

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, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS TAUFIQUE TO INTERROGATORIES OF  
TIME WARNER, INC.  
REDIRECTED FROM WITNESS SECKAR  
(TW/USPS-T26-1(C) AND 2(A-D))

The United States Postal Service hereby provides responses of witness Taufique to the following interrogatories of Time Warner, Inc.: TW/USPS-T26-1(c) and 2(a-d), filed on August 26, 1997, and redirected from witness Seckar.

Each 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



David H. Rubin

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September 9, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORIES OF TIME WARNER INC. (TW)  
(REDIRECTED FROM WITNESS SECKAR)

TW/USPS-T-26-1

c. Please confirm that flats (and letters) must be machinable in order to earn barcode discount.

RESPONSE

c. Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
TO INTERROGATORIES OF TIME WARNER INC. (TW)  
(REDIRECTED FROM WITNESS SECKAR)

TW/USPS-T26-2

a. Under the current presort categories for regular rate Periodicals, i.e. levels A, B and C, what percentages of regular rate periodicals pieces had presort levels A, B and C respectively in FY 96, according to the billing determinants?

b. What proportion of the current level A in regular rate periodicals does the Postal Service believe would qualify for the 3 - digit presort level if the proposed new presort categories were in effect today?

c. Assuming mailers do not change their presortation practices, but that current level A and B mailers take advantage of the new 5-digit and 3-digit rates to the extent that they already qualify for them, what percentages of regular rate periodicals will have respectively basic, 3-digit, 5-digit and carrier route presortation after the proposed rates are implemented? Please document your answer.

d. Assuming mailers do not change their presortation or barcoding practices, but that current level A and B mailers take advantage of the new 5-digit and 3-digit rates to the extent that they already qualify for them, what percentages of regular rate periodicals will be respectively basic barcoded, basic non-barcoded, 3-digit barcoded, 3-digit non-barcoded, 5-digit barcoded, 5-digit non-barcoded and carrier route presorted after the proposed rates are implemented? Please document your answer.

RESPONSE

a. Billing determinants for regular rate periodicals include Science of Agriculture and commingled pieces that add up to a total of 6,984,300,626 pieces for FY 1996 (See USPS-T-34, Workpaper RR-A, pages 1-2). Out of this total, Basic rate (or Level A) makes up 19.32 percent, 3/5 presortation (or Level B) is 41.34 percent, and presortation to Carrier Route is 39.34 percent.

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TW/USPS-T26-2, Page 2 of 3

- b. USPS-T-34, Workpaper RR-B, titled Transition Matrix, contains the appropriate information to calculate the expected shift from Level A to 3-digit if the proposed new presort categories were in effect today. The BYBR Volume provided in the third and fourth column is used to calculate the Level A volume at 1,317,886,934 (including Science of Agriculture and Commingled, but excluding Automation Letters). In the Proposed Rate Structure columns the Level A or Basic presortation volume drops to 454,520,092, an expected shift of 863,366,842 pieces or 65.5 percent from Level A or Basic rate to the 3-digit presort level.
- c. Approximately 7 percent of the regular rate periodicals will have basic rate presortation while 3-digit, 5-digit and Carrier Route presortation levels will have 22, 32 and 39 percent of regular rate periodicals respectively. See attached table for documentation.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE  
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d. The percent breakdown by presort levels for regular rate periodicals would be as follows:

Basic barcoded	2 percent
Basic non-barcoded	5 percent
3-digit barcoded	8 percent
3-digit non-barcoded	14 percent
5-digit barcoded	15 percent
5-Digit non-barcoded	16 percent
Carrier Route	39 percent

Note: See attached table for documentation.

PERIODICAL REGULAR RATE TYAR PIECES				Attachment to Response to TW/USPS-T26-2
SOURCE USPS-T-34, WORKPAPER RR-J, PAGE 1				
1	BASIC NON-AUTOMATION	PIECES	357,845,023	
2	BASIC AUTOMATION LETTER	PIECES	32,277,476	
3	BASIC AUTOMATION FLAT	PIECES	107,300,475	
4	BASIC NON-AUTOMATION 3 DIGIT	PIECES	996,187,232	
5	BASIC AUTOMATION 3 DIGIT LETTER	PIECES	12,029,892	
6	BASIC AUTOMATION 3 DIGIT FLAT	PIECES	573,063,357	
7	BASIC NON-AUTOMATION 5 DIGIT	PIECES	1,160,957,152	
8	BASIC AUTOMATION 5 DIGIT LETTER	PIECES	22,537,348	
9	BASIC AUTOMATION 5 DIGIT FLAT	PIECES	1,073,603,038	
10	CARRIER ROUTE BASIC	PIECES	2,775,519,910	
11	CARRIER ROUTE HIGH DENSITY	PIECES	19,831,870	
12	CARRIER ROUTE SATURATION	PIECES	16,421,229	
13	TOTAL TYAR REGULAR RATE	PIECES	7,147,574,000	

TW/USPS-T26-2 ( c )			Vol. incl. Letters	Percent	Source
14	Basic	PIECES	497,422,973	6.96%	Lines (1+2+3)/Line 13
15	3-Digit	PIECES	1,581,280,480	22.12%	Lines (4+5+6)/Line 13
16	5-Digit	PIECES	2,257,097,539	31.58%	Lines (7+8+9)/Line 13
17	Carrier Route	PIECES	2,811,773,008	39.34%	Lines (10+11+12)/Line 13
18	Check Total		7,147,574,000	100.00%	

TW/USPS-T26-2 ( d )			Vol. incl. Letters	Percent	Source
19	Basic barcoded	PIECES	139,577,950	1.95%	Lines (2+3)/Line 13
20	Basic non-barcoded	PIECES	357,845,023	5.01%	Line 1/Line 13
21	3-Digit barcoded	PIECES	585,093,248	8.19%	Lines (5+6)/Line 13
22	3-Digit non-barcoded	PIECES	996,187,232	13.94%	Line 4/Line 13
23	5-Digit barcoded	PIECES	1,096,140,387	15.34%	Lines (8+9)/Line 13
24	5-Digit non-barcoded	PIECES	1,160,957,152	16.24%	Line 7/Line 13
25	Carrier Route	PIECES	2,811,773,008	39.34%	Lines (10+11+12)/Line 13
26	Check Total		7,147,574,000	100.00%	

**DECLARATION**

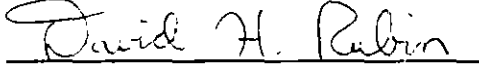
I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
ALTAF H. TAUFIQUE

Dated: 9/9/97

**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.

  
David H. Rubin  
David H. Rubin

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