

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS MICHAEL W. MILLER TO INTERROGATORY OF  
TIME WARNER INC. (TW/USPS-T20-12)  
(July 26, 2006)

The United States Postal Service hereby provides the response of Postal Service witness Miller (USPS-T-20) to interrogatory TW/USPS-T20-12, filed on July 12, 2006. Interrogatory TW/USPS-T20-13 has been redirected to witness Van-Ty-Smith (USPS-T-11).

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**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.

**RESPONSE:**

Please note that USPS-LR-L-153 is not "the latest version" of my Periodicals Outside County flats mail flow cost model, as this interrogatory states. USPS-LR-L-153 is a Category 5 library reference that was provided solely in order to respond to MPA/USPS-3. I do not sponsor it. The Periodicals Outside County mail flow model that I sponsor is contained in USPS-LR-L-43.

(a) Confirmed.

(b) Confirmed.

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(c) Confirmed.

(d) Partially confirmed. It is my understanding that some bundle sorting costs are also contained in the non MODS "MANF" cost pool, which has been classified as a proportional cost pool. Please also see the response to TW/USPS-T20-13, redirected to witness Van-Ty-Smith.

(e) The non MODS "ALLIED" cost pool corresponds to the MODS "1PLATFORM" cost pool, which is also classified as fixed. These cost pools generally represent non-modeled tasks related to container loading, unloading, and movement within a facility. I therefore used the fixed cost pool classification for both cost pools.