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

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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF AOL-TIME WARNER (AOL-TW/USPS-26) -- ERRATA

The United States Postal Service hereby provides its revised response to the following interrogatory of AOL-Time Warner: AOL-TW/USPS-26, filed on November 5, 2001. The initial response was filed yesterday, November 19, 2001. The revised response changes subpart (a) to reflect the existence of certain air taxi service.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking:

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202) 268-2990; Fax -5402 November 20, 2001

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF AOL-TIME WARNER

AOL-TW/USPS-26 Please indicate what types of FSM sorting schemes generate output that receives air transportation (when the flats are First Class) to the next facility in which the flats will be processed. In particular:

- a. Please confirm that, regardless of class, flats that are sorted in an incoming secondary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.
- b. Please confirm that, regardless of class, flats that are sorted in an incoming primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.
- c. Please confirm that, regardless of class, flats that are sorted in an SCF primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.
- d. Please confirm that, regardless of class, flats that are sorted in an ADC primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.
- e. Is it reasonable to assume that a flat sorting scheme that generates output whose destination is far enough away to require air transport (if the flats are First Class) must be either an outgoing primary or an outgoing secondary scheme? If no, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.
- f. Please explain the Postal Service's current policy regarding the distances over which First Class flats will be transported by air instead of by surface. Please also explain any changes that may have occurred in this policy during the last three years, and any changes being contemplated before FY2004.
- g. Roughly what percentage of the flats sorted at an outgoing flats primary operation is to destinations far enough away to require air transportation when the flats are First Class?

RESPONSE

a) Not confirmed. In the contiguous 48 states, the exceptions are those instances where there is no surface transportation available. Examples include air taxis from Toledo to islands in Lake Erie, and air taxis from the mainland to certain islands off the New England coast.

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- b) Confirmed, for the contiguous 48 states.
- c) Confirmed, for the contiguous 48 states.
- d) Confirmed, for the contiguous 48 states.
- e) Yes.
- f) The policy for routing First-Class flats does not specifically identify distances as contemplated in the question. According to USPS Handbook M22, Dispatch and Routing Policy, the determinations for routing First-Class Mail are as follows:

162.1 General

Area Distribution Networks must provide routings for designated overnight 2-day, and 3-day qualified mail within each window of transportation established by the origin and destination operating plans.

162.2 Overnight Delivery

Overnight delivery areas must be routed via surface transportation (some exceptions exist such as the U.S. Virgin Islands).

162.3 Two-Day Delivery

All metered and postmarked mail designated for 2-day delivery can be dispatched by either air or surface transportation, depending upon the most economical routing available that will meet the critical entry time at

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destination. Incoming critical entry time normally falls between 1500 and 1800 hours with some exceptions.

162.3 Three-Day Delivery

All other remaining areas within the United States must be routed by air or surface transportation to achieve 3-day delivery. Mail with 3-day service standards must utilize routings that meet the critical entry time of 8 a.m. (Day 2) at the area distribution center (ADC) or automated area distribution center (AADC). Special bracketing options as described in Chapter 2 may be used in some cases.

No changes are contemplated to this policy.

g) The percentage of flats that "require air transportation" is unknown.

The choice of mode is determined by each plant and constrained by the availability of transportation at each originating facility.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Susan M. Duchek

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