

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

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Postal Rate and Fee Changes

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Docket No. R2006-1

SECOND SET OF INTERROGATORIES OF TIME WARNER INC.  
TO UNITED STATES POSTAL SERVICE WITNESS McCRERY  
(TW/USPS-T42-8-11)  
(June 5, 2006)

Pursuant to sections 25, 26 and 27 of the rules of practice, Time Warner Inc. directs the following interrogatories to United States Postal Service witness McCrery (USPS-T-42).

If witness McCrery is incapable of providing an answer to any question, it is requested that an answer be provided by the Postal Service as an institution or by another person capable of providing an answer.

Respectfully submitted,

s/ \_\_\_\_\_  
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## **SECOND SET OF INTERROGATORIES TO WITNESS McCRERY (USPS-T-42)**

TW/USPS-T42-8 Please consider the following two scenarios. In the first, a mailer enters at the destinating SCF a 2,000 lb 3-digit pallet, with mostly carrier route bundles. In the second, the mailer enters at the destinating SCF a 1,750 lb 3-digit pallet and a 250 lb 5-digit pallet containing carrier route bundles for one of the DDU's served by the SCF. Assume that the given DDU has the ability to handle pallets.

Please respond to each of the following and explain each of your answers.

- a. Based on your own experience, including that as Plant Manager of the Burlington, VT Processing and Distribution Facility, do you believe most plant managers would welcome the introduction of the extra (5-digit) pallet described above?
- b. Do you believe that placing the carrier route bundles to a given DDU on a separate pallet, as described above, helps reduce Postal Service costs?
- c. Considering the way that carrier route bundles on a 5-digit pallet normally are distributed to carriers at the DDU, do you agree that the chances of these bundles breaking prematurely are practically zero?
- d. Do you agree that the value to the Postal Service of placing carrier route bundles on a 5-digit pallet, thereby avoiding at least one bundle sorting operation, depends primarily on the number of bundles on the pallet, rather than the weight of the pallet?
- e. Might some plant managers even welcome 5-digit pallets containing less than 250 lbs, because of the avoided bundle sorting, reduced breakage and the ability to get the product to the DDU's faster?
- f. Is there additional value to the Postal Service if the carrier route bundles on the 5-digit pallet are organized by carrier route?
- g. Do you agree that the value to the Postal Service of making 5-digit pallets from larger 3-digit or ADC pallets is greater the closer that the pallets are entered to the destinating facility?

TW/USPS-T42-9 Please consider a flats mailer who makes up 5-digit pallets to four 5-digit zones served by the same SCF, but does not dropship, i.e., he enters these pallets at origin. Assume that each pallet weighs 250 lbs.

- a. Please confirm that under current Postal Service regulations the mailer has the option of stacking the four pallets referred to above on top of each other, wrapping additional plastic around the stack of pallets and thereby effectively making one pallet out of four. Please describe also the precise requirements and the conditions under which such a combination of pallets is allowed.
- b. Please confirm that the stack of four pallets described in part a will be handled in the postal system as a single pallet, until it reaches the destinating SCF, at which point it will be opened and the four 5-digit pallets will be transferred to their respective DDU's.
- c. Please confirm that for pallets that are not dropshipped, combining several pallets that travel together as one pallet though the postal system helps avoid Postal Service costs.

TW/USPS-T42-10 Please assume that a Periodicals flats mailer is able to enter a 2,000 lb ADC pallet at the destinating BMC/transfer hub for a given ADC. Assume that the ADC is also an SCF and that in addition it serves as ADC for three other SCF's.

Assume that the mailer decides instead to split up this ADC pallet into four SCF pallets, one for each of the four SCF's served by the ADC. Please discuss the implications of this decision for Postal Service costs and address the specific questions below.

- a. Please confirm that the bundles to the three SCF's which are separate from the ADC itself in most cases will avoid one bundle sort by being moved to SCF pallets. If this is not always the case, please explain the conditions under which it might not be the case.
- b. Please confirm that the bundles to the three SCF's which are separate from the ADC itself, in addition to avoiding one bundle sort, will also have a reduced chance of premature breakage.
- c. Please confirm that a BMC has direct transportation to each SCF in its service area. If not confirmed, please explain when this is not the case.
- d. Please confirm that the bundles to the three SCF's which are separate from the ADC itself will be able to travel directly to their respective destinating SCF's, whereas if they had remained on the ADC pallet they would have to first travel to the ADC and then, after the additional bundle sort, to travel from the ADC to the DSCF.

- e. Do you agree that, all factors considered, splitting the 2000 lb ADC pallet referred to above into four smaller SCF pallets would help reduce Postal Service costs?

TW/USPS-T42-11 Please assume that, in response to the proposed Periodicals container charge, meant to discourage use of sacks but in its present form also an incentive to use fewer pallets with less presort, Periodicals mailers reduce their current use of 5-digit pallets in favor of larger 3-digit pallets and reduce their current use of 3-digit pallets in favor of larger ADC pallets. Please discuss the likely consequences on costs and service. In particular, please address each of the following questions.

- a. Please confirm that the reduction in Periodicals pallet presort levels described above will require the Postal Service to perform additional bundle sorting.
- b. Please confirm that the reduction in Periodicals presort levels described above is likely to engender additional premature bundle breakage.
- c. Is it possible that in some facilities the additional bundle sorting will put a strain on available automated and mechanized equipment capacity, causing some reversion to less efficient (i.e., manual) bundle sorting methods? If your answer is that this is not possible, please explain why not. If your answer is that it is possible, please explain how the Postal Service plans to cope with such a development, should it occur.
- d. Please confirm that Periodicals share the available automated and mechanized bundle sorting equipment with several other products, e.g., Standard bundles, Priority Mail, etc., and that an additional strain on the available capacity could affect those other products as well. If not confirmed, please explain.
- e. Please confirm that the need for additional bundle sorting steps described above may make it more difficult for the Postal Service to meet its service commitments – for Periodicals and possibly for other mail classes as well. Please explain also how the Postal Service plans to cope with such a development, should it occur.