

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
TIME WARNER, INC. WITNESS STRALBERG
(USPS/TW-T1-9-15)

Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to Time Warner, Inc. witness Stralberg: USPS/TW-T1-9-15.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Rate-making



Susan M. Duchek

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June 12, 2000

USPS/TW-T1-9. Please refer to the mail processing unit costs on the worksheet entitled 'CRA Cost Pools' within MPA-LR-2.

- (a) Please confirm that these mail processing unit costs are identical to the mail processing costs on the worksheet entitled 'CRA Cost Pools' within USPS LR-I-90. If you do not confirm, please explain.
- (b) Please confirm that these mail processing unit costs do not reflect any changes due to proposed volume variability, cost reduction program, cost allocation, or cost distribution differences. If you do not confirm, please explain.
- (c) Please confirm that, if these mail processing unit costs reflected any changes due to proposed volume variability, cost reduction program, cost allocation, or cost distribution differences, then the proposed presort/automation cost differentials calculated from MPA-LR-2 would, in all likelihood, be different. If you do not confirm, please explain.
- (d) Please confirm that platform handling costs are included. If you do not confirm, please explain.

USPS/TW-T1-10. Please refer to your testimony at page 50 at 15-16 where you state that you "corrected Yacobucci's treatment of carrier route sacks" and to cell C20 in the worksheet entitled 'Productivities' in MPA-LR-2. Also, please refer to the response to TW/USPS-T25-1 subpart (f): Tr. 5/1463 which states the following. "Please note that the model uses the productivity for *both* Periodicals Regular Rate and Periodicals Nonprofit mail. Thus, if a packages per hour productivity is used in the analysis, either

a weighted-average packages per hour productivity or two distinct packages per hour productivities should be used for cost modeling purposes [emphasis added]."

- (a) Please confirm that your correction uses a conversion factor of 1.4 packages per Periodicals Regular Rate sack. If you do not confirm, please explain.
- (b) Please confirm that the model uses the conversion of 1.4 packages per Periodicals Regular Rate sack in developing costs for Periodicals Nonprofit mail. If you do not confirm, please explain.
- (c) Please confirm that your correction does not reflect the number of packages per Periodicals Nonprofit sack. If you do not confirm, please explain.
- (d) Please provide the weighted-average packages per Periodicals Regular Rate and Nonprofit sack.
- (e) Please provide the number of packages per Periodicals Nonprofit sack.

USPS/TW-T1-11. Please refer to your testimony at page 47 at 25-26 where you state that assuming 10% of bundles break in subsequent bundle handling operations "severely distorts the [cost] relationship" and to your testimony at page 49, footnote 36, where you state that "I found these secondary breakage ratios have little impact on the model results." Please reconcile the two statements.

USPS/TW-T1-12. Please refer to cell BA94 in the worksheet entitled 'MF Model' in MPA-LR-2 and to cell BA94 in the worksheet entitled 'Mailflow Model' in USPS LR-I-90.

(a) Please confirm that, starting with 10,000 Periodicals Regular or Nonprofit pieces, the following number of pieces are finalized within MPA-LR-2. If you do not confirm, please explain and provide the number of pieces finalized.

	<u>SCENARIOS</u>	<u>PIECES</u>
i.	29 & 30 sacked	9,989
ii.	29 & 30 palletized	10,171
iii.	39 & 40 sacked	10,183
iv.	39 & 40 palletized	10,046
v.	45 & 46 palletized	9,977

(b) Please confirm that, starting with 10,000 Periodicals Regular or Nonprofit pieces, 10,000 pieces are finalized for scenarios 29, 30, 39, 40, 45, & 46 within USPS LR-I-90. If you do not confirm, please explain and provide the number of pieces finalized.

(c) Please explain why each of the finalized pieces listed in subpart (a) above (from MPA-LR-2) does not equal 10,000.

(d) Please provide the number of pieces that are finalized for the scenarios in subpart (a) for which the worksheet 'MF Model Costs' within MPA-LR-2 develops costs.

USPS/TW-T1-13. Please refer to cells AD11:AD14 in the worksheet entitled 'MF Model Costs' within MPA-LR-2.

- (a) Please confirm that the total pieces and bundles calculation sums the number of intact bundles, broken bundles, and pieces from broken bundles. If you do not confirm, please explain.
- (b) Please confirm that the total pieces and bundles calculation should only sum the number of intact bundles and pieces from broken bundles. If you do not confirm, please explain.
- (c) Please confirm that, when bundles break and the pieces are keyed on the SPBS, your total pieces and bundles calculation (as discussed in subpart (a)) overstates the number of total pieces and bundles which then incorrectly decreases the adjusted mechanized bundle sort productivity. If you do not confirm, please explain.

USPS/TW-T1-14. Please refer to your testimony at page 50 at 10-11 which discusses broken bundles in manual bundle sorting operations and to cells AH8:AN14 in the worksheet entitled 'MF Model Costs' in MPA-LR-2.

- (a) Please explain your manual productivity adjustment.
- (b) Please confirm that you adjust the manual productivities downward to account for the costs of handling broken bundles. If you do not confirm, please explain.
- (c) Please confirm that the response to TW/USPS-T-25-2 subpart (i): Tr. 5/1466 states the following. "The model uses manual package handling productivities from USPS LR-I-88. These productivities were derived by measuring the time it took to handle observed packages, even if that handling involved some form of package recovery. Hence, these productivities account for any package recovery." If you do not confirm, please explain.

- (d) If the manual package handling productivities already incorporate bundle breakage, then please confirm that, assuming bundle breakage remains constant, you should not adjust the manual productivities within MPA-LR-2. If you do not confirm, please explain.
- (e) If the manual package handling productivities already incorporate bundle breakage, then please confirm that, assuming bundle breakage decreases, you should adjust the manual productivities upward within MPA-LR-2. If you do not confirm, please explain.

USPS/TW-T1-15. Please refer to your testimony at page 50 at 19-21 and to footnote 38 which discuss the deaveraged manual bundle sorting productivities. Please also refer to TW/USPS-T25-3: Tr. 5/1468-1470.

- (a) Please confirm that the Outgoing Primary manual package handling productivity is developed based on one observation. If you do not confirm, please explain.
- (b) Please confirm that the ADC manual package handling productivity is developed based on three observations. If you do not confirm, please explain.
- (c) Please provide the complete footnote 38.

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 horizontal line.

Susan M. Duchek

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