

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

RECEIVED

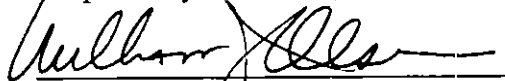
POSTAL RATE AND FEE CHANGES, 1997 )

SEP 17 4 19 PM '97  
Docket No. RA-97

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
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 JOSEPH D. MOELLER (NDMS/USPS-T36-4)  
(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,



William J. Olson

John S. Miles

Alan Woll

William J. Olson, P.C.

8180 Greensboro Drive, Suite 1070

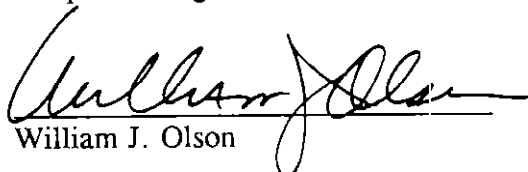
McLean, Virginia 22102-3823

(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.



William J. Olson

September 17, 1997

**NDMS/USPS-T36-4.**

In witness Mayes' response to NDMS/USPS-T13-1, in Docket No. MC97-2, she stated that "machinability on any particular piece of equipment will not determine whether any specific piece of Standard (A) is subject to the surcharge."

- a. Would machinability determine whether any specific piece of Standard (A) is subject to the surcharge under the Postal Service's proposal in this docket?
- b. If not, please explain why a surcharge that ignores totally the most important characteristic determining differences in unit mail processing cost (*i.e.*, machinability) is likely to result in a price structure that better reflects cost differences.
- c. With respect to imposition of a surcharge that applies irrespective of machinability, please list and explain all incentives which the surcharge gives mailers to redesign their mail so that non-machinable pieces will become machinable.
- d. As a general principle, are incentives for reducing cost an appropriate consideration in rate design?