

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

RECEIVED  
APR 6 11 47 AM '00

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS RAMAGE TO INTERROGATORIES OF  
TIME WARNER, INC.  
(TW/USPS-T2-1, 2(a-b), 3)

The United States Postal Service hereby provides the responses of witness Ramage to the following interrogatories of Time Warner, Inc.: TW/USPS-T2-1, 2(a-b), 3, filed on March 23, 2000. Interrogatories TW/USPS-T2-2(c-d) were redirected to witness Van-Ty-Smith.

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

*K N Hollies*

\_\_\_\_\_  
Kenneth N. Hollies

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

**TW/USPS-T2-1 Please refer to your answer to TW/USPS-T17-14a, in which you did not confirm, referring to TW/USPS-T17-14c, and your answer to TW/USPS-T17-14c, in which you state:**

**"I have been informed that data collectors may treat a pallet loaded with empty letter trays in either of two ways, depending on whether or not the pallet has been shrink-wrapped, banded or otherwise unitized."**

**You also state in that answer:**

**"If the pallet has not been unitized, then it would be recorded as a container or multiple items not in a container in IOCS Q21 and Q21C. The container type would be either "i. Multiple Items Not in a Container" or "j. Other Container, and the percentage of letter trays could be recorded in IOCS Q21 D. It is not possible to identify all such instances on the IOCS data base because the data collector may not always indicate the presence of the pallet itself in IOCS Q21D."**

- a. The preamble to TW/USPS-T17-14 referred to a loaded pallet being moved by a fork lift. Is it normal that loaded pallets are moved by forklift before the load has been "unitized"? If yes, then please identify the conditions under which such a move would not represent a safety problem.**
- b. There appears to be no specific mention on pages 12-1 through 12-7 in Handbook F-45 of the two ways to record a pallet that you say you have been informed of. Please state who informed you of this,**
- c. If specific written documentation of the two ways to record a pallet exists, please state where and provide a copy unless the document already is part of the record in this docket. Also, please describe how and using which material this policy is normally explained to IOCS field personnel.**

**RESPONSE:**

- a. It is my understanding that loaded pallets being moved by a forklift are generally shrink wrapped, banded, or otherwise secured. However, I expect that operational concerns could require movement of a pallet a short distance (several feet) even if the pallet was not shrink wrapped or banded.**
- b. Since TW/USPS-T17c asked how the IOCS data collector would record this situation, I attempted to determine whether data collectors would record this scenario in ways that are not apparent from the F-45 instructions. The Cost**

RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.

Systems Manager informed me that since the IOCS mixed mail procedures were originally adapted from the TRACS procedures, some data collectors would record a pallet under one of the container options when it is not "unitized" because of definitions established under the TRACS system.<sup>1</sup>

- c. The F-45 does not state that there are "two ways to record a pallet." However, a rational person could conclude from F-45 instructions that there is more than one way to record a pallet. I suspect that most of the time a pallet containing empty trays would be recorded as an empty pallet item in Q21B because it is *empty of mail*. However, some data collectors may interpret the instructions quite literally, and conclude that the pallet cannot be empty because it contains letter trays. Since trays are "items" and since there are more than one of these "items", the instructions for question 21 would direct you to select choice "C" because of "multiple items" and to rule out choice "B" since there is no "single item." Question 21 is shown below, along with the F-45 instructions (and page citations) corresponding to selection of choices "B" and "C" in Q21.

```
-----+-----+-----+
| 03/31/00 |-----+ IOCS 21 - Version 8.2 |-----+ 09:12 |
|-----+-----+-----+
|-----+-----+-----+
| EMPLOYEE IS HANDLING - Make ONE Selection, then {ENTER} |
|-----+-----+-----+
| A. Piece |
| B. Single Item (Bundle, Con-Con, Tray, Pallet, Sack) |
| C. Container(s) or Multiple Items Not in a Container |
|-----+-----+-----+
```

**Single Item.** At the time of the reading, if the employee is handling a single item, enter *Single Item* in Question 21. You will be directed to Question 21B. (F-45, page 12-1)

---

<sup>1</sup>In the TRACS system, a distinction is made for pallets depending on whether the pallet is shrink wrapped or secured to the pallet. If so, it is a pallet, otherwise it is considered loose items. See the note on page 5-34 and on page 5-44 of the F-65, USPS-LR-I-18.

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

***Container(s) or Multiple Items Not in a Container.*** At the time of the reading, if the employee is handling one or more containers or multiple items not in a container, select *Container(s)* in Question 21. You will be directed to Question 21C. (F-45, page 12-5)

The remark 21C data contained in USPS-LR-I-258 also indicates that some data collectors would record pallets under the container question. Out of the 1315 observations with "j. Other Container" selected in Q21C, 118 observations had a remark type 21C containing "Pallet" or variants on the spelling of "Pallet" in the description that was entered after selecting "j. Other Container."

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

**TW/USPS-T2-2 Please refer to your answers to TW/USPS-T17-14a, c and d and to TW/USPS-T17-15. Please answer the following and explain each answer, if possible with specific references to written IOCS documentation. If any of your answers cannot be supported by existing written documentation, please specify your sources, their qualifications and the reasoning on which each answer is based.**

- a. Assume that a pallet with Periodicals bundles has been brought into an opening unit where the bundles will be distributed. Assume further that an employee is intercepted by an IOCS data collector while in the process of removing the shrinkwrap material used to "unitize" the pallet. How would this pallet and its contents be recorded?**
- b. Assume that a pallet with trays of letter mail has been brought into an opening unit where the bundles [sic] will be distributed. Assume further that an employee is intercepted by an IOCS data collector while in the process of removing the shrinkwrap material used to "unitize" the pallet. How would this pallet and its contents be recorded?**
- c. Assume that a pallet with Periodicals bundles has been brought into an opening unit where the bundles will be distributed. Assume further that the shrinkwrap material used to "unitize" the pallet has been removed and that an employee sampled by an IOCS clerk is in the process of distributing the bundles. How would this pallet and its contents be recorded?**
- d. Assume that a pallet with trays of letter mail has been brought into an opening unit where the trays will be distributed. Assume further that the shrinkwrap material used to "unitize" the pallet has been removed and that an employee sampled by an IOCS clerk is in the process of distributing the trays. How would this pallet and its contents be recorded?**
- e. Assume that a pallet has been loaded with empty letter trays and an employee is in the process of applying shrinkwrap material to secure the load when he is intercepted by an IOCS clerk. How would this pallet and its contents be recorded? Please answer this question also in the case that the load placed on the pallet consists of parcels, and the case when it consists of bundles of flat mail.**
- f. Assume a pallet loaded with bundles of presorted flats has been placed in a pallet dumper, the shrinkwrap used to secure the pallet has been partly removed, and the employee operating the "dumper" is intercepted by the IOCS clerk while he/she begins to dump a portion of the pallet contents onto a belt. Please explain how this pallet and its contents will be recorded. Please answer this question also in the cases where the pallet load, instead of flats bundles, consists of: (1) sacks with mail in them; (2) empty sacks; (3) trays with letter mail; (4) empty trays; or (5) parcels.**
- g. Please answer the question in part f of this interrogatory also when the reference is to a postal pak, rather than to a pallet.**
- h. Please answer the question in part f of this interrogatory also when the reference is to a hamper, rather than to a pallet.**

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

**RESPONSE:**

Specific instructions are not provided to this level of detail in the F-45. Generally a pallet will be recorded as a pallet item. However, some data collectors may consider it to fall under the "container" question due to multiple items. Consequently, these examples may not be recorded in a unique way every time. Data collectors will use their judgement in recording these scenarios. The responses to these scenarios are based on the IOCS policy contained in the F-45, pages 12-1 through 12-8. I cannot confirm the operational feasibility or likelihood of the situations presented in this interrogatory.

- a. Pallet should be chosen in Q21B. If all pieces were identical, then the characteristics of one of the pieces would be recorded. If the pallet does not contain identical pieces, then the data collector would count the pieces according to the categories in Q24. If that counting is not feasible, then the data collector should respond [N] to "Contents Can Be Counted?" in Q21B.
- b. The data collector would most likely record this as a pallet in Q21B. If all pieces were identical, then the characteristics of one of the pieces would be recorded. If the pallet does not contain identical pieces, then the data collector should count the pieces according to the categories in Q24. If that counting is not feasible, then the data collector should respond [N] to "Contents Can Be Counted?" in Q21B.

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

- c. The data collector would most likely record that the employee was handling a bundle in Q21B.<sup>2</sup> Then, the employee should select a piece of mail (based on the "Identical Mailing?" question or on application of the top piece rule), and record the characteristics of that piece in subsequent questions. Pallet would not be recorded if the employee was handling a bundle.
- d. The data collector would most likely record that the employee was handling a letter tray in Q21B.<sup>3</sup> Then, the employee should select a piece of mail (based on the "Identical Mailing?" question or on application of the top piece rule), and record the characteristics of that piece in subsequent questions. Pallet would not be recorded if the employee was handing a letter tray.
- e. The data collector would most likely record this as an empty pallet item in Q21B. However, it is possible that the data collector could consider this to consist of multiple empty items, and record it as such in Q21C, then select letter trays in Q21D. See my response to TW/USPS-T2-1c.

If this pallet consisted of parcels or bundles, the data collector should record the contents in Q24. If not possible to count by shape and category of mail, then respond appropriately in Q21B.

- f. Regardless whether the pallet contained bundles of flats, non-empty sacks, non-empty letter trays, or parcels, the response would be similar. The likely response

---

<sup>2</sup> If the employee had a bundle in each hand at the time of the reading, then the reading should be recorded as container type "i. Multiple Items not in a container". See the example on page 12-8 of the F-45.

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

would be that this is a pallet item, and that the contents could not be counted at the time of the reading (during the dumping). It would be very difficult to ascertain the contents of the pallet as it is being dumped. After the dumping, the pallet item would be empty.

If the pallet contained empty sacks or empty letter trays, there would be two paths, depending on whether the data collector considers this to be loose empty items, or whether the data collectors consider the pallet of empty items to be empty.

If the data collector concludes that the pallet is not empty, but contains items which are empty, he may respond in Q21C that this is multiple items not in a container, or "other container" and enter a percentage for sacks or letter trays, as appropriate. If he selected "other container", it is also possible that he could report that the pallet is empty because it is empty of mail, regardless how many of the empty items are still on the pallet.

- g. For a Postal Pak, the data collector must select C in Q21. The Postal Pak choice would be selected in Q21C, and then the employee would either respond "N" to the "Container is Empty?" question or indicate that the Postal Pak contains sacks or trays, as appropriate. It would be a judgement call for the Postal Paks containing empty items as to whether the data collector would record percentages by item type or just respond that the Postal Pak is empty because it is empty of mail.

---

• If the employee had a tray in each hand at the time of the reading, then the reading should be recorded as container type "i. Multiple Items not in a container". See the example on page 12-8 of the F-45.



**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

- h. For a hamper, the data collector must select C in Q21. The hamper choice would be selected in Q21C, and then the employee would either respond "N" to the "Container is Empty ?" question or indicate that the hamper contains sacks or trays, as appropriate. It would be a judgement call for the hampers containing empty items as to whether the data collector would record percentages by item type or just respond that the hamper is empty because it is empty of mail.**

**RESPONSE OF UNITED STATES POSTAL SERVICE RAMAGE  
TO INTERROGATORIES OF TIME WARNER INC.**

**TW/USPS-T2-3 Please refer to your answers to TW/USPS-T17-14a, c and d, to TW/USPS-T17-15 and to TW/USPS-T2-1-2. Please confirm each of the following or, if not confirmed, please explain.**

- a. When an employee observed by an IOCS clerk is handling an empty pallet, he/she will always be recorded as handling an empty pallet.**
- b. If an employee were observed handling the same pallet when loaded with mail or with empty items he could, depending on the circumstances, be recorded as handling either a pallet, or "multiple items not in a container," or a postal pak.**
- c. All volume variable costs associated with tallies showing handling of empty pallets will be distributed to subclasses, under the current USPS methodology, based on the direct costs from direct tallies showing the handling of pallets.**
- d. No volume variable costs associated with tallies showing handling of empty pallets will be distributed to subclasses, under the current USPS methodology, based on the direct costs from direct tallies showing the handling of "multiple items not in a container" or of postal paks.**

**RESPONSE:**

- a. Confirmed.**
- b. Not confirmed. A pallet should not be recorded as a Postal Pak. Also, it is possible that the employee would record this as "other container" in Q21C.**
- c. Redirected to witness Van-Ty-Smith.**
- d. Redirected to witness Van-Ty-Smith.**

DECLARATION

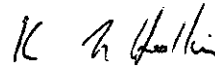
I, Mark F. Ramage, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

  
Mark F. Ramage

Date: April 6, 2000

**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.



---

**Kenneth N. Hollies**

**475 L'Enfant Plaza West, S.W.**

**Washington, D.C. 20260-1137**

**(202) 268-3083 Fax -5402**

**April 6, 2000**