

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF POSTAL SERVICE WITNESS ELIANE VAN-TY-SMITH
TO INTERROGATORIES OF TIME WARNER INC.
(TW/USPS-T11-1a-d, 4, 5b, 5d-e, 5g, 6a-c, 7b-d, 8a-c, 8e, 9a)
(May 5, 2005)

The United States Postal Service hereby responds to the above-listed interrogatories of Time Warner, Inc., filed on April 21, 2005. Interrogatories 1e, 2, and 3 were redirected to the United States Postal Service. Interrogatories TW/USPS-T11-5a, 5c, 5h-k, 6d-h, 7a, 7e, 7g-j, 8d, 8f-j, and 9b-e were redirected to witness McCrery.

The interrogatories are stated verbatim and are followed by the response.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSES OF POSTAL SERVICE WITNESS VAN-TY-SMITH
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TW/USPS-T11-1 In section B.1 of your testimony you describe various changes, between BY2000 and BY2004, in the configuration of cost pools used to distribute mail processing costs.

- a. Please state, for each change in cost pool configuration, in which of the intervening fiscal years (FY2001 through FY2003) the given change was used in producing the CRA reports for that year.
- b. Please refer to spreadsheet r2005 lr-k-100 pt_2.xls in LR-K-100 and confirm that the use of additional cost pools within LDC 17 is reflected also in the version of "PRC costing" that the Postal Service has presented in the current rate filing. If not confirmed, please explain.
- c. Please refer to spreadsheet r2005 lr-k-100 pt_2.xls in LR-K-100 and confirm that the combining of certain Function 4 cost pools (e.g., LD4x) with Non-MODS cost pools is not reflected in the version of "PRC costing" that the Postal Service has presented in the current rate filing. If not confirmed, please explain.
- d. Please describe which other cost pool reconfigurations between BY2000 and BY2004 are reflected also in the version of "PRC costing" that the Postal Service has presented in the current rate filing.
- e. Please explain fully the rationale behind the inclusion of some but not all of the proposed pool reconfigurations in the version of "PRC costing" that the Postal Service has presented in the current rate filing.

RESPONSE:

- a. In FY 2001, the PMPC and the AFSM100 (including LDC 15 VCR flat keying operations and the LDC 17 flat operation 035) cost pools were added as two new cost pools; also in FY 2001, the collection mail activities (1CANCEL) and the metered mail preparation (1MTRPREP) were separated into two cost pools.

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In FY 2002, separate cost pools were implemented for Mechanical Tray Sorter / Robotics (1TRAYSRT), Dispatch (1DSPATCH), Flats Preparation (1FLATPRP), Manual Transport at Opening Units (1OPTRANS), Scan Where You Band (1SWYB).

In FY 2003, the MODS LDC 41-44, 48 cost pools were combined with the non-MODS group, with the costs subdivided using the non-MODS methodology. For the non-MODS/Function 4 Express Mail cost pool, in-office and out-of-office activities were separated. The 1SWYB cost pool was combined with 1SCAN.

- b. Confirmed.
- c. Confirmed.
- d. The FY 2001-2002 cost pool changes listed in response to part (a) above are all reflected in the 'PRC costing.'
- e. Redirected to the United Postal Service.

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TW/USPS-T11-4 Assume that an IOCS tally shows an employee working at a postal window (e.g., selling stamps to a customer) in a Function 4 office (station and branch). Under the methodology you propose in this docket, will the costs associated with this tally always be attributed as window service costs and not as mail processing costs? If no, please explain why not.

RESPONSE:

Yes.

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TW/USPS-T11-5 You describe a new cost pool that you call 1DSPATCH. At page 7 in your testimony you refer to it as “the dispatch unit.”

- a. What is “the dispatch unit” in a postal facility?
- b. Please confirm that “the dispatch unit” is defined by MODS numbers 124-129. If not confirmed, please give the correct numbers.
- c. Is “the dispatch unit” typically located on the platform? Or is it located on the workroom floor?
- d. In what fiscal year was the 1DSPATCH pool first used to produce the CRA reports?
- e. Before you introduced 1DSPATCH as a separate pool, which pool or pools would work under MODS numbers 124-129 have been assigned to?
- f. What is the normal craft and pay level for employees in this pool?
- g. Please describe the changes in USPS mail processing operations that caused you or the Postal Service to conclude that the new cost pool needed to be included in the MODS/IOCS costing scheme.
- h. Please describe all normal duties for employees in this cost pool and any unique skills required.
- i. Is it fair to say that the workload in this cost pool varies greatly, with periods of intense activity followed or preceded by periods of little or no activity?
- j. If they temporarily run out of things to do in their own cost pool, which other pools are employees in this pool likely to be assigned to?
- k. Has the Postal Service undertaken any study to assure that use of MODS numbers 124-129 is uniform and consistent in all processing plants that use those numbers? If yes, what was the result of such a study?

RESPONSE:

- a. Redirected to witness McCrery, USPS-T-29.

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- b. Confirmed.
- c. Redirected to witness McCrery, USPS-T-29.
- d. Please see the response to TW/USPS-T11-1(a).
- e. Before FY02, operations 124-129 were in the 1POUCHNG cost pool. The MODS descriptions for operations 124-129 in FY 01 were 'Pouching Operations'.
- f. Redirected to witness McCrery, USPS-T-29.
- g. Please see the response of the United Postal Service to TW/USPS-T11-1e, and also the text on page 6, lines 24-33, and page 7, lines 1-2 of my testimony.
- h-k. Redirected to witness McCrery, USPS-T-29.

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TW/USPS-T11-6 You describe a new cost pool that you call 1FLATPRP.

- a. Please confirm that this pool is defined by MODS number 035. If not confirmed, please give the correct number(s).
- b. In what fiscal year was the 1FLATPRP pool first used to produce the CRA reports?
- c. Before you introduced 1FLATPRP as a separate pool, which pool would work under MODS number 035 have been assigned to?
- d. What is the normal craft and pay level for employees in this pool?
- e. Please describe all normal duties for employees in this cost pool and any unique skills required.
- f. Please confirm that the purpose of this cost pool is to prepare flats that arrive in non-carrier route bundles for piece sorting on the AFSM-100 or other flats sorting machines. If not confirmed, or if there are additional duties, please explain.
- g. If they temporarily run out of things to do in their own cost pool, which other pools are employees in this pool likely to be assigned to?
- h. Has the Postal Service undertaken any study to assure that use of MODS number 035 is uniform and consistent in all processing plants that use this number? If yes, what was the result of such a study?

RESPONSE:

- a. Confirmed
- b. Please see the response to TW/USPS-T11-1(a).
- c. In FY 2001, operation 035 was assigned to the AFSM 100 cost pool. The MODS description for operation 035 in FY 01 was 'Prep Operation – AFSM 100.'

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d-h. Redirected to witness McCrery, USPS-T-29

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TW/USPS-T11-7 You describe a new cost pool that you call 1OPTRANS. At page 7 in your testimony you refer to it as “the opening unit’s manual transport.”

- a. What is “the opening unit’s manual transport” in a postal facility?
- b. Please confirm that 1OPTRANS is defined by MODS number 114. If not confirmed, please give the correct number(s).
- c. In what fiscal year was the 1OPTRANS pool first used to produce the CRA reports?
- d. Before you introduced 1OPTRANS as a separate pool, which cost pool would work under MODS number 114 have been assigned to?
- e. What is the normal craft and pay level for employees in this pool?
- f. Please describe the changes in USPS mail processing operations that caused you or the Postal Service to conclude that 1OPTRANS needed to be included as a separate pool in the MODS/IOCS costing scheme.
- g. Please describe all normal duties for employees in this cost pool and describe any unique skills required.
- h. If they temporarily run out of things to do in their own cost pool, which other pools are employees in this pool likely to be assigned to?
- i. Has the Postal Service undertaken any study to assure that use of MODS number 114 is uniform and consistent in all processing plants? If yes, what was the result of such a study? Specifically, did the Postal Service verify that MODS number 114 is used by, and only used by, employees that operate “the opening unit’s manual transport?”
- j. Is MODS number 114 sometimes used to represent an SCF opening unit?

RESPONSE:

- a. Redirected to witness McCrery, USPS-T-29.

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- b. Confirmed.
- c. Please see the response to TW/USPS-T11-1(a).
- d. In FY 2001, operation 114 was assigned to the opening cost pool 1OPPREF.
The MODS description for operation 114 in FY 01 was 'Outgoing Unit – Outgoing Pref.
- e. Redirected to witness McCrery, USPS-T-29.
- f. Please see the response of the United Postal Service to TW/USPS-T11-1e, and also the text on page 6, lines 24-33, and page 7, lines 1-2 of my testimony.
- g-j. Redirected to witness McCrery, USPS-T-29.

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TW/USPS-T11-8 You describe a new cost pool called 1TRAYSRT. At page 6 in your testimony you refer to it as “the tray sorters and robotics cost pool.”

- a. Please confirm that 1TRAYSRT is defined by MODS numbers 618, 619 and 627-629. If not confirmed, please give the correct numbers.
- b. In what fiscal year was the 1TRAYSRT pool first used to produce the CRA reports?
- c. Before you introduced 1TRAYSRT as a separate pool, which cost pool(s) would work under MODS numbers 618, 619 and 627-629 have been assigned to?
- d. What is the normal craft and pay level for employees in this pool?
- e. Please describe the changes in USPS mail processing operations that caused you or the Postal Service to conclude that 1TRAYSRT needed to be included as a separate pool in the MODS/IOCS costing scheme.
- f. Please describe all normal duties for employees in this cost pool and describe any unique skills required.
- g. If they temporarily run out of things to do in their own cost pool, which other pools are employees in this pool likely to be assigned to?
- h. Has the Postal Service undertaken any study to assure that use of MODS numbers 618, 619 and 627-629 is uniform and consistent in all processing plants? If yes, what was the result of such a study? Specifically, did the Postal Service verify that these MODS numbers are used by, and only used by, employees that operate “tray sorters and robotics?”
- i. Please confirm that the cost pool handles trays of letters and flats that have been sorted at a piece distribution operation in the given plant. If not confirmed, please explain.
- j. Does the pool also handle trays of letters and flats that have arrived from another postal facility? If yes, please describe the circumstances under which this occurs.

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RESPONSE:

- a. Confirmed.
- b. Please see the response to TW/USPS-T11-1(a).
- c. Operations 618-619 were new LDC 13 operations for Mechanized Tray Sorting in FY 02. The Robotics LDC 13 Operations 627-629 were also new LDC 13 operations for Robotics. In FY 01, the description of the LDC 17 operations 358-359 was 'Robotics' and these operations were grouped with the 1OPPREF cost pool.
- d. Redirected to witness McCrery, USPS-T-29.
- e. Please see the response of the United Postal Service to TW/USPS-T11-1e, and also the text on page 6, lines 24-33, and page 7, lines 1-2 of my testimony.
- f-j. Redirected to witness McCrery, USPS-T-29.

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TW/USPS-T11-9 Is the pool called “1PRESORT” any different from the “Bulk Presort” pool used in previous rate filings? If yes, please explain. In any event, please answer the following.

- a. Please confirm that 1PRESORT is defined by MODS numbers 002 and 003. If not confirmed, please give the correct numbers.
- b. What is the normal craft and pay level for employees in this pool?
- c. Please describe all normal duties for employees in this cost pool and identify any unique skill levels required.
- d. If they temporarily run out of things to do in their own cost pool, which other pools are employees in this pool likely to be assigned to?
- e. Has the Postal Service undertaken any study to assure that use of MODS numbers 002 and 003 is uniform and consistent in all processing plants? If yes, what was the result of such a study?

RESPONSE:

No, “1PRESORT” is not any different from “Bulk Presort”.

- a. Confirmed.
- b-e. Redirected to witness McCrery, USPS-T-29.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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