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

POSTAL RATE AND FEE CHANGES : Docket No. R2001-1

INTERROGATORIES OF AOL TIME WARNER INC.
TO THE UNITED STATES POSTAL SERVICE (AOL-TW/USPS-22-24)
(October 23, 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

Counsel for
AOL Time Warner Inc.

Burzio & McLaughlin
Canal Square
1054 31st Street, N.W.
Suite 540
Washington, D.C. 20007
(202) 965-4555

FOURTH SET OF INTERROGATORIES TO UNITED STATES POSTAL SERVICE

AOL-TW/USPS-22 On August 28, 2001 the Postal Service published a notice in the Federal Register proposing a regulation change to allow "co-packaging", i.e., the combining of flat-sized automation rate pieces and flat-sized presorted rate pieces within the same package. There would be some restrictions. For example, the "co-packaged" presorted rate pieces would be required to contain 5-digit barcodes, and where more than one physical package is prepared for a "logical" presort destination, no more than one physical package would be allowed to contain both presorted rate pieces and automation rate pieces. The proposal also indicates a goal of making the new preparation option mandatory by January 2003.

a. Does the Postal Service expect the regulation change referred to above to take effect prior to the start of FY2003? If no, please explain why not.

b. Please confirm that, in the new flat sorting environment that will exist when the Postal Service completes the installation of OCR's on the FSM-1000 and the currently planned installation of AFSM-100 machines, the Postal Service's prior need to segregate barcoded and non-barcoded pieces will no longer exist. If not confirmed, please explain why such a need will still exist.

c. Please confirm that, in the test year flat sorting environment, barcoded and non-barcoded pieces with similar weight and shape are likely to be "prepped" for and sorted on the same flat sorting machines. If not confirmed, please explain why not.

d. Please confirm that, when non-carrier route presorted rate and automation rate pieces are included in the same mailing job, the presorted rate pieces normally result from unsuccessful attempts by mailers to match addresses with 9-digit or 11-digit barcodes using available software and data. If not confirmed, please explain what other factors cause the presence of both types of pieces within the same mailing job.

e. Please confirm that the "co-packaging" of presorted rate and automation rate pieces can, other factors remaining equal, be expected to increase the number of pieces in an average package and produce packages with higher levels of presort.

f. Please confirm that the presence of 5-digit barcodes on the presorted rate pieces in a co-packaged mailing will add value by facilitating any required primary sort down to the 5-digit level.

g. Please confirm that even in an OCR environment the presence of a barcode, even a 5-digit barcode, will improve the chances of the OCR successfully locating the address block.

h. Please confirm that the presence of 5-digit barcodes on presorted rate pieces for addresses that mailers unsuccessfully attempted to match with 9-digit or 11-digit barcodes will assist the Postal Service's quality control efforts.

i. Please confirm that since the current requirement to separate presorted rate and automation rate pieces is an inconvenience for mailers, most mailers who produce both presorted rate and automation rate pieces in the same mailing jobs are likely to adopt the proposed new preparation method described above even if it is not made mandatory.

AOL-TW/USPS-23 Please refer to the proposed regulation concerning "co-packaging" of flats referred to in the preceding interrogatory (AOL-TW/USPS-22).

a. Please provide the Postal Service's best estimate of the Periodicals and Standard A volume potentially affected by the proposal. That is, please provide the total non-carrier route flats volume, in each class, that is included in mailings that produce both presorted rate and automation rate flats.

b. Has the Postal Service collected any data on the average success rate of Periodicals mailers in matching addresses to 9-digit or 11-digit barcodes in order to qualify the maximum number of pieces for automation discounts? If yes, please indicate the average success rate and the main factors affecting this success rate, and please provide all relevant data.

c. Has the Postal Service conducted any analysis of the impact that the proposed regulation change would have on presort levels, productivity rates and/or costs of flats processing? If yes, please provide all results of such analyses and explain the methodology used as well as all underlying assumptions.

d. Is the potential impact of "co-packaging" considered in any way in the Postal Service's test year cost projections in this docket? If yes, please explain fully.

AOL-TW/USPS-24

a. What is the maximum number of flats that can fit on an AFSM-100 "main belt" at one time?

b. How much time does the AFSM-100 "main belt" take to complete one pass around the machine?

c. Can the maximum throughput on the AFSM-100 be calculated by dividing the number of flats that fit on the "main belt" at one time with the time the belt takes to complete one pass? If no, please explain how the maximum throughput can be determined and state what the maximum throughput is.

d. Please confirm that, while a flat whose image has been "lifted" to the VCS system waits for the VCS coding to be completed, it continues to occupy one slot on the AFSM-100 "main belt," thereby preventing any newly fed flat from using that slot.

e. Please explain all safe-guards in the AFSM-100 system, in cases of VCS operators' absence or inattention or in cases where a very high percentage of flats require VCS coding, that protect against the machine being filled up by flats waiting for VCS coding and thus unable to accept new flats.

f. Can the AFSM-100 be operated with the VCS turned off? If yes, please estimate how often this has occurred so far in operational use, and indicate where the flats that would have received VCS coding are processed.

g. Under what conditions will flats accumulated and awaiting VCS coding be released without coding?

h. Please state or give your best estimate, in operational experience so far, of the percentage of flats "lifted" to the VCS that have failed to be coded on the VCS due to insufficient capacity of VCS operators to cope with the volume of flats before some had to be released to free up slots on the AFSM-100, or due to the VCS being shut off completely.

i. Your response to AOL-TW/USPS-7 refers to an Excel spreadsheet that is used to plan the staffing of the VCS operation. Please provide a copy of that spreadsheet.

CERTIFICATEOFSERVICE

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.

Timothy L. Keegan

October 23, 2001