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

RECEIVED

Oct 16 2 11 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
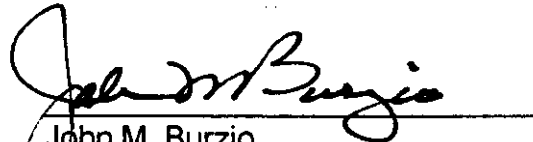
POSTAL RATE AND FEE CHANGES : Docket No. R2001-1

INTERROGATORIES OF AOL TIME WARNER INC.
TO WITNESS MILLER (AOL-TW/USPS-T24-1-6)
(October 16, 2001)

Pursuant to sections 25 and 26 of the Rules of Practice, AOL Time Warner Inc. (AOL Time Warner) directs the following interrogatories to United States Postal Service witness Miller (USPS-T-24). If witness Miller is unable to respond to any interrogatory, we request that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,

John M. Burzio
Timothy L. Keegan

Counsel for
AOL 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 TO WITNESS MILLER (USPS-T-24)

AOL-TW/USPS-T24-1   In the LR-J-61 mailflow models, which you sponsor, flats are characterized as machinable or non-machinable.

a.   Please confirm that a machinable flat, as you use the term, is a flat that can be processed on either an AFSM-100 or an FSM-881 flat sorting machine.

b.   Please confirm that your models assume that machinability on the FSM-881 and AFSM-100 is the same. If not, please explain.

c.   Do your models assume that, apart from less than perfect accept rates, all "non-machinable" flats can be processed on FSM-1000 machines, provided machine availability? If no, what portion of "non-machinable" flats is non-machinable also on the FSM-1000?

d.   Do your models assume that all "non-machinable" flats will be machinable on the automated feed system planned for installation on the FSM-1000? If no, please explain all exceptions.

e.   Please confirm that for "machinable" flats requiring piece sorting, except incoming secondary sorting, your model assumes all such flats will be entered on either an AFSM-100 machine or an FSM-881 machine, with only rejected flats being sorted manually. If not confirmed, please explain.

f.   Does you model assume that every SCF will have either AFSM-100's or FSM-881's or both, and that those machines in FY2003 will have enough capacity to perform all required sorting of machinable flats to the 5-digit level, without compromising service standards? If no, please explain.

AOL-TW/USPS-T24-2

a.   Please confirm that the mailflow models in LR-J-61 assume that no incoming secondary sorting will be done with the FSM-1000 machines. If not confirmed, please explain.

b.   Assume that a 5-digit package of "non-machinable" flats arrives in a 5-digit container (e.g., sack) at its destinating SCF. Please confirm that in your model such flats will always receive manual incoming secondary sort, regardless of whether or not they are pre-barcoded. If not confirmed, please explain.

AOL-TW/USPS-T24-3   Please explain the criteria used by USPS clerks and/or mailhandlers to determine whether a flat is machinable or non-machinable. If written instructions exist, please provide a copy. Please also explain who has the responsibility for deciding whether flats in a given bundle are machinable or non-

1

machinable and at what point in the flow of mail this decision is normally made.

AOL-TW/USPS-T24-4   Please refer to worksheet "BY00 VOLUME" in spreadsheet Period.xls in USPS LR-J-61. Please confirm that the following percentages of machinability for Periodicals flats can be inferred from the volume data given in that worksheet:

Carrier route presorted:	78.11%
Pre-barcoded, non-carrier route	68.22%
Non-barcoded, non-carrier route	45.92%
All Periodicals Flats:	69.08%

AOL-TW/USPS-T24-5   Please refer to worksheets "package sort" and "entry profile" in spreadsheet Period.xls in USPS LR-J-61. Refer to row 50 on both sheets.

a.   Please confirm that row 50 represents carrier route packages in carrier route sacks.

b.   Confirm that your model assumes carrier route sacks to represent 3.64% (364 pieces out of 10,000 pieces) of the Periodicals carrier route presorted volume.

c.   Please refer to cell AE50 on sheet "entry profile" and confirm that your model assumes that 64 out of every 364 carrier route presorted pieces in carrier route sacks will undergo incoming secondary piece sorting, even though a carrier route sack by definition contains mail only to one carrier route and therefore can be taken to the carrier station before it needs to be opened. If not confirmed, please explain.

d.   Even if some of the bundles in a carrier route sack turn out to be broken when the sack is opened and its content extracted, do you believe it is necessary and/or desirable for the pieces from those broken bundles to be brought back to an incoming secondary sorting operation, where they are mixed together with pieces going to other carrier routes? Please explain if your answer is affirmative.

e.   Do you believe a carrier route bundle extracted from a carrier route sack needs to undergo an incoming secondary bundle sort? Please explain the answer.
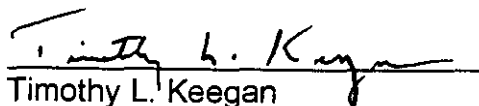
AOL-TW/USPS-T24-6   Please refer to worksheets "package sort" and "entry profile" in spreadsheet Period.xls in USPS LR-J-61. Refer to rows 39 and 40 on both sheets.

a.   Please confirm that rows 39 and 40 refer to non-barcoded flats entered by mailers in 5-digit bundles in 5-digit containers.

b.   Please confirm that 5-digit bundles in 5-digit sacks constitute 51.85% of all 5-digit non-automation Periodicals flats, including 40.66% non-machinable flats. If not confirmed, please provide the correct figures.

2

c.   Please confirm that your model assumes <u>no</u> opening unit costs for this mail category, and that piece-sorting costs are the only costs modeled. If not confirmed, please explain how you have modeled opening unit costs for non-automation 5-digit flats entered in 5-digit containers, and state the per-piece opening unit costs your model calculates for this mail.

d.   Please confirm that even though 5-digit bundles in a 5-digit sack obviously do not need bundle sorting, it is still necessary for the sack to be opened, its contents removed from the sack and for the sack to subsequently be stored and eventually returned to mailers in order to be used again. If not confirmed, please explain.

e.   Please confirm that the sack handling functions described in part d of this interrogatory are also performed at mechanized as well as manual bundle sorting operations, and that they are included in the bundle sorting productivity rates used in your model.

f.   Please confirm that, according to Table 1 in the spreadsheet in LR-J-100, the cost of the sack handling functions described in part d of this interrogatory is 2.85 cents per piece. If not confirmed, please provide an alternative estimate.

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

October 16, 2001