

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

COMPLAINT OF TIME WARNER INC., ET AL.
CONCERNING PERIODICALS RATES

Docket No. C2004-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS RACHEL TANG TO INTERROGATORIES OF
TIME WARNER INC. ET AL. (TW ET AL./USPS-RT2-23-24)

The United States Postal Service hereby files the response of witness Rachel Tang to the following interrogatories of Time Warner Inc. et al.:

TW ET AL./USPS-RT2-23-24, filed on October 15, 2004.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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/s/

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RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS RACHEL TANG TO INTERROGATORY OF TIME WARNER ET AL.

TW et al./USPS-RT2-23 Please refer to your response to TW et al./USPS-RT2-15, particularly your reference to “child sacks” on BMC pallets.

- a. Does the Postal Service accept pallets with Periodicals sacks and BMC presort level? If yes, which DMM section describes such a presort level for Periodicals pallets? Are ASF pallets with Periodicals sacks also permitted?
- b. Among the publications you analyzed, did you in fact encounter examples of BMC pallets with Periodicals sacks? If yes, for what percentage of the publications analyzed did this occur?
- c. Did you assume per-pallet charges for “parent” pallets, in addition to the charges for the “child” sacks? If yes, what per-pallet charges did you assume for (1) mixed ADC pallets and (2) BMC pallets?

RESPONSE:

- a. DMM section M045.3.1 describes the preparation of Mixed ADC pallets of sacks and trays of Periodicals mail. Although the BMC presort level is not specifically mentioned as a required presort level, to my knowledge nothing in this section precludes mailers from preparing Mixed ADC pallets of sacks where all sacks on the pallet destinate in the service territory of one BMC, therefore have an implicit presort level of BMC, and are documented in the mail.dat as BMC “parent” pallets.
- b. Yes. In the sample of 251 publications provided in response to POIR-2, 19 of the 251 publications prepared at least one BMC pallet of sacks.
- c. For Mixed ADC and BMC “parent” pallets we assumed the per-pallet charge of an ADC pallet entered at the DBMC. The per-pallet charge for “parent” ADC, SCF, 3-Digit and 5-Digit pallets was assumed to be equal to the per-pallet charge of pallets of bundles with the same entry and presort level.

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TW et al./USPS-RT2-24 Please refer to your response to TW et al./USPS-RT2-14, where you describe the criteria you used to determine mail piece machinability. Did you, in addition to the criteria mentioned, also consider the 20 ounce weight limit for Periodicals pieces, as specified in DMM section C820.2.4? If no, please explain why not.

RESPONSE:

In the analysis we neglected to include the 20 ounce weight limit for Periodicals copies as specified in DMM section C820.2.4. The pieces for IDs L7, QHS32, QHS43, and QHS95 had copy weights over 20 ounces and, under this criterion, should have been classified as non-machinable.

The revised Time Warner postage calculation is listed in the following table. Revisions to my rebuttal testimony, library reference USPS-LR-1/C2004-1, and my response to POIR No. 2 will be filed separately.

Publication ID		USPS Postage/pc	TW Postage/pc	% Change in Postage/pc
L7	Original	\$ 0.479	\$ 0.399	-16.66%
	Revised		\$ 0.426	-11.06%
QHS32	Original	\$ 0.631	\$ 0.693	9.93%
	Revised		\$ 0.732	16.12%
QHS43	Original	\$ 0.542	\$ 0.611	12.67%
	Revised		\$ 0.650	19.87%
QHS95	Original	\$ 0.660	\$ 0.939	42.27%
	Revised		\$ 0.982	48.89%