ii) outgoing secondary, (iii) incoming primary, and (iv) incoming secondary.

NDMS/USPS-T28-20.

a. Please describe in qualitative terms all critical respects in which manual processing of flats differs from manual processing of parcels.

b. Explain how differences in the manual processing of parcels (vis-a-vis the manual processing of flats) result in cost differences between parcels and flats.

NDMS/USPS-T28-21.

a. In your opinion, is machinability, including machine sortation to carrier route, an important characteristic in distinguishing between Standard A Regular non-automation pieces with a comparatively low unit cost and pieces with a somewhat higher unit cost?

b. Excluding those characteristics that cause a piece of Standard A Regular non-automation mail to be non-machinable, please describe all other characteristics that cause a difference in mail processing costs. Please exclude those characteristics that are already designed into the current rate structure, such as presortation and destination entry.

NDMS/USPS-T28-22.

For Base Year 1996, what was the number of direct "handling mail" IOCS tallies which indicated that the clerk or mailhandler was processing Standard A parcels (as opposed to Standard A letters or flats)? Please provide a breakdown of the number of direct "handling mail" IOCS tallies for Standard A parcels into (i) Regular, (ii) ECR, (iii) Nonprofit Regular, and (iv) Nonprofit ECR.

NDMS/USPS-T28-23.

For Base Year 1996 and Test Year 1998, what is the Postal Service's best estimate of the unit cost of sorting Standard A Regular parcels manually for (i) outgoing primary, (ii) outgoing secondary, (iii) incoming primary, and (iv) incoming secondary?

NDMS/USPS-T28-24.

For Base Year 1996 and Test Year 1998, what is the Postal Service's best estimate of the unit cost of sorting Standard A Regular flats manually for (i) outgoing primary, (ii) outgoing secondary, (iii) incoming primary, and (iv) incoming secondary?

NDMS/USPS-T28-25.

FY 1996 billing determinants indicate the volume of Standard A Regular "non-letters" entered at the Basic Presort Rate without a barcode discount was 759,071,234 piece-rated, and 712,657,625 pound-rated. Of this total (1,471,728,859 pieces), how many, or what percent, were nonmachinable and had to be sorted manually?

NDMS/USPS-T28-26.

a. Why did you choose to abandon the use of carrier route (ECR) parcels as the proxy in calculating the cost differential between Standard A flats and parcels?

b. Why did you prefer a cost differential that obviously does not control for differences in weight, and in fact reflects large differences in weight between flats and parcels?