

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

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POSTAL RATE AND FEE CHANGES

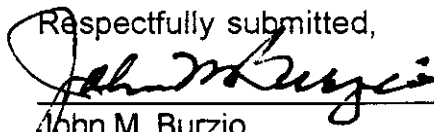
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Docket No. R2001-1

INTERROGATORIES OF AOL TIME WARNER INC.  
TO THE UNITED STATES POSTAL SERVICE (AOL-TW/USPS-9-17)  
(October 16, 2001)

Pursuant to the Commission's Rules of Practice, AOL Time Warner Inc.  
(AOL Time Warner) hereby submits the following interrogatories to the United  
States Postal Service.

Respectfully submitted,

  
\_\_\_\_\_  
John M. Burzio  
Timothy L Keegan

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## SECOND SET OF INTERROGATORIES TO UNITED STATES POSTAL SERVICE

AOL-TW/USPS-9 Please confirm that the Postal Service's policy is always to transport Periodicals mail by surface and not by air. If not confirmed, please explain. Please explain also if there has been any modification in this policy in recent years.

AOL-TW/USPS-10 Please confirm that if a Periodicals mailer wishes his mail to go by air to a remote location (e.g., Hawaii, Alaska, or from coast to coast) he must purchase his own air transport and enter his mail into the postal system at the other end. If not confirmed, please explain.

AOL-TW/USPS-11 In Docket R2000-1, Time Warner asked the Postal Service to explain why air transportation costs attributed to Periodicals had declined by \$11 million from FY98 to FY99. The Postal Service responded as follows, to interrogatory TW/USPS-6, parts b and c respectively:

"In each quarter of FY 99, Finance provided Logistics with information from TRACS showing the amount of Periodical mail being put on air at originating stops. This information was sent to the field, under a Vice President's signature, via the Area Vice Presidents, in order to stimulate focus on the Postal Service's commitment to keeping surface mail off of air transport."

And:

"The Postal Service continues to collect and transmit information on cases where Periodicals mail is found on airplanes. The Postal Service is committed to sustaining the reductions in the air transportation of Periodicals mail achieved in FY 99."

- a. Does the Postal Service still have a "commitment to keeping surface mail off of air transport"? If no, please explain why not.
- b. Was the Postal Service, in FY2000, "committed to sustaining the reductions in the air transportation of Periodicals mail achieved in FY 99"? If no, please explain why not.
- c. Did the specific initiatives described in the interrogatory answer cited above continue through FY2000? If no, please explain which initiatives were discontinued and why.
- d. Please describe all efforts the Postal Service currently makes to assure that Periodicals mail is not put on airplanes unless there is no other transportation alternative.
- e. Please describe all efforts the Postal Service currently makes to assure that Standard A mail is not put on airplanes unless there is no other transportation alternative.

AOL-TW/USPS-12

- a. Please confirm that in FY2000 the Postal Service, according to USPS-T-11, is attributing \$27.168 million in air transportation to Periodicals, more than twice the amount attributed in FY99.
- b. Please confirm that in FY2000 the Postal Service, according to USPS-T-11, is attributing \$32.369 million in air transportation to Standard A mail, more than in any previous fiscal year.
- c. Please explain all reasons known to the Postal Service why Periodicals and Standard A mail continue to have air transportation costs attributed to them, in spite of the Postal Service's "commitment to keeping surface mail off of air transport." For each reason listed, please provide an estimate, if available, of how much that particular reason contributed to the high attributions of air transport costs to Periodicals and Standard A in FY2000. If no estimates are available, please indicate at least whether each reason given is a major or minor contributor to the high costs.

AOL-TW/USPS-13 In view of the Postal Service's R2000-1 interrogatory answer that it "continues to collect and transmit information on cases where Periodicals mail is found on airplanes":

- a. Please describe the specific pieces of information that are (were) collected in instances when Periodicals mail is found being transported on airplanes.
- b. Please provide any relevant data collected on Periodicals being transported by air, if possible in an electronic format.
- c. Please describe any analysis that the Postal Service may have done on this data to determine why Periodicals continue to be put on airplanes. Provide a copy of any report that may have been produced from such analysis.

AOL-TW/USPS-14 Please list and describe all types of contractual arrangements under which the Postal Service obtains air transportation and show how much of the costs of each type of contract was attributed to (1) Periodicals and (2) Standard A in FY2000. Please also provide corresponding information for FY98, FY99 and any portion of FY2001 for which data may already be available.

AOL-TW/USPS-15 Please provide the following, to the extent it can be inferred from data available to the Postal Service:

- a. Which portion of the air transportation costs attributed to Periodicals in FY2000 was caused by transportation of mailer provided containers (e.g. Periodicals sacks)?
- b. Which portion was caused by the transportation of mailer provided bundles that had been sorted into postal containers?

c. Which portion was caused by Periodicals pieces that had been piece sorted and mixed with pieces of other classes?

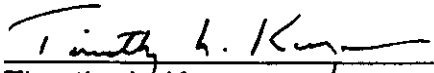
d. What portions of the air transportation costs attributed to Periodicals were for, respectively, the transport of letters, flats or parcels?

AOL-TW/USPS-16 Could there be situations where Periodicals mail is put on an airplane because there is space, on the airplane itself or in an air container, that has been or will be paid for in any case and no mail with higher priority is available to fill that space? If yes, please explain all situations where this might occur.

AOL-TW/USPS-17 Please show the portions of (1) Periodicals and (2) Standard A air costs that are either intra-Hawaii or intra-Alaska. Please confirm that the intra-Hawaii and intra-Alaska costs are only a small portion of the air transportation costs attributed to Periodicals and Standard A.

# **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document on all participants of record in this proceeding in accordance with the Commission's Rules of Practice.

  
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Timothy L. Keegan

October 16, 2001