

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

THIRD SET OF INTERROGATORIES OF TIME WARNER INC.
TO UNITED STATES POSTAL SERVICE WITNESS McCRERY
(TW/USPS-T42-12-28)
(June 12, 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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**THIRD SET OF INTERROGATORIES TO WITNESS McCRERY
(USPS-T-42)**

TW/USPS-T42-12 Please comment on the risk of bundles breaking prematurely when sorted on an APPS machine versus the similar risk when bundles are sorted on an SPBS or manually. In particular:

- a. Was reduced bundle breakage among the design objectives during the development of the APPS? If no, why not?
- b. Based on your experience and observations, where facilities have moved bundle sorting from SPBS to APPS machines, has the problem with bundle breakage: (1) been reduced; (2) become worse; or (3) remained about the same?
- c. Has there been any quantitative study of bundle breakage as it relates to APPS machines? If yes, please provide the results of any such study.
- d. Please describe current operating procedures for the APPS as regards actions to be taken when bundles break or are about to break.
- e. Among the facilities that use APPS machines to sort flats bundles today, is it common practice to dump sacked flats bundles on the APPS, along with bundles from pallets or other containers? Do some facilities avoid putting sacked bundles on the APPS? If yes, how many?

TW/USPS-T42-13 Please comment on the relative use of APPS machines in postal facilities for (1) bundle sorting and (2) parcel sorting, and how it is likely to change in the future. In particular, please address the following questions.

- a. Is it possible through either MODS or any other data base to determine the numbers of (1) parcels and (2) bundles that are sorted on the APPS machines? If yes, please provide FY2005 estimates for both.
- b. Roughly what percentage of the items sorted on APPS machines in the test year do you expect to be flats bundles?
- c. Roughly how many of the APPS machines currently deployed are used for: (1) parcel sorting only; (2) bundle sorting only; and (3) both parcel and bundle sorting?
- d. Do you believe there is a difference in productivity (units per workhour) between bundle sorting and parcel sorting when

performed on the APPS? If yes, please explain why and provide any available quantification of the difference.

- e. To your knowledge, is any APPS machine used today for incoming secondary bundle sortation? If yes, how often does this occur? How often is it likely to occur in the test year?
- f. Roughly how much time does it take to set up an APPS machine for a new sorting scheme? Please assume for the purpose of answering this question that the new sorting scheme will use all of the potential separations that APPS provides, so that all the recipient containers need to be replaced.
- g. Given the large number of possible separations available on the APPS, and the costs of setting up the machine for a new scheme, do some facilities more or less permanently reserve sets of separations for particular sorting schemes, e.g., by reserving some separations for Priority parcels, another set of separations for flats bundles, etc.? If this practice is used, how common is it in facilities with APPS machines?
- h. Is it possible that when an APPS is used to sort flats bundles the same sorting scheme is always used, thereby avoiding setup costs involved in changing to a new scheme? If yes, how often does this occur?

TW/USPS-T42-14

- a. Do APPS machines have the capability to gather statistics on how many units are keyed to each destination? If yes, can one, for example, determine the percentage from a given sort scheme that is sorted to the 5-digit level?
- b. When APPS machines are used for ADC bundle distribution, what percentage of the bundles are sorted to: (1) 5-digit separations; (2) 3-digit separations; (3) other SCF's served by the ADC; and (4) other separations (please specify)?

TW/USPS-T42-15 Please describe the possible paths taken by a flats bundle whose address the APPS machine is unable to read, and the costs and approximate probability of each path. In particular:

- a. Please confirm that the address for such a bundle may be resolved via remote encoding. If available, what percent of bundle addresses are resolved in this way?

- b. Please confirm that such a bundle may be returned to the APPS feeding belt for another try at address resolution. If confirmed, how does one avoid the same bundle being returned over and over again?
- c. Under what conditions will a bundle that passed through the APPS automatic reader without its address being resolved be sent to a manual bundle sorting operation?
- d. Does an APPS crew include any employee(s) assigned to key items whose address could not be resolved by the automatic reader? If yes, how many?

TW/USPS-T42-16 Please describe the staffing of an APPS machine, including the number of employees from each craft and their various assignments. If this varies according to the configuration and use of a particular machine, please explain further.

TW/USPS-T42-17 Please describe the maintenance requirements for APPS machines, including the frequency of both scheduled and unscheduled maintenance and the amount of down time and number of maintenance personnel typically involved. When does scheduled maintenance typically occur?

TW/USPS-T42-18 In your testimony (p. 18, ll. 10-16) you describe the Flats Sequencing System (FSS), which you say “will be used to walk sequence flat mail pieces for delivery within a single or multiple 5-digit delivery zones.” You indicate that “Deployment is expected to begin in April 2008 contingent upon successful testing and board approval.”

Please describe the requirements that flats will need to meet in order to be processed on the FSS as it is currently envisioned. In particular:

- a. Will all flats currently able to be sorted on the AFSM-100 also be able to be sorted on the FSS?
- b. Will the FSS be able to sort flats currently considered non-machinable on the AFSM-100 machines? If yes, what kinds of non-AFSM-100 machinable flats will be able to be sorted on FSS?
- c. Will flats that arrive through the UFSM mailstream, having been sorted on a UFSM machine in an outgoing or incoming primary operation, be processed on the FSS?

- d. Will flats that arrive through the manual mailstream, having been sorted manually in an outgoing or incoming primary operation, be processed on the FSS?
- e. Consider a 3/4 inch thick magazine with standard magazine length and height and weighing 2.5 pounds. Would it be considered a candidate for FSS processing? If no, where would such a magazine be sent if it arrived at an FSS machine?
- f. Would a CD or DVD, enclosed in a cardboard cover, be considered a candidate for FSS processing? If no, where would the CD/DVD be sent if it arrived at an FSS machine?
- g. Would flats that in this docket are referred to as "hybrid" be considered candidates for FSS processing?
- h. Under what conditions would a newspaper be considered a candidate for FSS processing?

TW/USPS-T42-19 You indicate (p. 18, ll. 12-13) that flats processed on an FSS machine will pass through it twice, resulting in flats in carrier walk sequence.

- a. Please confirm that before the FSS starts the second pass for flats to a given zone, all the flats that are to be included in the FSS bundle that day must already be available and must have gone successfully through the first FSS pass. If not confirmed, please explain.
- b. Please provide a rough timeline for FSS processing, based on how the Postal Service at the present time envisions implementation of this system in a postal plant serving a large metropolitan area. Specifically, please indicate the hours during which the FSS would perform the second pass, the hours before that when it would perform the first pass, and the approximate time at which the finished FSS product would be ready to be dispatched to the delivery units. Please provide approximate time intervals even if the Postal Service has not yet developed detailed plans.
- c. In the situation described in part b above, and consistent with your answer to part b, approximately when is the latest time that a flat would have to arrive at the platform of the given plant in order to have a reasonable chance of being included in next day's FSS delivery? Please answer separately assuming that the flat is:
 - (1) part of the collection mailstream;
 - (2) on a 5-digit pallet;
 - (3) in a 5-digit bundle on a 3-digit pallet; and

- (4) in a 3-digit bundle on a 3-digit pallet.
- d. Please assume that after the completion of the second FSS pass the sequenced product is dispatched to a delivery unit that is an hour and a half away. Consistent with your answer to part b above, when, realistically, would carriers in that DU be able to take the mail to the street for delivery?

TW/USPS-T42-20 Please describe how the FSS will handle a flat whose address its automatic reader is unable to read. In particular?

- a. Will the FSS have remote encoding capability? If yes, will it use such capability in both passes or just the initial pass?
- b. If the FSS has an address resolved through remote encoding in the first pass, does it have a way of remembering the result when it encounters the same flat in the second pass? If yes, how?
- c. What will be the disposition of flats whose address are not resolved on the FSS?

TW/USPS-T42-21 Please describe in as much detail as possible the Postal Service's plans for managing the staging, storage and retrieval of the large volume of flats at plants that perform FSS processing, including the staging between the two FSS passes and including large volumes of flats that today are carrier route presorted and go directly to the delivery units. In particular:

- a. Please confirm that all flats processed in the initial FSS pass must be stored and then retrieved for the second pass on the machine. Please confirm also that entering flats from pass 1 into pass two in the proper sequence is essential for correct results.
- b. Does the FSS have its own storage and retrieval system? If yes, what is the capacity of that system?
- c. Will flats between pass one and pass two be kept in flats tubs or some other container? Please explain.
- d. What type of container will be used for the FSS product resulting from pass two?
- e. Roughly how much floor space will be taken up by an FSS machine and its associated storage area?

TW/USPS-T42-22 Please state the approximate expected FSS throughput, staffing level and productivity rate for each FSS pass.

TW/USPS-T42-23 Will it be possible to bring a 5-digit pallet with unbundled flats directly to the FSS pass one input and to load the flats directly into the machine, without a separate flats preparation process?

TW/USPS-T42-24 Will the FSS have an automated induction capability, similar to that on some AFSM-100's?

TW/USPS-T42-25 Please refer to your answers to TW/USPS-T42-7, parts e, f and g. In those answers you refer to HASP's as likely transfer points in the transportation of Periodicals sacks and pallets between remote ADC's/SCF's. Your answer to TW/USPS-T42-6g also refers to the existence of HASP transfer centers for Periodicals.

Please confirm that HASP stands for 'Hub and Spoke Program' and is described as follows in the "Glossary Of Postal Terms" (USPS-LR-N2006-1/1):

"For surface mail, primarily for 2-day committed mail. The HASP includes a central point ("hub") where mail for a group of offices ("spokes") can be unloaded from a series of incoming trips, massed according to their intended destination, and then sent on to that destination on another trip."

TW/USPS-T42-26

- a. Does the Postal Service have more than one transportation hub and spoke system? If yes, what are they?
- b. Are the hubs (HASP's) that you refer to in your answers to TW/USPS-T42-7 the same as what have often been called Periodicals transfer hubs? If no, what is the difference?
- c. How many hubs (HASP's) are there in the Periodicals surface transportation system?
- d. How many of those hubs are BMC's?
- e. How many are annexes attached or very close to a BMC?
- f. How many are separate facilities used only for container transfer?
- g. How many are (non-BMC) postal plants that also perform other kinds of mail processing?
- h. How many are used primarily for the transfer of Periodicals?

- i. Please list the hubs (HASP's) that currently are used to transfer Periodicals.
- j. Do all HASP hubs accept mail directly from Periodicals mailers? If no, which ones do not and why don't they?

TW/USPS-T42-27

- a. Do HASP's that are not BMC's perform sack sorting? If yes, would this sorting typically be performed in the type of bullpen or sawtooth operation that you refer to in response to TW/USPS-T42-4?
- b. Do you believe that transfer hubs designed for consolidation and cross-docking of pallets and rolling containers generally perform such functions more efficiently than BMC's? Please explain your answer.

TW/USPS-T42-28 Will the configuration and function of HASP hubs be significantly different in the test year from what it is today? If yes, please describe all expected changes.