

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
L. PAUL LOETSCHER (USPS-T-28) TO INTERROGATORIES OF  
TIME WARNER, INC. (TW/USPS-T28-12-16)  
(June 21, 2006)

The United States Postal Service hereby provides the responses of witness Loetscher (USPS-T-28) to the following interrogatories of Time Warner, Inc., filed on June 7, 2006:

TW/USPS-T-28-12-16

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
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RESPONSE OF USPS WITNESS LOETSCHER (USPS-T-28) TO  
INTERROGATORY OF TIME WARNER, INC.

**TW/USPS-T28-12** In your response to TW/USPS-T28-1 d-e you state:

“The volumes in Tables 1 and 2 are FY 2005 Outside County volumes as reported on 3541 postage statements and recorded in PostalOne. These volumes include all shapes but exclude volumes for publications for which no issue frequency information was available and publications entering mail at facilities that are not on the PostalOne system.”

- a. Please confirm that sum of the sampling “universe” over all strata in Table 2 of LR-L-91 is 8,155,579,420, and that this is also the sum of all strata volumes indicated in the spreadsheet filed with your response to TW/USPS-T28-1-11.
- b. Please confirm that the total Outside County volume, according to the FY2005 billing determinants in LR-L-77, is 8,307,329,578.
- c. Please confirm that the difference between total Outside County volume and the sum of volumes in your sampling strata is 151,750,158. Please confirm also that this is the total Outside County volume for “publications for which no issue frequency information was available and publications entering mail at facilities that are not on the PostalOne system.” If not confirmed, please explain fully.
- d. How does the Postal Service determine the volume for “publications for which no issue frequency information is available and publications entering mail at facilities that are not on the PostalOne system”?
- e. Is the volume of the publications referred to in parts c and d above known only in the aggregate, or can it be determined also for each of your 30 (36) strata? If the volume of such publications is known by stratum, please provide it.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.
- c. Not Confirmed. The FY 2005 billing determinant Outside County Periodicals volume of 8,307,329,578 is based on the revenue, pieces, and

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**RESPONSE TO TW/USPS-T28-12 (continued)**

weight estimation procedures described in witness Pafford's testimony (USPS-T-3). The PostalOne 3541 data that I use in the development of the stratification is only one input, although the major input, in witness Pafford's estimation procedure. It is true that the excluded PostalOne volume and the non-PostalOne volume are a major component of the difference, but other differences may arise in the Trial Balance revenue control process.

- d-e. The development of the Postal Services estimates of revenue, pieces, and weight are described in witness Pafford's testimony (USPS-T-3). It is my understanding that neither publication frequency nor volume of individual publications is required to develop national estimates of Periodicals Outside County revenue pieces and weight. To my knowledge, no publication specific information is available for publications entering mail at facilities that are not on the PostalOne system.

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**TW/USPS-T28-13**

- a. Please confirm that Periodicals are required to provide “issue frequency information” by filing USPS form 3526 (Statement of Ownership, Management and Circulation) annually.
- b. If form 3526 information is not available, is it possible that the given Periodical no longer is being published?

**RESPONSE:**

- a. Confirmed.
- b. It is my understanding that there are a number of reasons that frequency information might be missing in the database of 3526 information provided to me by the Postal Service. It is possible that the publication was no longer in print and was deleted from the database, that a publication may have begun mailing at Periodicals rates in FY 05 and the 3526 information has not yet been entered into the database, or that the 3526 information for a publication is on file but has never been entered into the database or was entered incorrectly.

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**TW/USPS-T28-14** In Docket No. C2004-1, witness Tang provided, in response to interrogatory TW et al./USPS-RT2-9 (Tr. 6/2194-98), the following statistics:

Total unique USPS publication numbers:	26,318
Publications with only In-County volume:	77
Publication No.s with missing 3526 information:	1,124

Please provide similar current statistics.

**RESPONSE:**

The publication statistics below refer only to the universe of publications entering mail at PostalOne equipped offices in FY05. To my knowledge the Postal Service does not maintain a database of publications entering mail at non-PostalOne equipped offices.

Total unique USPS publication numbers	25,903
Publication numbers with only In-County volume	217
Publication numbers with missing 3526 frequency information	363

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**TW/USPS-T28-15** Please refer to the spreadsheet you provided in response to TW/USPS-T28-1-11.

- a. Please confirm that according to Table 1 in that spreadsheet, the total number of letter shaped Outside County Periodicals in FY2005 was 98,218,775.
- b. Please confirm that according to Table 9 in that spreadsheet, the total number of flats shaped Outside County Periodicals in FY2005 was 8,207,322,096.
- c. Please confirm that subtracting the letter and flats shaped Outside County pieces from the total given indicated by the FY2005 billing determinants in LR-L-77 gives 1,788,707, and that this is the number of parcel shaped Periodicals pieces in FY2005. If not confirmed, what was the number of parcel shaped pieces?
- d. In your response to TW/USPS-T28-2c you indicate that parcels are 0.4% of the Outside County volume. But the parcel volume indicated above is only 0.0215% of the total. What is the correct percentage and why?

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. The 0.4 percent estimate is the ODIS/RPW sample estimate of the proportion of Periodicals that are parcels (See PSA/USPS-T13-3). The letter and flat volumes that I refer to in my response to TW/USPS-T28-1-11 refer the PostalOne mailing statement based RPW by Shape volumes (USPS-LR-L-87). The RPW by Shape estimates assign shape to pieces based on the shape of the copy. In the RPW by Shape estimates, pieces containing multiple copies that exceed the flat dimensions will be recorded as flats in

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**RESPONSE TO TW/USPS-T28-15 (continued)**

the RPW by Shape estimates. It is my understanding that the ODIS/RPW sample will assign shape based on the shape of the piece. For this reason the ODIS/RPW parcel estimates tend to report a larger proportion of parcels.

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**TW/USPS-T28-16** Please refer to the spreadsheet you provided in response to TW/USPS-T28-1-11.

- a. Please confirm that according to Table 10, the total number of advertising pounds in all zones is 1,577,154,694.
- b. Please confirm that according to Table 11, the total number of editorial pounds in all zones is 2,139,144,828.
- c. Please confirm that, according to the FY2005 billing determinants in LR-L-77, the total number of Outside County advertising pounds is 1,605,188,997 and the total number of Outside County editorial pounds is 2,167,597,328.
- d. Are the numbers in Tables 10 and 11 smaller than the numbers indicated by the billing determinants because:
  - (1) they represent flats only;
  - (2) they are not fully aggregated to reflect the total Outside County volume: or
  - (3) for any other reason (please explain)?

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. The numbers in Tables 10 and 11 are smaller because they were constructed to be consistent with Tables 1 and 2 of USPS-LR-L-91.  
  
Tables 10 and 11 include advertising weight and distributed editorial weight of publications entering mail at PostalOne equipped facilities, and have issue frequency available.

## **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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June 21, 2006  
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