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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

:
Docket No. R97-1
:

**NATIONAL ASSOCIATION OF PRESORT MAILERS
INTERROGATORIES TO USPS WITNESS FRONK
(NAPM/USPS-T32-1-6)
(September 17, 1997)**

Pursuant to Sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the National Association of Presort Mailers hereby submits these interrogatories and requests for production of documents. If the witness to whom an interrogatory is directed is unable to answer the interrogatory or produce the requested documents and another person is able to do so, the interrogatory or request should be referred to such person. If data requested are not available in the exact format or level of detail requested, any data available in a substantially similar format or level of detail or susceptible to being converted to the requested format and detail should be provided.

NAPM\USPS-T32-1.

Confirm that the rates for First-Class flats under the current rate structure and under the USPS proposal are and would be as set forth below (taking into effect the single ounce rate, the additional ounce rate, the non-standard surcharge and the 4.6¢

heavyweight discount which the USPS would eliminate under its R97-1 Proposal), and please explain your answer if you cannot so confirm:

FIRST CLASS FLATS

| | <u>Current</u> | | | <u>USPS R97-1 Proposal</u> | | |
|----------------------|----------------|-------|-------|----------------------------|-------|-------|
| | 1 oz. | 2 oz. | 3 oz. | 1 oz. | 2 oz. | 3 oz. |
| Single Piece Flats | 43¢ | 55¢ | 78¢ | 49¢ | 56¢ | 79¢ |
| Retail Presort Flats | 34.5¢ | 52.5¢ | 70.9¢ | 42¢ | 54¢ | 77¢ |
| Auto Basic Flats | 34¢ | 52¢ | 70.4¢ | 41¢ | 53¢ | 76¢ |
| Auto 3/5 Dig Flats | 32¢ | 50¢ | 68.4¢ | 39¢ | 51¢ | 74¢ |

NAPM/USPS-T32-2.

Confirm that USPS Witness Daniel at Exhibit USPS-29C in this proceeding provided the following first-class unit mail processing and delivering cost estimates for First-Class flats:

Single Piece - 40.9560¢
 Presort - 30.2723¢
 Automation Basic - 31.2758¢
 Automation 3/5-Digit - 17.8857¢

NAPM/USPS-T32-3.

USPS Witness Daniel shows more than a 23¢ unit cost difference between first-class single piece flats and first-class automated 3/5 Digit flats. Under your proposal in this proceeding, the difference between the resulting rates for first-class single piece flats

and first-class automated 3/5 Digit flats is 10¢ in the case of one ounce flats, and 5¢ in the case of two ounce and three ounce flats. Why do you propose to pass through such a small percentage of the cost savings of automated 3/5 Digit flats? Please explain your answer.

NAPM/USPS-T32-4.

You stated at page 29 of your testimony that "bulk automation flat rates are selected primarily to preserve the appropriate rate relationships between letters and flats in the automated arena, and between automation flats and the non-automated presort rate that applies to both letters and flats."

a. Why is the preservation of these relationships more important than the cost differences between rate categories of First-Class flats?

b. If the mailer can perform an element of mail processing of First-Class flats for less than half the cost of the USPS performing such function, is it more important to retain these current rate relationships than it is to set rates at a level which cause the more efficient mail processor to perform the work? Please explain your answer.

NAPM/USPS-T32-5.

What percentage of First-Class flats were 3 ounces or greater in FY1996?

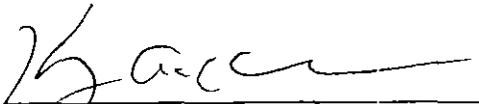
NAPM/USPS-T32-6.

Confirm that the proposed elimination of the 4.6¢ heavy piece discount for First-Class presort and automated mail will have a significant adverse effect on the volume of presorted and automated First-Class flats received by the USPS in FY1998. If you cannot confirm this fact, explain why.

Respectfully submitted,

NATIONAL ASSOCIATION OF
PRESORT MAILERS
Through Its Counsel

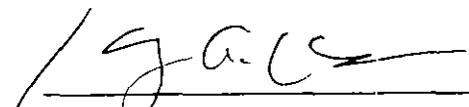
HAZEL & THOMAS, P.C.

By: 
Henry A. Hart

Date: September 17, 1997
Alexandria, Virginia

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


Henry A. Hart

September 17, 1997

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