

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

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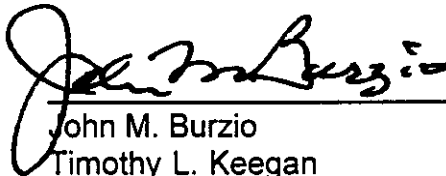
POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

FOLLOW-UP INTERROGATORY OF TIME WARNER INC.
TO WITNESS VAN-TY-SMITH (TW/USPS-T17-26)
(March 29, 2000)

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

Respectfully submitted,



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Timothy L. Keegan

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**FOLLOW-UP INTERROGATORY OF TIME WARNER INC.
TO WITNESS VAN-TY-SMITH (USPS-T-17)**


TW/USPS-T17-26 Please refer to your answer to TW/USPS-T17-20b, in which you say, referring to the window service related not handling costs in mail processing related costs pools:

"The costs for these tallies are 100% volume-variable in all cost pools where the econometric volume-variability factors were not derived in BY98."

- a. Please confirm that the mail processing cost pools with the largest number of window service related not handling tallies are LD48_ADM, LD48 OTH, LD44 and LD43, in that order. If not confirmed, please explain.
- b. Please confirm that none of the pools listed in part a above have econometrically determined volume variability factors in this docket, but that the IOCS based volume variability factor is less than 100% for each pool.
- c. Does your statement quoted above mean that in assigning IOCS based volume variability factors for the pools without econometrically determined factors, you assumed 100% variability for the portion in each pool that consists of window service related tallies? If not, please explain.
- d. If, for example, the LD48_ADM pool has a volume variability factor of 0.534, and the window service related component within that pool is considered 100% volume variable, does it then follow that the average variability for the remaining components within the pool must be less than 0.534? If not, please explain.
- e. Is the determination of IOCS based volume variability factors for pools without econometrically determined factors based on the activity codes for the costs within each pool? If not, please explain precisely what these factors are based on. If so, is any other information besides activity codes used to determine this variability?
- f. Please specify, for each IOCS activity code, how tallies with that code contribute to the IOCS based volume variability of the pools the tallies are in. In particular, which activity codes are assumed to correspond to fixed costs, which are assumed to represent 100% volume variable costs, etc.?
- g. Are break time and clocking in/out tallies in fact ignored in the process of assigning IOCS based volume variability factors to individual pools? If not, what role do they play in determining volume variability? Which other types of tallies (by activity code) are ignored in determining IOCS based variability factors?

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 29, 2000