

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 INTERROGATORIES OF TIME WARNER INC. ET AL.,
REDIRECTED FROM WITNESS MILLER
(TW ET AL./USPS-RT1-2, 3a-b, 11)

The United States Postal Service hereby files its response to the following interrogatories of Time Warner Inc. et al., filed on September 14, 2004, and redirected from witness Miller:

TW ET AL./USPS-T1-2, 3a-b, 11.

Each 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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September 28, 2004

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES
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TW et al./USPS-RT1-2 For each MODS operation for which volume and workhour data are recorded under the MODS system, please provide, in Excel spreadsheet form, the total number of FHP, TPH and workhours for FY2003. If available, please provide similar information for FY2004, or alternatively any available year-to-date FY2004 information.

RESPONSE:

Although the Postal Service has objected to this question, it has agreed to provide certain information without waiving its objection. By informal agreement, the scope of this question has been limited to MODS operations in which significant portions of Periodicals volume are likely to be handled. FY 2003 data for those operations, comparable to similar data presented in the last omnibus rate case, are attached. No comparable data exist for FY 2004.

MODS Productivities for 2003
Excluding Top and Bottom 1% Productivity Ratios Over All APs
TPF and TPH are in Thousands

Group	Description	Shape	Number of					
			Observations	Total TPF	Total TPH	Total Hours	TPF/Hour	TPH/TPF
1	Flats VCS Keying	Flats	373	278,793	278,793	265,598	1,050	1.000
2	AFSM100 Out Primary	Flats	2,754	3,966,671	3,690,264	2,114,127	1,876	0.930
3	AFSM100 Out Secondary	Flats	1,274	530,067	491,834	212,793	2,491	0.928
4	AFSM100 In MMP	Flats	1,224	4,081,448	3,813,504	2,313,724	1,764	0.934
5	AFSM100 In SCF	Flats	2,155	4,023,182	3,791,084	2,314,932	1,738	0.942
6	AFSM100 In Primary	Flats	718	1,047,350	981,917	576,788	1,816	0.938
7	AFSM100 In Secondary	Flats	2,840	14,199,423	13,175,608	7,413,888	1,915	0.928
8	FSM881 Key Out Primary	Flats	212	35,188	34,854	49,834	706	0.991
9	FSM881 Key Out Secondary	Flats	87	3,251	3,221	4,077	797	0.991
10	FSM881 Key In MMP	Flats	19	4,222	4,189	6,196	681	0.992
11	FSM881 Key In SCF	Flats	250	49,783	49,275	67,561	737	0.990
12	FSM881 Key In Primary	Flats	36	11,547	11,382	19,994	578	0.986
13	FSM881 Key In Secondary	Flats	233	23,207	22,989	37,985	611	0.991
14	FSM881 OCR/BCR Out Primary	Flats	152	19,706	15,460	26,957	731	0.785
15	FSM881 OCR/BCR Out Secondary	Flats	43	1,407	1,171	1,646	855	0.832
16	FSM881 OCR/BCR In MMP	Flats	31	21,755	18,865	24,398	892	0.867
17	FSM881 OCR/BCR In SCF	Flats	314	116,145	101,611	178,345	651	0.875
18	FSM881 OCR/BCR In Primary	Flats	36	4,554	3,913	7,693	592	0.859
19	FSM881 OCR/BCR In Secondary	Flats	423	200,260	175,578	228,400	877	0.877
20	FSM1000 Key Out Primary	Flats	2,446	887,595	843,235	1,921,907	462	0.950
21	FSM1000 Key Out Secondary	Flats	1,326	162,609	154,050	249,932	651	0.947
22	FSM1000 Key In MMP	Flats	1,051	759,945	722,257	1,787,706	425	0.950
23	FSM1000 Key In SCF	Flats	2,218	1,197,089	1,130,148	2,083,407	575	0.944
24	FSM1000 Key In Primary	Flats	595	254,522	244,131	474,110	537	0.959
25	FSM1000 Key In Secondary	Flats	1,383	581,858	529,848	552,092	1,054	0.911
26	FSM1000 BCR Out Primary	Flats	16	521	423	510	1,022	0.813
27	FSM1000 BCR Out Secondary	Flats	3	31	24	4	7,625	0.790
28	FSM1000 BCR In MMP	Flats	13	712	583	765	931	0.819
29	FSM1000 BCR In SCF	Flats	49	6,833	5,963	4,842	1,411	0.873
30	FSM1000 BCR In Primary	Flats	3	77	61	700	110	0.785
31	FSM1000 BCR In Secondary	Flats	78	23,532	21,299	18,843	1,249	0.905
32	Manual Out Primary	Flats	2,476	236,592	236,592	536,168	441	1.000
33	Manual Out Secondary	Flats	1,348	55,817	55,817	156,228	357	1.000
34	Manual In MMP	Flats	792	121,422	121,422	346,926	350	1.000
35	Manual In SCF	Flats	2,994	667,299	667,299	1,380,030	484	1.000
36	Manual In Primary	Flats	1,766	285,270	285,270	792,712	360	1.000
37	Manual In Secondary	Flats	3,330	1,845,716	1,845,716	4,533,971	407	1.000
38	SPBS Outgoing	Parcels	1,310	789,255	778,443	2,658,740	297	0.986
39	SPBS Incoming	Parcels	1,995	2,282,866	2,255,590	8,718,966	262	0.988

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TW et al./USPS-RT1-3 At pages 8-9 of your testimony, you state that LR-I-332 “was not created to support a grid rate analysis,” and you attempt to link the development of LR-I-332 to the Postal Service’s response, in R2000-1, to POIR 4, filed on February 25, 2000, and to PRC Order No. 1289, issued on March 28, 2000.

- a. According to the Postal Service’s records, on what date was Christensen Associates authorized to start development of the model that eventually was filed as LR-I-332?
- b. According to the Postal Service’s records, was there a meeting on February 10, 2000 at USPS headquarters, between representatives of the Postal Service, Christensen Associates, and the Periodicals industry to discuss the development of the model that eventually was filed as LR-I-332?

RESPONSE:

- a. According to Christensen Associates records, February 15, 2000.
- b. According to Christensen Associates records, yes.

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TW et al./USPS-RT1-11 Has the Postal Service developed estimates of per-bundle, per-sack and per-pallet costs that are more recent than those presented in LR-I-332? If yes, please describe the study or studies in which such estimates were developed. Please also describe the parameters by which the costs were disaggregated, e.g., by presort, entry point, class of mail, etc. Please provide the unit costs obtained from any such studies, as well as all supporting data.

RESPONSE:

No more recent study of these subjects has been completed, and hence no estimates have been finalized.

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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