

DOCKET SECTION

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

**NOTICE OF THE UNITED STATES POSTAL SERVICE
CONCERNING FILING OR REVISED RESPONSES TO NDMS INTERROGATORIES
(September 30, 1997)**

The United States Postal Service hereby gives notice that it is filing revised responses today to the following interrogatories directed to it by Nashua, District & Seattle Mystic:

NDMS/USPS-T32-

2e, 8c-e	(original responses filed August 18, 1997)
17	(original response filed August 22, 1997)
24d	(original response filed September 9, 1997)

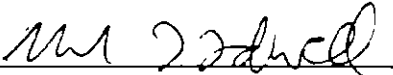
The revised responses being filed today supersede the original responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking


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September 30, 1997

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

Revised 9/30/97

NDMS/USPS-T32-2e. LR-H-112 states that "we now have Test Year Unit Cost by shape information available from library Reference H-106 and have used it." pp.1-2.

- e. LR-H-106 is an extensive document containing a large number of tables. Please provide specific references and cross references to all data in LR-H-106 that were used as input to the study in LR-H-112; i.e., cite the specific places in LR-H-112 where reliance is made on input from LR-H-106, and provide specific citations to the tables and data in LR-H-106.

RESPONSE

The reference for CRA unit costs for letters, flats and parcels in LR-H-106 would be pages II-5, III-5 and IV-5 in LR-H-112, respectively. However it appears that LR-H-112 references an old file of LR-H-106. The correct numbers are listed in the table below.

An errata has been filed.

Letters	CRA Unit Cost
Single Piece	11.74
Presort	4.60
Flats	
Single Piece	32.43
Presort	20.87
IPPs	
Single Piece	74.08
Presort	21.96

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NDMS/USPS-T32-8. Please refer to LR-H-112, Exhibit A, and the unit cost data shown therein.

- a. What is the average weight of single-piece:
 - i. letters with an average cost of \$0.1172?
 - ii. flats with an average cost of \$0.3266?
 - iii. parcels with an average cost of \$0.7457?
- b. What is the average weight of presort:
 - i. letters with an average cost of \$0.0460?
 - ii. flats with an average cost of \$0.2084?
 - iii. parcels with an average cost of \$0.2192?
- c. For the total volume of single-piece letters that were used to estimate an average cost of \$0.1172, what percent weighed one ounce or less?
- d. For the total volume of single-piece flats that were used to estimate an average cost of \$0.3266, what percent weighed one ounce or less?
- e. For the total volume of single-piece parcels that were used to estimate an average cost of \$0.7457, what percent weighed one ounce or less?
- f. Please provide, for presort letters, flats and parcels and their unit costs as shown in Exhibit A, information similar to that provided in preceding parts c, d, e.

RESPONSE

- a.
 - i. .5 oz.
 - ii. 3.3 oz.
 - iii. 4.3 oz.
- b.
 - i. .61 oz.
 - ii. 2.50 oz.
 - iii. 1.51 oz.
- c. 95.3%
- d. 7.1%
- e. 8.0%
- f. letters = 98%, flats = 13%, parcels = 58%

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NDMS/USPS-T32-17. Please refer to LR-H-112, Exhibit A.

- a. Are the unit costs shown in Exhibit A for Base Year 1996, or Test Year 1998?
- b. The Average Mail Processing Unit Costs at the top of Exhibit A are referenced to LR-H-106. Please provide a specific citation to the table and/or page in LR-H-106 where each of the unit costs shown in Exhibit A can be found; e.g., exactly where do (i) the unit cost for single piece letters, \$0.1172, (ii) the unit cost for single piece flats, \$0.3266, and (iii) the unit cost for single piece parcels, \$0.7457 appear in LR-H-106?

RESPONSE

- a. Test Year 1998.
- b. Please see response to NDMS/USPS-T32-2e. and repeated below.

The reference for CRA units costs for letters, flats and parcels in LR-H-106 would be pages II-5, III-5 and IV-5 in LR-H-112, respectively. However it appears that LR-H-112 references an old file of LR-H-106. The correct numbers are listed in the table below. An errata correcting LR-H-112 has been filed.

Letters	CRA Unit Cost
Single Piece	11.74
Presort	4.60
Flats	
Single Piece	32.43
Presort	20.87
IPPs	
Single Piece	74.08
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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.

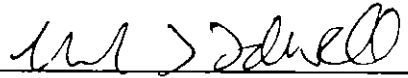
- a. Please provide the raw data from which these percentages are computed.
- b. Please identify the time period from which the raw data underlying these percentages were compiled or derived.
- c. The reference provided with the above percentages is to Docket No. R90-1, LR-F-160. Please confirm that 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 report, "A Special Analysis of Nonstandard Physical Attributes, by Weight Increment, for First-Class and Airmail Letters and Cards," for the percentages applicable to nonstandard First-Class letters, flats, and parcels since Docket No. R78-1. Domestic RPW started collecting the shape of single-piece nonstandard pieces in 1994.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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Washington, D.C. 20260-1137
September 30, 1997