

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF TIME WARNER INC.
(TW/USPS-3-4)

The United States Postal Service hereby files its responses to the above-listed interrogatories, filed on June 28, 2006.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 12, 2006

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TW/USPS-3 This and the following interrogatory seek further clarification regarding the Postal Service's answer to MPA/USPS-T25-2b, redirected from witness Mayes to the Postal Service. Along with that answer the Postal Service provided a pdf display of a spreadsheet that estimates the "average number of facilities a non-dropshipped sack/pallet of Outside County Periodicals goes through." Two sources are referred to in the above mentioned response:

1. table 13 of the response to TW/USPS-T28-7; and 2. estimates developed from a web-based survey of the number of facilities through which sacks and pallets at various presort levels and types of entry points pass. Tables presenting the results, for sacks and pallets, of the web-based survey are presented at the top of the spreadsheet referred to above. The following questions concern the contents of those tables.

a. Please confirm that if a container is entered by the mailer at facility A and opened at the same facility, then you count the "number of facilities passed through" as zero, whereas if the container is entered at A, transported directly to B and opened at B, then you count the "number of facilities passed through" as one.

b. When the entry point is OSCF (originating SCF) do your estimates include the possibility that a container may be entered at the OAO (originating associate office, station or branch), then transported to the OSCF from which it is sent further? Or do you simply assume that OSCF containers start at the OSCF after being brought there by the mailers?

c. The table for pallets refers to OBMC (originating BMC) as an entry point, while the table for sacks refers to OTH (originating transfer hub). Please confirm that you in fact are using the terms OBMC and OTH (as well as the terms DBMC and DTH) interchangeably. If not, what is the difference?

d. The "average number of facilities passed through" appears fairly similar for sacks and pallets with corresponding presort levels when the entry point is either OSCF or OADC. But when the entry point is -2- OBMC/OTH, they are shown in your tables as being very different. For example, your table indicates that a 3-digit sack entered at an OTH goes through an average of 2.895 facilities, but a 3-digit pallet entered at an OBMC goes through an average of only 1.155 facilities. Please shed any light possible on this counter-intuitive result and, if necessary, provide corrected values.

e. Your sack table indicates that MADC sacks entered at the OADC pass through zero facilities, i.e., they are also opened at the OADC. Please confirm that this reflects the standard operating procedures for Periodicals that were in effect until recently, namely that MADC sacks would be opened at the originating ADC. If not confirmed, please explain.

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Response to TW/USPS-3:

- a. Confirmed.
- b. In the LR-L-91 study less than 0.01 percent of the sampled containers were determined to be entered at OAO's where the mail was destinating outside the service territory of the parent SCF. For this reason these containers are assumed to originate at the OSCF in the response to MPA/USPS-T25-2b.
- c. Confirmed. For this purpose the OBMC and OTH terms are used interchangeably.
- d. In general very few Periodicals 3-Digit and SCF pallets are entered at OBMC's (see table 3 of TW/USPS-T28-7). The small sample of OBMC entered 3-digit and SCF pallets used to generate the cross-dock estimates included origin and destination pairs where the destination SCF was co-located with a BMC, or the OBMC provided direct transportation to the DSCF which was not in its service territory. These observations imply one facility passed through.
- e. Confirmed.

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TW/USPS-4 Please refer, as in the preceding interrogatory, to the Postal Service's response to MPA/USPS-T25-2b.

- a. Please confirm that, under the operating procedures being established under the Periodicals cost reduction initiative, Periodicals MADC sacks will not be opened at the OADC, unless they are marked as containing only flats destined to facilities where First Class mail travels by surface, or the OADC happens to be a L009 facility.
- b. Consider a Periodicals MADC sack that is entered at an OSCF which is not an ADC, and that is marked as containing only flats to facilities where First Class mail travels by surface. Will such a sack, under the new operating procedures, be opened at the OSCF, or will it, as in the past, be sent to the OADC?
- c. Does the Postal Service expect that there will be direct ground transportation from each OSCF to its corresponding outgoing L009 facility, so that Periodicals whose outgoing processing is being consolidated at the L009 facilities can be brought there directly without any transshipment?
- d. Approximately what percent of outgoing Periodicals volume is expected to be entered at the L009 facilities?

Response:

- a. Partially confirmed, however, the sacks marked as containing only flats destined to facilities where First-Class Mail travels by surface will not be retained at only OADCs but at all origin plants that process outgoing First-Class Mail. For a listing of these facilities refer to DMM L201, Column C (<http://pe.usps.com/text/dmm300/L201.htm>).
- b. See response to part (a). Assuming the OSCF is listed in L201, it will be opened at the OSCF.
- c. With very limited exceptions, yes.
- d. Approximately 40%.

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.

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