

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

INTERROGATORIES OF TIME WARNER INC.
TO THE UNITED STATES POSTAL SERVICE (TW/USPS-3-5)
(April 11, 2000)

Pursuant to sections 25 and 26 of the Rules of Practice, Time Warner Inc. (Time Warner) directs the following interrogatories to the United States Postal Service.

Respectfully submitted,



John M. Burzio
Timothy L. Keegan

Counsel for
Time Warner Inc.

Burzio & McLaughlin
Canal Square, Suite 540
1054 31st Street, N. W.
Washington, D. C. 20007-4403
tel/(202) 965-4555
fax/(202) 965-4432

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

TW/USPS-3 Please confirm that the Postal Service recently (e.g., within the last few years) has modified some of the conversion factors used in MODS to estimate first handling pieces (FHP) at distribution operations. If not confirmed, please specify when the latest such change took place.

TW/USPS-4 Please provide documentation of all conversion factors currently used in MODS. Additionally, please answer the following.

- a. Precisely how do the new conversion factors differ from those previously used?
- b. Why are the new factors more accurate than those they replaced?
- c. Besides the impact on FHP calculations, has there been any recent change in the way that total pieces handled (TPH) at manual operations are calculated once the FHP are known? If yes, please explain all such changes.
- d. For which of the cost pools used in the Postal Service's current rate filing would the new conversion factors affect estimates of TPH?
- e. For which cost pools would the recent change in conversion factors tend to lower the estimated TPH?
- f. What is the first accounting period and fiscal year in which MODS volumes were based entirely on the new conversion factors?

TW/USPS-5 Please refer to the MODS volume data for FY98 provided in LR-I-190. It indicates a base year volume of 137.883 million at cost pool 1Sacks_M, representing mechanized sorting of sacks and outsides in MODS offices.

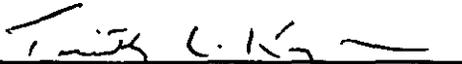
- a. Please confirm that with the base year incurred costs according to witness Van-Ty-Smith (\$55.538 million) and the piggyback factor indicated by witness Smith (1.693) the base year unit cost at this pool is approximately 68.2 cents per sack. If not confirmed, please give an alternative estimate.
- b. What categories of employees are typically included in the 1Sacks_M cost pool? Specifically, does it include: (1) employees unloading sacks to be sorted from inbound trucks; (2) employees taking outbound sacks from a sawtooth area where the sacks have been brought by the mechanized sack sorting system and loading the sacks on outbound trucks; or (3) employees taking working sacks from a slide area to an opening belt?
- c. Approximately what percentage of sacks arriving at the destinating SCF, excluding those that might be in containers already marked for crossdocking to the DDU, receive mechanized, rather than manual, sorting?
- d. Is manual sack sorting and movement of sacks either to the outbound dock or the location where they will be opened in MODS offices more or less expensive than the mechanized sort? Please answer assuming: (1) facilities of similar size with and without mechanized sack sorting; and (2)

the actual sizes of facilities that have and do not have mechanized sack sorting.

- e. What are the typical assignments of employees working in the 1Sacks_h (manual sort — sack outside) pool?

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

April 11, 2000