

DOCKET SECTION

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

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
TIME WARNER, INC. WITNESS STRALBERG
(USPS/TW-T1-15-23)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Time Warner, Inc. witness Stralberg: USPS/TW-T1-15-23.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Eric P. Koetting

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.

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992; Fax -5402
January 26, 1998


Eric P. Koetting

POSTAL SERVICE INTERROGATORIES FOR TW WITNESS STRALBERG

USPS/TW-T1-15. Please consider an identified container with loose flats that is sampled in the MODS platform (1Platform) cost pool. You claim that the flats "are mostly handled elsewhere." Is it reasonable to assume that the loose flats would either be sent to a cancellation, meter mail prep, or opening unit operation to be canceled and/or trayed prior to distribution or other handling? If your answer is negative, please explain how you would expect this mail to be handled.

USPS/TW-T1-16. Please consider an identified container with loose mailpieces that is sampled in a MODS opening unit cost pool (1OpBulk or 1OpPref). You claim that the loose mail is "mostly handled elsewhere."

- (a) Please refer to the description of MODS operations 110C and 180C, in USPS-LR-H-48, Appendix A. Please confirm that an opening unit function is "traying letters and flats for case distribution."
- (b) Is it reasonable to assume that loose mail in containers found in opening units is there to be trayed for subsequent processing? Please explain any negative response.

USPS/TW-T1-17. Please refer to your testimony at page 21-22, and to USPS-LR-H-49, page 88.

- (a) Please confirm that the IOCS definition of a "bundle" includes both "packages" of mailpieces assembled and secured together, and multiple pieces of mail not secured together that are handled as a unit.

- (b) Please confirm that “bundles” observed at platforms and opening units are likely to be “packages” of mailpieces. If you do not confirm, please explain.
- (c) Please confirm that “bundles” observed at piece distribution operations are likely to be multiple pieces of mail not secured together that are handled as a unit. If you do not confirm, please explain.
- (d) Please confirm that “packages” of mailpieces are likely to consist of presorted mail. If you do not confirm, please explain.

USPS/TW-T1-18. Suppose the costs for bundles in identified containers at platform and opening units were distributed across all cost pools (TW-T-1, page 22, lines 3-4).

- (a) Please confirm that the mixed-mail costs to be distributed would consist primarily of packages of presorted mail. If you do not confirm, please reconcile your answer with your testimony at page 22, lines 16-19.
- (b) Please confirm that the tallies used to distribute the mixed-mail costs would consist primarily of handlings of multiple pieces of mail at distribution operations. If you do not confirm, please explain the meaning of the 22.77% figure you report at page 21, line 10 of your testimony.
- (c) Please confirm that your alternative identified container distribution would assign a disproportionately large share of costs to relatively less presorted subclasses of mail. If you do not confirm, please explain how your method purports to avoid such a result.

USPS/TW-T1-19. Please consider an employee who is loading a barcode sorter

(BCS). The employee is sampled while holding several mailpieces that were removed from a letter tray and are about to be placed in the feeder mechanism.

- (a) Please confirm that the employee should be recorded in IOCS as handling a bundle. If you do not confirm, please explain.
- (b) Please confirm that the mail the employee is observed handling would probably have been moved to the BCS in the tray. Please also confirm that the tray would likely have been placed in a rolling container to be moved. If you do not confirm, please explain.
- (c) Is it necessary that mail handled as bundles in a BCS operation be moved to the operation in bundle form? If not, what is the relevance of the statement at TW-T-1, page 21, lines 12-16?

USPS/TW-T1-20. Please refer to your testimony at page 23.

- (a) Do you think it is likely that an empty container being moved by an employee working a BCS (or other distribution) operation would either (i) have contained mail destined for BCS sortation or (ii) be filled with mail that had been sorted on the BCS? Please explain.
- (b) Do you think that mail distribution operations are commonly used as general empty equipment staging areas? Please explain any answer other than "no."
- (c) Please provide all reasons of which you are aware that might explain why empty equipment costs related to particular distribution operations should be treated as general overhead costs.

USPS/TW-T1-21. Please refer to your testimony at pages 26-27.

- (a) Is it your testimony that “not handling costs” are not causally related to mail handlings in the same cost pool? If not, please explain your testimony.
- (b) Is it your testimony that witness Degen’s not-handling distribution is incorrect primarily because you believe that “not handling costs” are not causally related to mail handlings in the same cost pool? If not, please explain your testimony.
- (c) Suppose it is correct to assume that “not handling costs” are causally related to mail handlings in the same cost pool. Would it then be appropriate to distribute the “not handling costs” within the same cost pool? Please explain fully.

USPS/TW-T1-22. Please refer to your testimony at page 29, lines 1-4.

- (a) You state that “Barker’s explanation would make sense if most of the new not handling costs occurred in the most automated operations.” Please confirm that evaluating this statement requires examining changes in not-handling costs over time. If you do not confirm, please explain fully.
- (b) You then state that “as can be seen from Degen’s data, most of these costs occur at non-automated operations.” Please confirm that witness Degen’s data is specific to a single point in time.
- (c) Please explain in detail how you purport to evaluate the statement in part (a) using data for a single point in time. Please state clearly and justify all assumptions you would need to employ for this purpose.

USPS/TW-T1-23. Please refer to TW-T-1, footnote 21, and to the table provided as Attachment 1 to this interrogatory.

- (a) Is it your testimony that the only explanation for “letters being sorted at flats cases” is that employees are clocked into MODS operations other than what they are working (i.e., “misclocking”)? If not, please explain your testimony.
- (b) Please confirm that the table provided as Attachmentt 1 to this interrogatory provides a breakdown of IOCS clerk/mailhandler tallies by shape and the employee’s sampled (as opposed to clocked-in) operation, recorded in IOCS question 19. If you do not confirm, please provide the breakdown you believe to be correct, and a detailed description of the procedures you used to develop this alternative breakdown.
- (c) Please confirm that the data in Attachment 1 show that some employees who are sampled at flats cases were observed handling letter-shape mailpieces (and vice-versa). If you do not confirm, please explain your interpretation of the data.
- (d) Please confirm that there must be explanations other than misclocking for letters being handled at flats cases. If you do not confirm, please explain how *misclocking affects recording of the employees’ sampled operation.*
- (e) Is a possible explanation for “letters being sorted at flats cases” (and vice-versa) that the letter and flat mailstreams are not “pure” (i.e., pieces of one type appear within other mailstream), since the dimensions of pieces are not individually measured when the letter and flat mailstreams are separated? Please explain fully.

Attachment 1
 FY96 IOCS Clerk/Mailhandler Tallies by IOCS Q19 Response and Shape
 All Offices

Q19 Response	Title	Tally Count					Total
		Letters/Cds	Flats	IPPs	Parcels	No Shape	
A	Manual						
F9211	A - Letter Case Distrib	21,395	422	57	24	11,197	33,095
F9211	B - Flat Case Distrib	116	8,601	54	133	4,884	13,788
F9211	C - Parcel Piece Distrib	63	412	517	2,090	3,418	6,500
F9211	D - Coll/Cancel MM Prep	398	118	27	29	809	1,381
F9211	E - Presort Mail Units	294	112	6	10	569	991
F9211	F - Opening Units	1,167	939	192	278	4,262	6,838
F9211	G - Pouch/Rack Units	609	1,126	569	776	4,702	7,782
F9211	H - Platform Units	407	450	67	232	5,744	6,900
F9211	I - Other Manual	2,802	1,432	215	582	11,526	16,557
	Total Manual	27,251	13,612	1,704	4,154	47,111	93,832
B	OCR	2,596	16	0	1	2,592	5,205
C	Mail Proc BCR/BCS	3,527	28	5	4	3,409	6,973
D	Delivery BCR/BCS	2,688	6	0	0	2,155	4,849
E	Carrier Sequence BCS	421	4	0	0	404	829
F	MPLSM/SPLSM	8,217	135	8	0	3,594	11,954
G	Letter Facer/Canceler	803	23	2	2	732	1,562
H	Flat Facer/Canceler	32	259	0	5	261	557
I	Sack Sorting Machine	155	251	42	161	1,356	1,965
J	Parcel Sorting Machine	28	177	305	1,269	1,992	3,771
K	Flat Sorting Machine	82	6,020	20	31	4,302	10,455
L	Small Parcel & Bundle	405	965	441	462	3,460	5,733
M	NMO Machine	31	16	4	87	222	360
N	Multislide	70	107	27	121	857	1,182
P	ACDCS	88	45	25	106	1,198	1,462
Q	Central Banding	171	50	2	7	552	782
R	Culling Machine	153	61	10	13	346	583
S	Remote Barcoding Mach	16	6	2	10	149	183
T	Transport Equipment	79	189	22	68	6,583	6,941
U	All Other	461	353	91	312	5,806	7,023
	Blank	3,266	1,525	126	338	29,414	34,669
	Grand Total	50,540	23,848	2,836	7,151	116,495	200,870