

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

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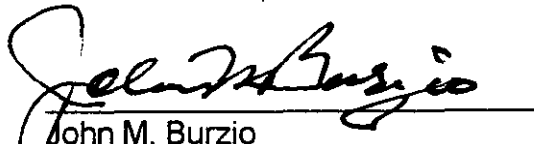
POSTAL RATE AND FEE CHANGES

Docket No. R2001-1

INTERROGATORIES OF AOL TIME WARNER INC.
TO WITNESS KINGSLEY (AOL-TW/USPS-T39-1-14)
(October 18, 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 Kingsley (USPS-T-39). If witness Kingsley 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,


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INTERROGATORIES TO WITNESS KINGSLEY (USPS-T-39)

AOL-TW/USPS-T39-1 Can one infer from the container label, without looking inside a container with flat mail, whether it contains machinable (on AFSM-100/FSM-881) or non-machinable flats, or a combination of both? Please provide separate answers for each of the following types of containers. In those cases where you indicate that it can be inferred, please explain how.

- a. A "flat tray" (tub) dispatched from a flat sorting operation in another facility?
- b. A mailer prepared 5-digit sack with automation flats?
- c. A mailer prepared 5-digit sack with non-automation flats?
- d. A mailer prepared pallet?
- e. An APC full of flats trays?

AOL-TW/USPS-T39-2 When a postal facility receives a "flat tray" containing flats from a flats sorting operation performed in another facility, can one infer from the tray label, without looking inside the tray, whether it was made up at an AFSM-100, FSM-881, FSM-1000 or manual flat sorting operation? If yes, how would one make such an inference?

AOL-TW/USPS-T39-3 Please consider flats that are sorted on an ongoing primary AFSM-100 sorting scheme and end up in a "flat tray" (tub) destined for a remote ADC. The tray arrives at the destinating ADC, which also has an AFSM-100, on which the flats will receive additional sorting. Please describe the treatment at the destinating ADC of this tray, and the flats in it, before the flats are loaded into the AFSM-100. Specifically, what is the approximate likelihood of each of the following?

- (1) The tray is taken to the AFSM-100, where one of the crew opens it, removes the lid, extracts the flats from inside the tray, orients them and loads them into the automatic flats feeder.
- (2) As above, except the AFSM-100 clerk loads the flats onto a flat mail cart (FMC), from which they will later be removed and loaded into the machine's automatic feeder.
- (3) The tray is opened, its lid removed and the flats oriented and loaded onto an FMC or similar rolling stock at a separate operation, away from the AFSM-100. When full, the FMC is taken to the AFSM-100.
- (4) The tray is opened and its lid removed, then it is placed on a container that is taken to the AFSM-100. An AFSM-100 employee eventually extracts the flats

from the tray and loads them into the automatic feeder.

- (5) Any other treatment (please explain).

AOL-TW/USPS-T39-4 Please consider the case of a carrier route sack containing one or more carrier route flats packages, all to the same carrier route. Is opening the sack, extracting the packages and disposing of the sack normally the duty of the carrier or a mail-processing employee at the DDU? If it is a shared responsibility, how frequently is each of these tasks performed by the carrier and by mail processing employees?

AOL-TW/USPS-T39-5

- a. How many valid 5-digit ZIP codes are there in the US?
- b. How many 5-digit schemes are there for sortation of flats to carrier route, counting as one a scheme that serves more than one 5-digit ZIP code?
- c. How many 5-digit schemes are there that serve ten or more carrier routes?
- d. How many schemes serve fifteen or more carrier routes?
- e. How many 5-digit schemes can be performed on one AFSM-100 at the same time? If more than one, please describe any restrictions that apply (e.g., limit on total number of carrier routes, etc.)
- f. How much time does it normally take to switch from one incoming secondary scheme to another on the AFSM-100?
- g. How many incoming secondary schemes are performed on AFSM-100 or FSM-881 machines today and how many will be performed on these machines in the test year?

AOL-TW/USPS-T39-6 Consider a 5-digit sack containing one or more 5-digit flats packages that arrives at the destinating SCF. Please explain who would normally be charged with: (1) opening the sack; (2) extracting the contents from the sack; (3) disposing of the sack; (4) deciding on which equipment and when and where the flats will receive incoming secondary sorting; (5) cutting the packages and removing the packaging material; and (6) orienting the flats and placing them in a way that facilitates piece sorting. In particular, explain for each of the above work-items whether it is performed at the piece sorting operation or in some preceding operation. Please answer assuming in turn each of the following:

- a. The flats are machinable and will receive incoming secondary sorting at an AFSM-100.

b. The flats are machinable and pre-barcoded but the incoming secondary for the given 5-digit zone is performed manually in an associate office.

c. The flats will be given manual incoming secondary sort at the destinating SCF.

AOL-TW/USPS-T39-7 Your testimony describes the current and intended future use of the 351 FSM-1000 machines deployed in mail processing plants.

a. Confirm that in the current configuration, with four keying consoles, the last console can be used only for keying because it is placed so that flats entered through it will not be seen by the barcode reader.

b. In the test-year FSM-1000 configuration, will there remain one console where flats entered through it must be keyed? If yes, explain how this fourth console will be used.

c. What is the expected throughput on the automatic flats feeder that will be installed on the FSM-1000?

d. You state that the FSM-1000 is intended for "the vast majority" of those flats that are non-machinable on the FSM 881. Please quantify the term "vast majority." If no precise estimate is available, please provide at least a rough estimate of the percentage of flats expected to be non-machinable even on the FSM-1000.

e. Will all flats that are machinable on the FSM-1000 today be machinable on the automatic flats feeder with which the machines will be equipped in the test year? If no, please indicate the percentage that will not be machinable on these flats feeders.

f. Please list the requirements that flats must meet in order to be machinable on the FSM-1000 and the criteria FSM-1000 employees are told to follow to recognize flats that can only be sorted manually.

AOL-TW/USPS-T39-8 In its response to AOL-TW/USPS-5, the Postal Service has listed the main tasks associated with preparing ("prepping") flats that have arrived in mailer-prepared packages for the AFSM-100.

a. What are the corresponding "prepping" tasks for flats that arrive in flats trays that have been prepared at flats sorting operations in other facilities?

b. What are the per-piece manhours and costs associated with the tasks involved in "prepping" flats for AFSM-100 sorting? Please provide any estimates known to the Postal Service that could help identify these costs.

AOL-TW/USPS-T39-9 Your testimony describes the uses of the SPBS and the LIPS machines to sort packages (bundles) in mail processing plants. While the

questions below refer to the SPBS, please indicate in each case if your answer would be any different with respect to the LIPS or any other similar system that might be used for the mechanized sortation of flats packages.

Please assume that a package breaks on an SPBS feeder belt (or that it already was broken before being dumped on the belt.) Assume further that the breakage is too severe for the package to be restored, but that the package's presort, before breaking, was the same as that of the SPBS sort scheme (e.g., a 3-digit package breaking during a 3-digit package sorting operation), so that the package would have had to be broken anyway and no piece sortation is lost. Finally, assume that the individual pieces from the broken package are recovered from the SPBS belt and eventually "prepped" for piece sorting on an automated machine. Please identify how the handling steps of these pieces, from the point when the package is dumped on the SPBS belt until the flats are "prepped" and ready for the automated flat sorter, differ from the corresponding pieces from packages that did not experience premature breakage. Please also provide the best possible estimate of the per-piece difference in handling costs between the two sets of pieces. Please include in your analysis the fact that the broken package in this example does not need to be keyed on the SPBS, whereas packages that maintain their integrity do.

If you cannot precisely specify the cost difference between pieces from packages that break prematurely and those from packages that do not, please indicate whether, under the assumptions spelled out above, you believe that the pieces in the broken package incur more costs than those from other packages. If possible, please indicate also the approximate magnitude of the cost differential.

AOL-TW/USPS-T39-10 In Docket No R2000-1 you provided, in response to MPA interrogatory MPA/USPS-T10-4 (Tr. 5/1705), a copy of a letter from USPS management dated December 30, 1999 and signed by Mr. Walter O'Tormey. The letter discusses Periodicals package breakage recovery methods. It characterizes the practice of keying, on the SPBS machines, individual pieces from broken packages as the least economic method and states that it should not be used under any circumstance.

a. Is it your impression that, after the management letter referred to above was circulated to the field, there occurred a significant reduction in the practice of keying individual pieces from broken packages on the SPBS machines? If yes, approximately what percentage of the previous incidences of keying individual pieces do you believe has now been eliminated?

b. The letter referred to above also states:

"Clearly, the most economical method of package breakage recovery is to recover the broken packages as originally secured by the mailers at induction and re-band them using rubber bands and/or strapping machines and re-induct them into the system. This is the preferred method and should be utilized whenever the package integrity is sufficient to identify the contents because it

retains the correct presort level.”

Based on your knowledge of the mail processing system, roughly what percentage of broken packages on feeder belts do you believe is recovered in the prescribed manner? If no precise measure is known, please indicate at least whether you believe the packages so recovered represent a large or a small percentage of all broken packages.

c. When a broken package observed on an SPBS feeder belt is “recovered” in the manner described in part b of this interrogatory, approximately what are the extra handling costs, per-piece or per-package? In your answer, please include a consideration of how the need to recover broken packages impacts staffing requirements and overall productivity in SPBS operations.

d. The letter referred to above also states:

“If the packages have broken and lost their integrity, they should be recovered and, whenever possible, faced and put directly into the proper container, i.e., flat tub. u-cart etc., for further processing on the appropriate Flat Sorter Machine (FSM) sort program.”

Roughly what percentage of broken packages on SPBS feeder belts do you believe lead to the recovery of individual pieces in the manner indicated above?

e. When individual pieces are recovered from an SPBS feeder belt as described in part d of this interrogatory, what approximately are the extra per-piece or per-package costs imposed by the premature breakage? In your answer, please assume that the package’s original sort level was the same as that of the SPBS sort scheme.

f. Please address the questions posed in parts b-e of this interrogatory for the case when broken packages are observed on a manual opening belt. That is, what are the relative frequencies of recovering (1) the entire package and (2) individual pieces from broken packages, and what are the extra per-piece or per-package handling costs in each case?

AOL-TW/USPS-T39-11 Please consider the case where packages on a 3-digit pallet are sorted manually, from the pallet into various containers. Assume that a carrier route package lands in a 5-digit container, appropriate for that carrier route, but that on impact in the receiving container the package breaks.

a. Please confirm that the further disposition of this package and the pieces in it will normally be one of the following:

- (1) the package is recovered and distributed, in a subsequent manual package sort, to the appropriate carrier; or

- (2) the individual pieces from the package are recovered and "prepped" for incoming secondary flat sorting to the given 5-digit zone.

If you believe the package might be handled in a manner different from the two alternatives listed, please explain and indicate the approximate likelihood of the alternative treatment.

- b. Approximately what is the likelihood of the first alternative, i.e., that the "broken" package can be recovered, thereby avoiding the need for incoming secondary piece sorting?
- c. Approximately what are the extra costs due to the premature breakage under the first alternative?
- d. Excluding the actual incoming secondary costs, what additional costs are incurred under the second alternative indicated above?

AOL-TW/USPS-T39-12 Please consider a scenario similar to that described in the preceding interrogatory (AOL-TW/USPS-T39-11), except that instead of a 3-digit pallet, the manual package sorting is performed from a 3-digit hamper that has been filled with packages in a preceding SPBS sort operation. Do your answers to that interrogatory apply also in this case? If not, please explain.

AOL-TW/USPS-T39-13 Please consider a clerk performing a manual package sort, from a hamper filled in a preceding SPBS sorting operation. Assume that he finds a package that, although still together, has been damaged so that it is at risk of breaking in the subsequent sort. Please explain what the clerk is supposed to do in that case, and if possible the extra costs incurred by the damaged package.

AOL-TW/USPS-T39-14 Please consider the case where carrier route flats packages are being sorted either from a 5-digit mailer-prepared pallet, or from a 5-digit hamper that has been filled in a preceding SPBS sorting operation. Assume that packages are manually thrown into individual Hampers or U-carts, one for each carrier route. Assume that a package, upon landing in the appropriate hamper or U-cart, breaks.

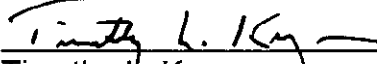
- a. Please confirm that the pieces in this package will have made it to the carrier level and therefore do not need to go back to an incoming secondary operation, regardless of the degree of damage sustained by the package.
- b. Please confirm that this package would have to be broken by the carrier anyway.
- c. Who would normally recover individual pieces in this bundle from the hamper? Would it be the carrier or the mail processing employee who brings mail to the carrier?
- d. What are the extra handlings and associated costs of package breakage in this

case?

e. Please confirm that in many DDU's the sortation of flats packages to the carriers is performed, not by throwing but by placing the package on the carrier's ledge, or on a shelf or in a cubby hole designated for that carrier so that the possibility of package breakage does not occur.

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 18, 2001