

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
NASHUA PHOTO INC., DISTRICT PHOTO INC., MYSTIC COLOR LAB, AND
SEATTLE FILMWORKS, INC. WITNESS HALDI
(USPS/NDMS-T-2-11-14)

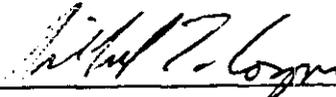
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc. witness Haldi:
USPS/NDMS-T-2-11-14.

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.
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January 28, 1998

USPS/NDMS-T2-11. Please refer to your testimony at pages 32 to 37 where you discuss your treatment of distance-related transportation cost. You recommend not marking up distance-related transportation cost for the purpose of Priority Mail rate design. You also state that “costs avoided and costs incurred are (and should be treated as) the opposite side of the same coin”. NDMS-T-2 at 35.

- a. In your opinion, should other *non-transportation* costs avoided under workshare discount programs also not be marked up in the rate design process? If so, please explain fully, and identify all cost elements you would not markup in Priority Mail. If not, please explain fully, including your complete rationale for limiting your recommendation.
- b. Is it your testimony that transportation-related costs for other classifications, such as bound printed matter and parcel post, not be marked up? Please explain fully.

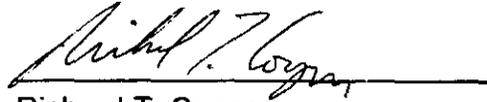
USPS/NDMS-T2-12. Please refer to your testimony at page 6, lines 14 through 15, where you state: “When a package of prints weighs more than one pound, certain companies send such packages direct, via **Priority Mail**.” [Emphasis original] Please specify the means by which companies other than these “certain companies” send their packages of prints weighing more than one pound.

USPS/NDMS-T2-13. Please refer to your table at the top of page 16 of your testimony. Please confirm that, under the Postal Service’s proposal, for mailers using electronic manifests, the rate differentials you have identified would be between a First-Class Mail service without delivery confirmation service and a Priority Mail service with delivery confirmation service. If you do not confirm, please explain fully.

USPS/NDMS-T2-14. Please refer to your testimony at page 17, lines 6 to 7, where you state that the Postal Service developed an econometric model “to estimate the price elasticity of *Priority Mail*.” Please confirm that the model in question estimates one own-price elasticity for Priority Mail as a whole. If you do not confirm, 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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