

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
TO INTERROGATORY OF
TIME WARNER, INC.
(TW/USPS-2)

The United States Postal Service hereby provides its response to the following interrogatory of Time Warner, Inc.: TW/USPS-2, filed on April 7, 2000.

The 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

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April 13, 2000

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

TW/USPS-2. Please refer to the Attachment to this interrogatory, entitled "MTAC Package Integrity Work Group Charter." Please provide an electronic copy of all of the data collected at the six data collection sites referred to in the Attachment.

TW/USPS-2 Response:

The requested information is provided in USPS-LR-I-297.

MTAC PACKAGE INTEGRITY WORK GROUP CHARTER

Team Sponsors:

- MTAC Steering Committee Sponsor: Joe Schick, Quad/Graphics, Inc.
- USPS Management Sponsor: David Goldstein, Manager P&DC Operations

Team Leaders:

- Issue Originator and Industry Co-Chair: Russell Shores, Brown Printing Co.
- USPS Work Group Leader: Cheryl Beller, Operational Requirements

Team Consultant:

- William J. Goodwin, USPS Quality Specialist

Team Members:

- Patrick Killeen, P&DC Operations, USPS
- RoseMarie Gay, Operational Requirements, USPS
- Patricia Innes, Business Mail Acceptance, USPS
- Robert Prince, Allegheny Area, USPS
- Susan Sylvester, Northeast Area, USPS
- Anthony Dobush, Great Lakes Area, USPS
- Thomas Bigler, Los Angeles BMC, USPS
- Val Scansaroli, Meredith Corp.
- Joseph Fogel, Philadelphia BMC, USPS
- Sander Glick, PPC for Direct Marketing, ACSI
- Chris Conboy, USPS

MISSION: *To improve mailer packaging and USPS processing of Periodicals and Standard Mail (A) flats to reduce bundle breakage and lower USPS operational costs.*

Background:

Packages of Periodicals and Standard Mail (A) flats are at risk of breaking apart at various points during processing by the Postal Service before they reach the appropriate location where piece distribution should occur based on the preparation of the mail and workshare discounts claimed by the mailer. This mail incurs additional handling costs as a result of the package breakage and loss of presort. There is some evidence that certain mailpiece characteristics and packaging methods may negatively impact package integrity. There is also evidence that some of the methods used by the Postal Service to process mail at small parcel and bundle sorting (SPBS) machines, where the majority of flats package processing occurs, may contribute to package breakage. Earlier USPS studies on package and bundle integrity also identified package breakage problems resulting from mail preparation and mail handling methods. Few steps have been taken since the earlier studies were conducted to address these issues and the data collected in this study indicates an increase in the percentage of broken packages in sacks.

Team Schedule: The work group held its initial meeting with a group of interested industry and postal representatives on April 20, 1999. The team leaders, members, and consultant, met at the Philadelphia P&DC September 14-16 to develop and test a methodology for collecting data to document the number of broken packages at the first step in the USPS processing of individual mailer-produced packages. This first step is the location where mailer containers (sacks and pallets) are dumped for processing at the SPBS machines. Six data collection sites (2 BMCs and 4 P&DCs) were selected and data was collected over 3-days at each location during the period September 4 through November 18. An initial report of the group's findings will be released in January 2000. The team will meet as required. Our expected project completion date is June 30, 2000.

Deliverables:

The team plans deliverables in the following areas:

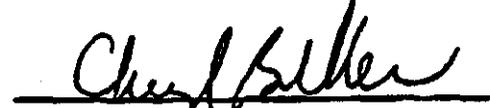
1. Project plan showing breakdown of tasks and projected completion dates.

2. Quantify the volume of broken packages of Periodicals and Standard Mail (A) flats that occur during USPS processing.
3. Identify mailer package preparation methods and USPS processing methods that are most likely to lead to package breakage.
4. Identify best practices and other methodologies for packaging and processing of packages.

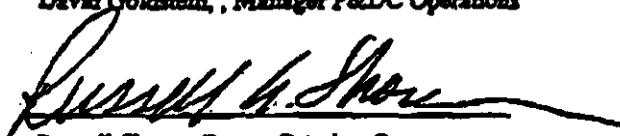
Team Training: The team leaders and several team members participated in the QI (Quality Improvement) Story training presented by our team consultant to ensure we succeed in our mission by understanding and following the process management model.



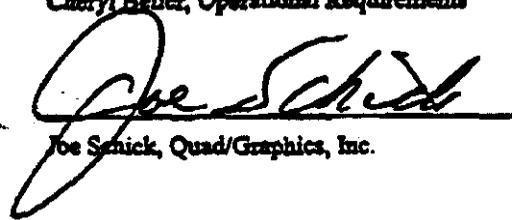
David Goldstein, Manager P&DC Operations



Cheryl Beller, Operational Requirements



Russell Shores, Brown Printing Co.



Joe Schick, Quad/Graphics, Inc.

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 cursive script, appearing to read "Susan M. Duchek", is written over a solid horizontal line.

Susan M. Duchek

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