

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS VAN-TY-SMITH TO INTERROGATORIES OF  
TIME WARNER, INC.  
(TW/USPS-T17-22-23)

The United States Postal Service hereby provides the responses of witness Van-Ty-Smith to the following interrogatories of Time Warner, Inc.:  
TW/USPS-T17-22-23, filed on March 14, 2000. Interrogatory TW/USPS-T17-24 was redirected to the Postal Service.

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



Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
March 28, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VAN-TY-SMITH TO  
TW INTERROGATORIES**

**TW/USPS-TI7-22** Please refer to Table 1-4B in LR-106 and your response to TW/USPS-TI7-3 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**

<b>POOL</b>	<b>BY96</b>	<b>BY98</b>	<b>Change (%)</b>
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%
<b>TOTAL</b>	<b>2,324,491</b>	<b>2,512</b>	<b>8.07%</b>

- Please confirm the numbers in the table, or if incorrect please explain, and give corrected figures.
- 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.
- 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.

**RESPONSE TO TW/USPS-TI7-22.**

- Confirmed.
- Confirmed for the MANF cost pool in Non-MODS offices.
- Confirmed, for the Function 1 FSM/ and MANF/ cost pools in MODS offices.

Please note that some changes between BY 96 and BY 98 may have a potential impact on the results seen in (a)-(b): see p.4 of the response of United States Postal Service Witness Smith to Presiding Officer's Information Request No.4 that relates to the IOCS weighting factors.

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**TW/USPS-TI7-23.** Please refer to your answer to TW/USPS-TI7-4, 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?

**RESPONSE TO TW/USPS-TI7-23**

- a. A breakdown of Function 4 cost pools into NonMODS type pools for BY96 data is provided in the attached table.
- b. It is my understanding that, other than the cost pools enumerated in the interrogatory, there are no other cost pools that represent the Postal Service's piece sorting operations for flats. See also pp. 35-36 of witness Degen's testimony (USPS-T-16). Of course, flats are handled in many other mail processing operations, notably (but not only) the allied labor cost pools. For details on costs for flat-shaped mail by cost pool and subclass, please see pp. III-12 to III-20 of LR-I-106 filed in Docket No. R2000-1, and pp. III-7 to III-9 of LR-H-146 filed in Docket No. R97-1.

Response to TW/USPS-T17-23a  
 Breakdown of Function 4 LDC Costpools and LDC79 Costpool  
 Into Non-MODS Categories Exhibited in Tables I-4B  
 of LR-I-106 - based on Cost Pool Dollars

TABLE OF POOL BY COSTPOOL

POOL (Non-MODS Categories)		COSTPOOL (MODS Cost Pools)						
Frequency Percent Row Pct	LD41	LD43	LD44	LD48	LD49	LD79	Total	
ALLIED	1143.1 0.08 0.46	97355 6.76 39.38	35956 2.50 14.55	33428 2.32 13.52	8616 0.60 3.49	70698 4.91 28.60	247196 17.17	
AUTO/MEC	14000 0.97 43.19	13370 0.93 41.25	209.6 0.01 0.65	1306.8 0.09 4.03	1916.5 0.13 5.91	1612 0.11 4.97	32416 2.25	
EXPRESS	0 0.00 0.00	2041.3 0.14 21.03	299.91 0.02 3.09	7117.4 0.49 73.33	0 0.00 0.00	246.8 0.02 2.54	9705.4 0.67	
MANF	66.293 0.00 0.08	64907 4.51 80.72	8429 0.59 10.48	6428.5 0.45 7.99	414.33 0.03 0.52	164.47 0.01 0.20	80410 5.59	
MANL	298.75 0.02 0.15	135565 9.42 66.67	43607 3.03 21.44	21446 1.49 10.55	664.78 0.05 0.33	1767 0.12 0.87	203348 14.13	
MANP	0 0.00 0.00	43397 3.01 87.87	1348.4 0.09 2.73	4323.2 0.30 8.75	0 0.00 0.00	316.55 0.02 0.64	49385 3.43	
MISC	0 0.00 0.00	27154 1.89 8.51	4262.3 0.30 1.34	88730 6.16 27.80	195873 13.61 61.38	3106.3 0.22 0.97	319126 22.17	
REGISTRY	0 0.00 0.00	2993.5 0.21 16.80	368.09 0.03 2.07	14205 0.99 79.72	0 0.00 0.00	251.68 0.02 1.41	17819 1.24	
<b>Total</b>	<b>18541.6 1.29</b>	<b>521570 36.23</b>	<b>126758 8.81</b>	<b>385579 26.78</b>	<b>252327 17.53</b>	<b>134835 9.37</b>	<b>1439610 100.00</b>	

(Continued)

Response to TW/USPS-T17-23 a.  
 Breakdown of Function 4 LDC Costpools and LDC79 Costpool  
 Into Non-MODS Categories Exhibited in Tables I-4B  
 of LR-I-106 - based on Cost Pool Dollars

TABLE OF POOL BY COSTPOOL

POOL (Non-MODS Categories) Frequency Percent Row Pct	COSTPOOL (MODS Cost Pools)						Total
	LD41	LD43	LD44	LD48	LD49	LD79	
Z BREAKS	1804.4 0.13 1.23	70841 4.92 48.31	12202 0.85 8.32	22903 1.59 15.62	32314 2.24 22.04	6564.2 0.46 4.48	146629 10.19
09	0 0.00 0.00	22904 1.59 26.39	6207.3 0.43 7.15	55254 3.84 63.66	204.89 0.01 0.24	2221.3 0.15 2.56	86792 6.03
10	886.84 0.06 0.44	27789 1.93 13.89	6084.8 0.42 3.04	114271 7.94 57.11	7264.8 0.50 3.63	43802 3.04 21.89	200099 13.90
17	0 0.00 0.00	874.33 0.06 11.21	181.83 0.01 2.33	4198.6 0.29 53.82	587.51 0.04 7.53	1959.4 0.14 25.11	7801.7 0.54
24	0 0.00 0.00	1408.4 0.10 16.37	4115.2 0.29 47.85	3077.4 0.21 35.78	0 0.00 0.00	0 0.00 0.00	8601 0.60
25	0 0.00 0.00	1004.1 0.07 22.96	1166.4 0.08 26.67	2153.9 0.15 49.25	0 0.00 0.00	48.922 0.00 1.12	4373.3 0.30
26	0 0.00 0.00	402.9 0.03 14.77	445.06 0.03 16.32	1879.7 0.13 68.91	0 0.00 0.00	0 0.00 0.00	2727.6 0.19
6522	341.8 0.02 1.47	9563.5 0.66 41.25	1875 0.13 8.09	4856.1 0.34 20.95	4470.5 0.31 19.28	2076 0.14 8.95	23183 1.61
Total	18541.6 1.29	521570 36.23	126758 8.81	385579 26.78	252327 17.53	134835 9.37	1439610 100.00

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VAN-TY-SMITH TO  
TW INTERROGATORIES**

**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.

**RESPONSE TO TW/USPS-T17-24.**

Redirected to the United States Postal Service.

**DECLARATION**

I, Eliane Van-Ty-Smith, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Eliane Van Ty Smith

Dated: 3-28-00

## 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.

A handwritten signature in black ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990 Fax -5402  
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