

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 CLERK
Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
NASHUA PHOTO INC., DISTRICT PHOTO INC., MYSTIC COLOR LAB, AND
SEATTLE FILMWORKS, INC. WITNESS HALDI
(USPS/NDMS-T-2-5)

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 interrogatory and request for production of documents to Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc. witness Haldi:
USPS/NDMS-T-2-5.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Richard T. Cooper

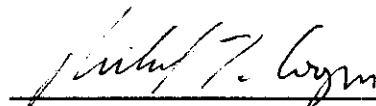
475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993; Fax -5402
January 22, 1998

USPS/NDMS-T2-5. In reference to the implementation of the PMPC contract, on page 78, line 3 of your testimony, you state that "the Postal Service identifies a reduction of approximately \$45 million in mail processing direct costs due to the contract", but that "the Postal Service, however, does not identify any reduction in the indirect costs of mail processing (such as supervisor salaries, equipment maintenance personnel, benefits and unemployment compensation, or building rent or utilities). Based on Priority Mail's test year piggyback ratio of 1.559, mail processing cost reductions due to the contract are understated by \$25 million." Please also refer to LR H-77, pages 1-3 of the partial response of the United States Postal Service to ANM/USPS-1-17, and the Testimony and Workpapers of Richard Patelnas, USPS-T-15.

(a) Please confirm that a portion of the difference between Patelnas Exhibit-15E and Patelnas Workpaper WP-E is the result of the Mail Processing Direct Labor (Component 35) distribution key. Additionally, please confirm that the Priority Mail cost in Mail Processing Direct Labor (Component 35) is \$45 million less due to the PMPC cost reduction in the rollforward. If you do not confirm either or both statements, please explain fully.

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.


Richard T. Cooper

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