

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

RECEIVED
Oct 24 3 36 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

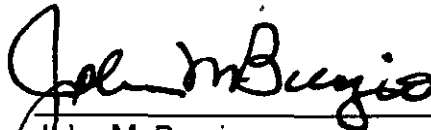
POSTAL RATE AND FEE CHANGES

Docket No. R2001-1

INTERROGATORIES OF AOL TIME WARNER INC.
TO WITNESS VAN-TY-SMITH (AOL-TW/USPS-T13-4-6)
(October 24, 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 Van-Ty-Smith (USPS-T-13). If witness Van-Ty-Smith 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

SECOND SET OF INTERROGATORIES TO WITNESS VAN-TY-SMITH (USPS-T-13)

TW/USPS-T13-4 Your testimony states:

"To reflect the emergence of the ISCs (International Service Centers) as separate entities related to international programs, costs for MODS finance numbers in FY 2000 are further disaggregated into costs for ISC and non-ISC finance numbers."

- a. What is an ISC? In particular, please explain what you mean by describing them as "separate entities related to international programs."
- b. How many ISC's are there?
- c. Where are ISC's typically located? Specifically, how many are located: (1) inside mail processing plants (P&DC's); (2) at airports; or (3) in separate facilities?
- d. Do employees receive special training in order to work in an ISC? If yes, what kind of training do they receive, and how long does such training last?
- e. LR-J-55 states that mail processing IOCS tallies with "ISC encrypted finance numbers" are extracted and included in the cost pool called INTL ISC. What are the ISC associated finance numbers?
- f. How many employees work at ISC's?
- g. Should ISC's be considered as distinct from both Function 1 and Function 4 offices?
- h. Assume that a Periodical is being handled in an ISC. Which of the following is most likely, and which is least likely?
 - (1) the Periodical has domestic origin and international destination;
 - (2) the Periodical has international origin and domestic destination; or
 - (3) the Periodical has domestic origin and domestic destination?
- i. Please answer the questions in part h of this interrogatory assuming that the mail piece is a single piece letter, rather than a Periodical.

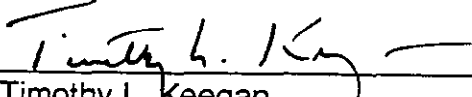
TW/USPS-T13-5 Please refer to Table 3 in your testimony and confirm that your cost distribution results in \$0.63 million of INTL ISC costs being attributed to the domestic subclass called "Outside County Periodicals".

TW/USPS-T13-6

- a. Please confirm that the four MODS cost pools that you define as "support" pools have direct tallies in the BY2000 IOCS data with combined tally costs of \$106.13 million.
- b. Please confirm that the BY2000 direct tally costs at the four support pools are 18.3% higher than the corresponding costs in FY98.
- c. Please confirm that your proposed method, like the method you proposed in R2000-1, effectively ignores the IOCS subclass identifications for all direct tallies in the four "support" pools.

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 24, 2001