

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

FOURTH SET OF INTERROGATORIES OF TIME WARNER INC.
TO UNITED STATES POSTAL SERVICE WITNESS MILLER
(TW/USPS-T20-12-13)
(July 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 Miller (USPS-T-20).

If witness Miller 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/ _____
John M. Burzio
Timothy L. Keegan

COUNSEL FOR
TIME WARNER INC.

Burzio & McLaughlin
Canal Square, Suite 540
1054 31st Street, N. W.
Washington, D. C. 20007-4403
Telephone: (202) 965-4555
Fax: (202) 965-4432
E-mail: burziomclaughlin@covad.net

**FOURTH SET OF INTERROGATORIES TO WITNESS MILLER
(USPS-T-20)**

TW/USPS-T20-12 Please refer to sheet 'CRA FLATS' in your Outside County flats mail flow model, the latest version of which appears in LR-L-153. On that sheet you have designated certain cost pools as "Proportional MP Unit Costs" for the purpose of developing a CRA adjustment factor.

- a. Please confirm that your model includes various automated, mechanized and manual bundle sorting operations. Please explain if not confirmed.
- b. Please confirm that the productivity rates you use for the modeled bundle sorting operations include various auxiliary functions such as opening and dumping sacks, dumping pallets, removing full containers into which bundles have been sorted and replacing them with empty containers, etc. Please explain if not confirmed.
- c. Please confirm that some of the bundle sorting operations that you model, such as distributing bundles from 5-digit containers, often are performed at NonMODS offices and at stations and branches. Please explain if not confirmed.
- d. Please confirm that among the mail processing cost pools into which costs at NonMODS offices, stations and branches are divided, bundle sorting and the related functions referred to in part b above are included in the "Allied" cost pool. Please explain if not confirmed.
- e. Please explain why you have designated all "Allied" costs at NonMODS offices, stations and branches as "Fixed MP Unit Costs" when in fact a portion of those costs is represented in your mail flow model.

TW/USPS-T20-13 Please provide, based on IOCS tallies, an estimate of the portion of the "Allied" unit costs for Outside County Periodicals flats at NonMODS offices, stations and branches that represent bundle sorting and functions auxiliary to bundle sorting such as those referred to in part b of the preceding interrogatory. Please include a description of how the estimate is derived, the piggyback factors and volume variability factors used in the derivation and the portion of those costs that come from (1) NonMODS offices and (2) Function 4 stations and branches. Additionally, please identify the portion of the estimated costs that is for incoming secondary bundle sorting.