

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

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POSTAL RATE AND FEE CHANGES, 1997

OFFICE OF THE CLERK  
Docket No. R97-1

UNITED STATES POSTAL SERVICE  
FOLLOW-UP 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-2-32)

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-2-32.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Richard T. Cooper

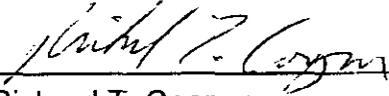
475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2993; Fax -5402  
February 2, 1998

USPS/NDMS-T2-32. Please refer to your response to USPS/NDMS-T2-1b. You state that "the Postal Service has elected to charge off all start-up expenses as incurred, and concurrently impose a high markup on Priority Mail during the test year".

- (a) Please confirm that start-up costs are non-recurring one-time costs associated with the initiation of a new program; in this case the PMPC network. If you do not confirm, please explain what you mean by start-up costs.
- (b) Please confirm that the PMPC costs summarized in witness Patelunas's response to UPS/USPS-T-33-58 reflect the total costs related to the PMPC network included in this filing. If you do not confirm, please explain and provide any other costs related to the PMPC network included in this filing and their source.
- (c) Please confirm that the \$301.813 million of PMPC cost cited in part b), above, relate to the contract with Emery to run Phase I of the PMPC network. If you do not confirm, please provide your understanding of these costs.
- (d) Please confirm that the \$301.813 million of PMPC network costs are not start-up costs, but rather the ongoing contract cost paid to Emery for operating Phase I of the PMPC network. If you do not confirm, please explain which of these costs constitute start-up costs and why.

**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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