

ORIGINAL

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 INTERROGATORY OF
TIME WARNER, INC.
(TW/USPS-T34-1)

The United States Postal Service hereby provides the response of witness Taufique to the following interrogatory of Time Warner, Inc.: TW/USPS-T34-1, filed on September 15, 1997.

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

Respectfully submitted,

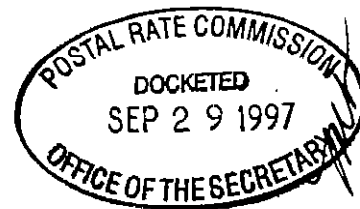
UNITED STATES POSTAL SERVICE

By its attorneys:

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September 29, 1997



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

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TW/USPS-T34-1 The following table shows the breakdown of the FY96 regular rate Periodicals volume by presort and automation categories, as given in the billing determinants and in LR-H-134. While the volume categories given are obviously distinct, since they add up to the total subclass volume in FY96, the distinctions between certain categories are not obvious from their description.

FY 1996 BILLING DETERMINANTS PERIODICALS REGULAR RATE & SCIENCE OF AGRICULTURE (From LR-H-145)	
PIECE RATED W/Discount	
Presort Rates:	6,978,325,228
LEVEL A NON-AUTOMATION	758,910,544
BASIC NON-AUTOMATION	199,089,110
LEVEL A ZIP + 4 NUMERIC	2,357,823
BASIC AUTOMATION LETTER	9,205,104
LEVEL A PREBARCODED LETTES	19,975,455
LEVEL A PREBARCODED FLATS	274,555,711
BASIC AUTOMATION FLAT	84,550,564
LEVEL B3 NON - AUTOMATION	333,524,496
3/5 NON - AUTOMATION	288,082,287
LEVEL B3 ZIP - 4 NUMERIC	477,441
3/5 AUTOMATION LETTER	5,882,586
LEVEL B3 PREBARCODED LETTERS	3,305,294
LEVEL B3 PREBARCODED FLATS	269,219,641
3/5 AUTOMATION FLAT	290,247,033
LEVEL B5 NON-AUTOMATION	875,356,501
CARRIER ROUTE BASIC	517,166,437
LEVEL B5 ZIP + 4 NUMERIC	2,087,031
CARRIER ROUTE HIGH DENSITY	4,608,008
CARRIER ROUTE SATURATION	5,914,564
LEVEL B5 PREBARCODED LETTES	22,024,749
LEVEL B5 PREBARCODED FLATS	795,153,850
CARR-RTE PRESORT BASIC (C1)	2,191,731,345
CARR-RTE PRESORT 125-PIECE WALK SEQ. (C2)	14,768,100
CARR-RTE PRESORT SATURATUON (C3)	10,131,522

Please describe the distinct meaning of each volume category in this table, including a description of how each was measured. In particular:

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a. What is the difference between the 517,166,437 pieces called "CARRIER ROUTE BASIC" and the 2,191,731,345 pieces called "CARR-RTE PRESORT BASIC (C1)"? Is there any difference in the way these two categories are made up? How were the two volumes measured?

b. Please answer the same question for the two categories of high density carrier route and the two categories of saturation carrier route.

c. Why are some categories referred to as "automation" and some as "pre-barcoded"? Does this reflect any difference in make-up?

d. Why are some categories referred to as "Level A" and some as "Basic", when it appears that all these categories add up to what is currently named "Level A"?

e. What is the difference between the categories named B3, B5 and 3/5?

f. Which volumes are based (1) on RPW only; (2) on RPW combined with data from LR-H-190; and (3) some other combination of data? Please explain.

g. Do the breakdowns of the Level A and Level B volumes in the table provide a key as to what will be respectively basic, 3-digit and 5-digit under the proposed new presort categories? If yes, please explain.

RESPONSE

The number of categories results from the fact that the base year (FY96) includes three quarters before implementation of Docket No. MC95-1, and one quarter after the implementation of Docket No. MC95-1. The differences in names are due to change in the labels resulting from Docket No. MC95-1. For example, the presort category that was labeled A is now referred to as Basic, and the term 'prebarcoded' has been replaced by 'automation'. Therefore Level A non-automation and Basic non-automation refer to the same presort level for non-automation mail and the Level A includes the first three quarters of FY96, while the Basic volume includes the last quarter. The ZIP+4 category was eliminated in Docket No. MC95-1 and the volume was added to the Automation Letter categories at each respective presort level. Therefore, Level A ZIP+4

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Numeric was added to Basic Automation Letter, and Level B3 ZIP+4 Numeric and Level B5 ZIP+4 Numeric were added to 3/5 Automation Letter. In the same manner, Prebarcoded letters are added to Automation Letters at their respective presort levels. Therefore, Level A Prebarcoded Letters are added to Basic Non-automation Letters and Levels B3 and B5 Prebarcoded Letters are added to 3/5 Automation letters. Level A Prebarcoded Flats and Basic Automation Flats refer to the same presort level for automation flats and are combined into the Basic Automation Flats category. The Level B3 and B5 categories after Docket No. MC95-1 are combined into a single 3/5 presortation level for both the automation and non-automation categories. Specifically, Level B3 Non-automation, Level B5 Non-automation and 3/5 Non-automation are combined into a single 3/5 Non-automation category and Level B3 and B5 Prebarcoded Flats are combined with 3/5 Automation Flats into a single category labeled 3/5 Automation Flats.

The Carrier Route presortation levels prior to Docket No. MC95-1 were referred to as C1, C2, and C3. The new names for these levels are Carrier Route Basic, High Density and Saturation. The volumes are combined accordingly.

The TYBR categories from these billing determinants are derived in the workpaper titled Transition Matrix (See USPS-T-34, Workpaper RR-B). The

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measurement methodology is discussed in the testimony of witness Pafford (USPS-T-1), and LR-H-89.

- a) There is no difference between 517,166,437 pieces called "CARRIER ROUTE BASIC" and the 2,191,731,345 pieces called "CARR-RTE. PRESORT BASIC (C1)", as explained above, except that the first number corresponds to the last quarter of FY96 and the last number corresponds to the first three quarters. They both refer to Carrier Route basic sortation level. This same category was referred to by C1 prior to the implementation of Docket No. MC95-1 and Carrier Route Basic after Docket No. Mc95-1. For the methodology of volume measurement please see the testimony of witness Pafford (USPS-T-1), and LR-H-89.
- b) High Density and Saturation were referred to by C2 and C3 after Docket No. MC95-1. Once again, there is no difference between High Density and C2, and Saturation and C3, except for the portion of the base year covered.
- c) The term prebarcoded was replaced by the term automation after Docket No. MC95-1. No. This change in terminology does not reflect any difference in make-up.
- d) Some categories are referred to as "Level A" and some as "Basic" because of the change in terminology, as explained above. They add up to what is currently named "Basic", not "Level A".
- e) Volumes for level B3, and level B5 were reported separately prior to the

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implementation of Docket No. MC95-1 even though the applicable rates for these two categories were the same except for "barcoded" or "automation" letters. The 3/5 category is the combination of these two categories.

- f) It is my understanding that all the volumes in the billing determinants are based on RPW only. Please see the Postal Service's response to NAA/USPS-1.
- g) No. The volumes for the proposed presort categories for Basic, 3-Digit, and 5-Digit are based on the Second Class mail characteristics study provided in LR-H-190.

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: 9/29/97

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

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