

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

COMPLAINT OF TIME WARNER INC ET AL.  
CONCERNING PERIODICALS RATES

Docket No. C2004-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF  
TIME WARNER INC. ET AL. (TW ET AL./USPS-2)

The United States Postal Service hereby files its response to interrogatory TW et al./USPS-2, filed by Time Warner Inc. et al. on September 28, 2004.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

/s/  
\_\_\_\_\_  
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October 12, 2004

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**TW et al./USPS-2** Witnesses Crews (NNA-T-2) and Heath (NNA-T-1) have described instances in which newspapers that mail a few pieces to distant (out of state) locations are allowed, by local arrangement, to enter these pieces without the use of sacks. Crews reports the case of the Atchison County Mail, which is allowed to enter its small number of out-of-state copies in tubs. He indicates that since this practice started there have been many fewer complaints about slow service. Heath describes experiments where “newspapers may place small bundles or even unbundled loose newspapers prepared in proper sortation” in plastic tubs, and states that the tubs “go right to FSM1000 flat-sorting machines.” He also refers to instances where bundles of newspapers are placed in APC’s or hampers at the DDU loading dock, from where the APC’s or hampers then are taken upstream to an SCF/ADC.

Please provide comments on these arrangements by a knowledgeable official. In particular, please address the following.

- a. Is the Postal Service aware that arrangements of the type described above are made for newspapers entered in some locations?
- b. How widespread are these practices today?
- c. When newspapers destined to distant locations are placed in tubs in the manner described by Crews and Heath, will the tubs, when they arrive at the processing plant, be taken to a bundle sorting operation where any bundles with ADC or finer presort can be separated and sent to their proper destination? Or will the entire contents of the tubs be “prepped” directly for outgoing primary flats sortation? Will pieces and bundles of newspapers entered in this manner typically be intermingled with First Class flats, or will they be kept separate as Periodicals? Please explain and indicate the degree to which practices differ in different locations.
- d. When newspaper bundles to distant locations are entered at the DU and placed in APC’s or hampers which then are taken to the processing plant, as described by Heath, what is the sequence of operations that will be performed on this mail at the plant? Will bundles be sorted and those with presort to an ADC or finer sent to their proper destination? Or will all pieces be prepped for outgoing primary flats sortation? Will pieces and bundles entered in this manner typically be intermingled with First Class flats, or will they be kept separate as Periodicals? Please explain and indicate the degree to which practices differ in different locations.
- e. What is the Postal Service’s view of the service consequences of the types of arrangements described above? If, as comments by Crews and Heath appear to indicate, service complaints become less frequent when such practices are established, please discuss all reasons why it may be so. Please include in your response a comparison of the different transportation and processing steps performed when flats to distant locations are entered at a DU in low-volume “skin sacks” and when they are entered in tubs or rolling containers.
- f. What is the Postal Service’s view of the cost consequences of the types of

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arrangements described above? Please include in your response a comparison of the different transportation and processing steps performed when flats to distant locations are entered at a DU in low-volume "skin sacks" and when they are entered in tubs or rolling containers.

**RESPONSE:**

- a. Yes.
- b. We are not aware of any data on these practices.
- c. In normal practice, bundles would be culled and taken to a bundle sorting operation. Single pieces would go to a piece sorting operation for flats. Periodicals would be kept separate from First-Class flats. We are not aware of any data concerning deviations from normal practice under the circumstances described.
- d. Mail in APCs or hampers would be treated in the same manner as described in response to part c.
- e. Some portion of the decline in service complaints may be due to the mailer's perception that they are already getting special treatment. To the extent that the decline in complaints reflects a real improvement in service, a decline in bundle breakage would be the primary explanation. Mailer prepared bundles in sacks are notoriously subject to breakage with damage to some of the individual pieces resulting in delays while the mail is prepared for processing and damage repaired.
- f. As described, these arrangements are entered into voluntarily by local management when the unique circumstances of mail destinations, entry time, available transportation, etc., make the arrangements mutually beneficial. Under these circumstances, some

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reduction in costs would be expected, but the very uniqueness of the arrangements makes further generalization impossible.

## 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.

/s/  
David H. Rubin

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