

DOCKET SECTION

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

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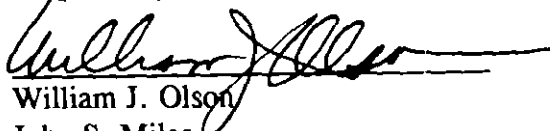
POSTAL RATE AND FEE CHANGES, 1997)

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

NASHUA PHOTO INC., DISTRICT PHOTO INC.,
MYSTIC COLOR LAB, AND SEATTLE FILMWORKS, INC.
FIRST FOLLOW-UP INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO POSTAL SERVICE WITNESS DAVID R. FRONK (NDMS/USPS-T32-53-56)
(September 26, 1997)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice and procedure, 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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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 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 26, 1997

NDMS/USPS-T32-53.

Please refer to your response to NDMS/USPS-T32-41. You responded that “it is anticipated that PRM will be standard-size letter mail weighing one ounce or less,” and that mailpieces “of different sizes and shapes are not contemplated for PRM or the mailer systems which would process PRM.” That interrogatory was not limited to the specifics of Postal Service’s proposal, but rather sought information about “the administrative and auditing costs associated with making sure that the mailer-supplied piece counts are correct...[w]ithout regard to whether various types of mail are automatable, or would qualify for PRM as proposed by the Postal Service....”

- a. If all of the mailpieces received were identical, but **flat-shaped** instead of letter-shaped, would this affect the administrative and auditing costs?
- b. If all of the mailpieces received were identical, but **parcel-shaped** instead of letter-shaped, would this affect the administrative and auditing costs?
- c. If the mailpieces received were identical weight **letters** over one ounce (*e.g.* 1.5 ounces), would this affect the administrative and auditing costs? Please explain any affirmative answer.
- d. If the mailpieces received were identical weight **flats** over one ounce (*e.g.* 1.5 ounces), would this affect the administrative and auditing costs? Please explain any affirmative answer.
- e. If the mailpieces received were identical weight **parcels** over one ounce (*e.g.* 1.5 ounces), would this affect the administrative and auditing costs? Please explain any affirmative answer.

- f. If all of the mail received were small parcels, received in identical envelopes, but of varying weights (*e.g.*, 0.8 to 5.0 ounces), would there be any effect on administrative and auditing costs other than that required to determine the correct amount of First-Class postage due?

NDMS/USPS-T32-54.

Please refer to your response to NDMS/USPS-T32-41. You state that "[s]ize and shape imply weight and rate differences which complicate the auditing process." Assume return mail of varying weights, with varying amounts of First-Class postage due.

- a. Which administrative and auditing costs would vary with the size of the mailpiece?
- b. Which administrative and auditing costs would vary with the **shape** of the mailpiece?
- c. Which administrative and auditing costs would vary with the **weight** of the mailpiece?
- d. Please confirm that the only administrative and auditing cost affected by these mailpieces' nonidentical weight is the determination of the correct First-Class postage.

NDMS/USPS-T32-55.

Please refer to your response to NDMS/USPS-T32-41. You state that the homogeneity of the mailpieces should make the systems amenable to audit. Are you speaking of the homogeneity of the pieces among all PRM recipients, or the homogeneity of the mailpieces received by any individual PRM recipient?

NDMS/USPS-T32-56.

Please refer to your response to NDMS/USPS-T32-41. You state that administering weight averaging audits “would involve frequent involvement of Postal mail processing personnel to confirm counts, and would be more costly than the type of audit contemplated by the PRM proposal.”

- a. Please confirm that mailpiece counts are not conducted to calculate postage under a weight averaging system, once the pound rate has been developed. If you do not confirm, please explain your answer fully.
- b. Please confirm that the only additional “involvement of Postal mail processing personnel” associated with a weight averaging system relates to determining the correct amount of First-Class postage. If you do not confirm, please explain fully.