

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO NDMS WITNESS HALDI
(USPS/NDMS-T1-1-5)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Nashua, District, Mystic & Seattle witness Haldi: USPS/NDMS-T1-1-5.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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January 16, 1998

**INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
TO NDMS WITNESS HALDI**

USPS/NDMS-T1-1

Please refer to NDMS-T-1. At page 45, lines 4-8, you state that your primary recommendation is to eliminate the nonstandard surcharge.

- (a) Does this recommendation apply to both the 11-cent single-piece surcharge and the 5-cent surcharge for presorted mail? If not, please explain.
- (b) Please quantify the "negligible loss of revenue" (page 45, lines 6-7) that would result from the elimination of the surcharge, and indicate whether the calculation is done using current or proposed rates.
- (c) Under your proposal, how would you propose that the Postal Service recover the lost revenue (calculated in part b)?

USPS/NDMS-T1-2

On page 9 (line 13) and page 10 (line 1) of NDMS-T-1, you state that "The surcharge was intended to encourage use of standard size mailpieces..."

- (a) If your proposal to eliminate the surcharge were to be adopted, what impact do you think that would have on the number of nonstandard pieces in the mailstream?
- (b) Would you expect mailers to increase their use of nonstandard pieces? Please explain.

**INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
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USPS/NDMS-T1-3

In Table 4 of NDMS-T-1 (page 32), you present a percentage, "coverage of mail processing and delivery costs," for flats and parcels separately.

- (a) Please confirm that the delivery cost used to compute the coverage number for flats is not the delivery cost for flats, but rather is the *average delivery cost for letters, flats, and parcels combined*.
- (b) Please confirm that the delivery cost used to compute the coverage number for parcels is not the delivery cost for parcels, but rather is the *average delivery cost for letters, flats, and parcels combined*.

USPS/NDMS-T1-4

On page 20 (lines 18-19) and page 21 (lines 1-2) of NDMS-T-1, you state that, "Witness Fronk proposes to eliminate this First-Class rate category [heavy piece discount] on grounds that (i) the volume is not sufficient to warrant separate treatment, and (ii) simplification of the rate structure would be preferable."

- (a) Please confirm that witness Fronk's written testimony reads as follows: "There are two related reasons for this proposal [elimination of heavy piece discount]. First, by keeping the additional-ounce rate the same since 1991 and progressively increasing the difference with the first-ounce rate, the Postal Service has already reduced the relative price for heavy pieces, making a special discount less necessary. Second, elimination of this discount simplifies the rate structure."
- (b) Please confirm that in the portion of his oral testimony that you cite witness Fronk also stated, "There are a number of other reasons that I considered [in] eliminating the discount, as set forth in response to MMA Interrogatory USPS-T32-4, ... " (Tr.4/1625, lines 6-8).
- (c) Please confirm that in the portion of witness Fronk's oral testimony that you cite, he does not refer to the volume of heavy pieces.

**INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
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USPS/NDMS-T1-5

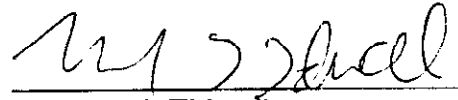
On pages 11 (lines 13-18) and 12 (line 1) of NDMS-T-1, you indicate that nine of the 10 nonstandard Christmas cards you intentionally shortpaid showed evidence of machine processing. In discussing the mailing practices of NDMS, you state that, "Envelopes sent to NDMS that contain a cartridge of film and weigh less than one ounce constitute a significant portion (perhaps as much as one-fourth) of the 24.9 million nonstandard single-piece First-Class parcels that weighed less than one ounce in 1996" (page 14, lines 20-21 through page 15, lines 1-2).

- (a) Please describe the "evidence of machine processing" to which you refer.

- (b) Is it your contention that the nonstandard pieces received by NDMS can be processed successfully using automated equipment? Please explain.

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.



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