

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS
DANIEL TALMO TO INTERROGATORIES OF TIME WARNER INC.
(TW/USPS-T27-1-2)
(June 6, 2006)

The United States Postal Service hereby provides the responses of Postal Service witness Talmo (USPS-T-27) to interrogatories TW/USPS-T27-1-2, filed on May 23, 2006. Interrogatories TW/USPS-T27-3-6 have been redirected to witness McCrery (USPS-T-42), and interrogatories TW/USPS-T27-7-9 have been redirected to the Postal Service as an institution.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF POSTAL SERVICE WITNESS TALMO TO
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TW/USPS-T27-1. Please refer to your model in LR-L-85 of sack and pallet processing at destinating facilities.

- (a) Please confirm that your model assumes a sack with flats bundles undergoes the following operations at the destinating facility:
 - (1) unload OWC;
 - (2) move OWC to bundle sort operation;
 - (3) dump sack at bundle sort;
 - (4) handle empty sack; and
 - (5) handle empty OWC.
- (b) Please confirm that your model assumes the sack can be transported directly to the bundle sorting operation without first going through a sack sorting operation. If not confirmed, please explain.
- (c) Please confirm that your model does not include the time a postal employee would spend reading the sack label in order to determine: (1) whether this is the destinating facility for that particular sack; and (2) which particular bundle sorting operation this particular sack should be dumped at. If not confirmed, please explain and provide documentation to support your belief that reading sack labels is included in your model.
- (d) Please confirm that your model does not consider the possibility that sacks might be bedloaded in the truck in which they arrive at the destinating facility.
- (e) Please confirm that your model does not include the extra costs that are incurred when bundles break because of having been transported in sacks rather than on pallets.
- (f) Please confirm that the operation "dump sack at bundle sort" includes untying the sack so that its contents can be dumped.
- (g) Please confirm that your model assumes 45.114 pieces per sack. Please confirm also that for a sack containing many fewer pieces, the per-piece sack related costs you derive in LR-L-85 would be much higher.

RESPONSE:

- a) Confirmed.
- b) Confirmed.
- c) Confirmed.
- d) Confirmed.
- e) The model does not consider the costs associated with bundle breakage for any bundles, whether in sacks or on pallets.
- f) Confirmed

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g) The pieces per sack figure is confirmed. For sacks containing fewer pieces, the per-piece sack related costs would increase. An estimate of the degree of cost increase can be determined in the model.

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TW/USPS-T27-2. Please confirm that the term "OWC" as used in LR-L-85 refers to any container into which sacks have been placed, either by a mailer or by the Postal Service at an upstream facility. Please also explain the origin of the term and what the letters stand for. Additionally, please list the most commonly used containers in which sacks arrive at a destinating facility and indicate approximately what percent of Periodicals sacks arrive in each type of container. In particular, approximately what percent of the containers that arrive at destinating facilities with Periodicals sacks are likely to be:

- (1) hampers;
- (2) APCs or other wheeled metal containers;
- (3) Pallets with cardboard boxes, e.g., postal paks; or
- (4) other types of containers?

RESPONSE:

OWC stands for "Other Wheeled Container". To the best of my knowledge, the term was first used in Docket Nos. MC97-2 and R97-1, and was intended to cover the variety of wheeled containers in the field at that time. In my L-85 model it refers to any container holding sacks, chiefly APCs, hampers, and other wheeled metal containers. No data are available that provide the percentage mix of such containers arriving at postal facilities.