

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

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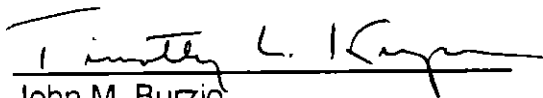
POSTAL RATE & FEE CHANGES, 1997

Docket No. R97-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

INTERROGATORIES OF TIME WARNER INC.
TO UNITED STATES POSTAL SERVICE: TW/USPS-1-4
(September 11, 1997)

Pursuant to sections 25 and 26 of the Rules of Practice, Time Warner Inc.
(Time Warner) directs the following interrogatories to the United States Postal Service.

Respectfully submitted,



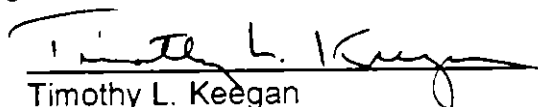
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CERTIFICATE OF SERVICE

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


Timothy L. Keegan

September 11, 1997

INTERROGATORIES TO UNITED STATES POSTAL SERVICE

TW/USPS-1 Please refer to the Postal Service's answer to TW/USPS-T26-1b, which was redirected from witness Seckar.

a. Please confirm that your estimate that 75% of non-carrier route presorted periodicals flats are machinable refers to machinability on the FSM-881 machines. If not confirmed, please clarify what the estimate means and provide an estimate of periodicals flats machinability on the FSM 881's.

b. What percentage of (1) all periodicals mail pieces and (2) all regular rate periodicals mail pieces are newspapers?

c. What percentage of (1) all non-carrier route presorted periodicals mail pieces and (2) all non-carrier route presorted regular rate periodicals mail pieces are newspapers?

d. Does the Postal Service consider all periodicals mail pieces that are not newspapers to be machinable on FSM 881's? Please explain your answer.

e. Please confirm that for regular rate periodicals, 42% of the non-carrier route pieces were pre-barcoded in FY96, according to the billing determinants, and that your estimate of 75% machinability for the remaining 58% therefore means that 85.5% of non-carrier route presorted regular rate flats are machinable. If not confirmed, please explain and provide corrected numbers.

f. Which USPS witness is sponsoring LR-H-190?

TW/USPS-2 The Postal Inspection Service report named "Developmental Audit - Flat Sorting Machine 1000 (FSM 1000) Program" (December 1996), which is included in LR-H-236, states, at page 2:

"In most P&DC's, approximately 50% of all flat mail is not presorted to the carrier route by the customer and must be sorted by postal clerks. About 25% of this volume consists of flat mail which, because of its physical make-up, cannot be processed by today's FSM 881, and must be worked in a manual sorting operation."

a. Does the Postal Service concur with the Inspection Service's estimate that about 25% of non-carrier route presorted flats are non-machinable on the FSM 881's? If no, please explain and provide the Postal Service's best estimate of flat non-machinability on the FSM 881's.

b. Does the Postal Service believe that Periodicals flats have a higher percentage of machinability on FSM 881's than the average flat? If yes, what

class or classes of flats are less machinable than Periodicals flats? If no, please reconcile your answer with LR-H-190 and your earlier response to TW/USPS-T26-1b.

TW/USPS-3 In his answer to TW/USPS-T26-1f, witness Seckar offers various explanations of why Periodicals flats today may have a higher degree of machinability than in the past, including the Postal Service's working closely with the mailers and the certification of poly-wrap materials.

a. Does the Postal Service concur with witness Seckar that there has been an improvement in Periodicals flat machinability? Please explain your answer.

b. Does the Postal Service believe that improvements in Periodicals flat machinability have been sufficient to upgrade the estimate of machinability on FSM 881's from the 75% used by witness Byrne in MC95-1 and the 57% used by witness Pham in MC91-1, to the 85.5% effectively assumed by witness Seckar in this case? Please explain your answer.

c. Please confirm that an improvement in machinability for Periodicals flats could, other factors being equal, be expected to lead to reduced costs of processing Periodicals mail. Please explain if not confirmed.

d. How much does the Postal Service estimate that the costs of processing Periodicals mail have been reduced as a consequence of improved machinability for Periodicals flats?

TW/USPS-4 The following table shows the FSM and manual flat sorting costs in MODS offices that, according to Table 5 in USPS-T-12, have been attributed to respectively First Class, Periodicals, Standard A and all mail based on the new USPS costing method. It also shows the percentage of the combined FSM and manual flat sorting costs that were incurred in manual sorting.

BY96 FSM & Manual Flat Sorting Costs Per Class			
Class	FSM	Manual Flats	Percent Manual
First Class	389,271	188,801	32.66%
Periodicals	48,684	86,676	64.03%
Standard A	212,974	146,124	40.69%
All Mail	676,538	445,858	39.72%

a. Please confirm that the above table correctly reflects the attribution of FSM and manual flat sorting costs to various classes that the Postal Service proposes in this docket. If not confirmed, please provide corrections.

- b. Please confirm that for Periodicals, 64% of their attributed flat sorting costs were manual sorting costs, versus only 32.7% for First Class and 40.7% for Standard A flats. Additionally, please describe all reasons known to the Postal Service that might explain this phenomenon.
- c. Does the Postal Service believe that the much higher propensity of Periodicals flats to be sorted manually is caused by Periodicals flats being less machinable than other flats? Please explain your answer.
- d. What percentage of First Class flats were pre-barcoded in FY96?
- e. Please confirm that in FY96 non-carrier route Periodicals flats had a much higher degree of prebarcoding than First Class flats.
- f. If 42% of Periodicals flats were pre-barcoded and thereby presumably also machinable, and if, as assumed by witness Seckar and confirmed in the Postal Service's response to TW/USPS-T26-1b, 75% of the remaining 58% were also FSM machinable, i.e. a total machinability of 85.5%, then how is it possible that Periodicals flats continue to be mostly sorted manually, to a much larger extent than other classes of flats? Please explain as completely as possible.