

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

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U.S. POSTAL SERVICE

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

INTERROGATORIES OF TIME WARNER INC.
TO WITNESS VAN-TY-SMITH (TW/USPS-T17-22-24)
(March 14, 2000)

Pursuant to sections 25 and 26 of the Rules of Practice, Time Warner Inc. (Time Warner) directs the following interrogatories to United States Postal Service witness Van-Ty-Smith (USPS-T-17). If witness Van-Ty-Smith is unable to respond to any interrogatory, we request that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,



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**FIFTH INTERROGATORIES OF TIME WARNER INC. TO USPS
WITNESS VAN-TY-SMITH (USPS-T-17)**

TW/USPS-T17-22 Please refer to Table 1-4B in LR-106 and your response to TW/USPS-T17-3 which produced a similar table using FY96 data. The table below lists the accrued FY96 and FY98 cost in each NonMODS cost pool, as well as the percent change in each cost pool.

NonMODS Mail Processing Cost Pools (\$1,000's) BY96 & BY98			
POOL	BY96	BY98	Change (%)
ALLIED	527,983	554,113	4.95%
AUTO/MEC	66,818	140,766	110.67%
EXPRESS	14,385	18,785	30.59%
MANF	367,736	469,761	27.74%
MANL	778,322	694,058	-10.83%
MANP	96,019	124,286	29.44%
MISC	232,052	253,477	9.23%
REGISTRY	32,330	29,146	-9.85%
Z BREAKS	208,845	227,615	8.99%
TOTAL	2,324,491	2,512,006	8.07%

- a. Please confirm the numbers in the table, or if incorrect please explain, and give corrected figures.
- b. Please confirm that the cost of manual flat sorting in NonMODS offices increased by \$102 million, not including break time or clocking in/out costs, and that the percentage increase was 27.74%. If not confirmed, please explain, and give corrected figures.
- c. Please confirm that in the same period (FY96 through FY98) the combined cost of FSM and manual flat sorting in MODS Function 1 offices increased by \$250.485 million, or 20 percent. If not confirmed, please explain, and give corrected figures.

TW/USPS-T17-23 Please refer to your answer to TW/USPS-T17-4, in which you provided a tabular breakdown of Function 4 MODS cost pools into the same type of cost pools that you use to analyze NonMODS costs. The MANF components add up to \$109.016 million, excluding break time costs.

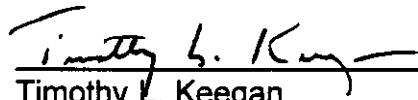
- a. Please provide a corresponding breakdown of Function 4 cost pools into NonMODS type pools, but using FY96, rather than FY98, data.

- b. Apart from the FSM and MANF components of Function 1 costs, the MANF components of the Function 4 cost pools and the MANF component of the NonMODS costs, are there any other pools or parts of pools that represent flat sorting in the postal system? If yes, what are they and what were their combined flat sorting costs in FY96 and FY98?

TW/USPS-T17-24 What is the Postal Service's best estimate of the volume of non-carrier route presorted flats in FY96 and in FY98 respectively? If such information is available by class, please provide it.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with sections 12, 25(a), and 26(a) of the Rules of Practice.



Timothy L. Keegan

March 14, 2000