

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-T1-19-24)

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-T1-19-24.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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June 16, 2000

USPS/TW-T1-19. With respect to your proposed distribution for the mixed mail and the not-handling tallies in the Function 4 pools:

a. On p.34, you indicate that:

“The costs of empty containers of a given type that are associated with specific shapes through Question 19 data are distributed over only the direct and mixed container data for the corresponding container type and shape.”

Program MODSHAP codes seem to indicate that the distribution for the costs of empty containers associated with specific shapes are not done by container type, but only by shape within each Function 4 cost pool. Please reconcile your statement with Program MODSHAP SAS codes.

- b. Confirm that there are no differences between how the not-handling costs associated with specific shapes through Question 19 data are distributed within each Function 4 cost pool, and how the costs of empty containers in a. above are distributed. If you do not confirm, please explain what those differences are and indicate which SAS program codes are relevant to that distribution.
- c. Confirm that the distribution key for the not-handling costs with no Q.19 shape association includes, in addition to the handling tallies in that cost pool, the distributed not-handling tallies with Q.19 shape information in b. above. If you do not confirm, please explain what is included in the distribution key and indicate which SAS program codes are relevant to that distribution.

USPS/TW-T1-20. With respect to your proposed distribution for the mixed mail and the not-handling tallies in the allied cost pools:

- a. Confirm that the allied cost pool mixed mail costs (items and containers, including empty equipment handling) associated with a Q.19 piece-distribution operation are distributed over the direct tallies of the corresponding piece-distribution cost pool. If you do not confirm, please explain how these costs are distributed and indicate which SAS program codes are relevant to that distribution.
- b. Confirm that allied cost pool not-handling costs associated with a Q.19 piece-distribution operation are distributed over the direct and distributed mixed mail tallies of the corresponding piece-distribution cost pool. If you do not confirm, please explain how these costs are distributed and indicate which SAS program codes are relevant to that distribution.
- c. Confirm that none of the direct tallies in the allied cost pools that are associated with a Q.19 piece-distribution operation are used in a. and b. above. If you do not confirm, please explain how those direct tallies are used and indicate which SAS program codes are relevant to that distribution.

- d. Confirm that direct tallies in allied cost pools (including those associated with a Q.19 piece distribution operation) are aggregated with direct tallies for all Function 1 and LDC 79 cost pools (excluding the special service cost pools) to distribute the mixed mail costs that do not have a Q.19 piece-distribution operation association. If you do not confirm, please explain how those direct tallies are used and indicate which SAS program codes are relevant to that distribution.
- e. Confirm that the distribution key for the not-handling costs with no Q.19 shape association includes, in addition to the handling tallies for all Function 1 and LDC 79 cost pools (excluding the special service cost pools), the distributed not-handling tallies with Q.19 shape information in b. above. If you do not confirm, please explain what is included in the distribution key and indicate which SAS program codes are relevant to that distribution.

USPS/TW-T1-21. With regard to the "support" pools and "migrated" costs:

- a. On p.41, at lines 17-20, you propose to distribute the direct tallies to the specific subclasses or special services. What volume-variability factors do you apply to those direct tallies?
- b. Please explain how you distribute the costs for the non-direct "migrated" tallies.

USPS/TW-T1-22. Please refer to your testimony at section IV part C, pp.58-62, which discusses your proposed 5-digit pallet discount.

- a. Please provide the percentages of Periodicals Regular Rate and the percentages of Periodicals Nonprofit piece volumes that are currently prepared on 5-digit DSCF pallets and on 5-digit DDU pallets.
- b. Please provide the percentages of Periodicals Regular Rate and the percentages of Periodicals Nonprofit piece volumes that would be prepared on 5-digit DSCF pallets and on 5-digit DDU pallets if your proposed 5-digit pallet discount was in effect.
- c. Please provide the percentages of Periodicals Regular Rate and the percentages of Periodicals Nonprofit carrier route piece volumes that are currently prepared on 5-digit DSCF pallets and on DDU pallets.
- d. Please provide the percentages of Periodicals Regular Rate and the percentages of Periodicals Nonprofit carrier route piece volumes that would be prepared on 5-digit DSCF pallets and on 5-digit DDU pallets if your proposed 5-digit pallet discount was in effect.
- e. Please provide, by current presortation and containerization, separate Periodicals Regular Rate and Periodicals Nonprofit piece volumes that would migrate to 5-digit DSCF pallets and to 5-digit DDU pallets to qualify for your proposed 5-digit pallet discount.

- f. Are you familiar with the proposed DMM rules that require carrier route mail to be on separate pallets from 5-digit mail? If so, please explain the impact these rules would have on your proposal.
- g. Please quantify the revenue "leakage" due to your proposed 5-digit pallet discount.
- h. What would be the increase in other rate cells for Regular and Nonprofit Periodicals if your 5-digit pallet discount was in effect? Please provide all the calculations and the resulting rates.

USPS/TW-T1-23. Please answer USPS/TW-T-1-22, subparts a - h above, assuming, for discount eligibility, a required pallet minimum of 250 pounds.

USPS/TW-T1-24. Please answer USPS/TW-T-1-22, subparts a - h above, assuming, for discount eligibility, a required pallet minimum of 500 pounds.

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.



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