

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VAN-TY-SMITH,
USPS-T-11, TO INTERROGATORY OF TIME WARNER INC.: TW/USPS-T11-7
(July 27, 2006)**

The United States Postal Service hereby provides the response of witness Van-Ty-Smith (USPS-T-11) to the following interrogatory of Time Warner Inc.: TW/USPS-T11-7, filed on July 13, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 27, 2006

Response of United States Postal Service Witness Eliane Van-Ty-Smith, USPS-T-11, to Interrogatory of Time Warner Inc.

TW/USPS-T11-7 Table A below contains some key characteristics of the IOCS tallies that cause Outside County Periodicals flats to be shown in the Postal Service's cost distribution as having incurred costs at manual letter operations in MODS plants. The ID column shows the position in which each tally was found in the dataset prcflat.dat in LR-L-9. The table also shows the values of Q18B, Q18D01, Q18D02, Q18D04 and Q23A01, in addition to MODS number and the dollar value in F9250. All tallies have activity code 2212, for Outside County flats.

- a. Please confirm that these tallies exist in the IOCS data base for FY2005.
- b. Please confirm that the predominance of the values "E" in both the Q18B and Q18D01 fields indicates that most of these tallies are observations of manual flats distribution rather than manual letter distribution.
- c. Please confirm that the values D in Q23A01 indicate that these are flats and not letters.
- d. Please assume that these tallies were from NonMODS offices and that MODS numbers therefore were not available. Please confirm that in that case you would have assigned most of the tallies in the table below to the MANF (manual flats) cost pool and not to the MANL pool.
- e. Assume that a tally from a NonMODS office contains at "D" in field Q18D01, but that the tally also identifies a flat mailpiece which gets activity code 2212. Would this tally be assigned to the MANL pool based on the above information? If you would need more information to determine which pool to assign such a tally to, please specify what additional information you would need. Additionally, if there is any other combination of field values that could cause a NonMODS tally with activity code 2212 to be assigned to the MANL cost pool, please specify.

RESPONSE.

- a. Confirmed.
- b. Confirmed that 41 of the 63 tallies indicate that the employee is assigned to manual flats distribution according to the IOCS question 18 activity. The cost pool assignment is based on the recorded MODS operation, to be consistent with the formation of the cost pool dollars.

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- c. Confirmed.
- d. Hypothetically, If the tallies were from NonMODS offices, the 41 tallies containing "E" in field Q18D01, as noted in the response to part b, would be assigned to the MANF (manual flats) cost pool. If the NonMODS procedure were employed in this case, the main effect would be to shift a portion of the Periodicals volume-variable cost from MANL to MANF.
- e. In this case, the tally would be assigned to the MANL cost pool. Note that it may be possible for some flat-shape pieces to be sorted in a manual letter distribution operation.

Table A: Tallies of Outside County Flats at Manual Letter Sorting Operations								
ID	MOD	MODGRP	Q18B	Q18D01	Q18D02	Q18D04	Q23A01	F9250
372712	169	MANL	H	-	-	-	D	\$74,710.44
591277	168	MANL	F	-	-	-	D	\$114,073.96
586636	030	MANL	F	-	-	-	D	\$76,049.31
51690	044	MANL	F	-	-	-	D	\$53,680.72
547357	030	MANL	F	-	-	-	D	\$80,711.01
10873	030	MANL	F	-	-	-	D	\$74,875.03
583860	168	MANL	E	F	E	C	D	\$76,049.31
396322	169	MANL	E	F	D	C	D	\$73,560.68
374906	160	MANL	E	E	D	C	D	\$74,710.44
193073	160	MANL	E	E	D	C	D	\$74,489.11
373125	160	MANL	E	E	D	C	D	\$74,710.44
553761	030	MANL	E	E	D	C	D	\$80,711.01
219899	168	MANL	E	E	D	C	D	\$75,029.51
411074	160	MANL	E	E	D	C	D	\$73,560.68
592578	160	MANL	E	E	D	C	D	\$76,049.31
502827	168	MANL	E	E	D	C	D	\$93,052.02
553956	160	MANL	E	E	D	E	D	\$80,711.01
688599	168	MANL	E	E	D	C	D	\$83,323.53
372690	160	MANL	E	E	D	C	D	\$74,710.44
375719	030	MANL	E	E	D	B	D	\$74,710.44
42838	030	MANL	E	E	D	C	D	\$72,906.21
225676	160	MANL	E	E	D	C	D	\$75,029.51
225126	160	MANL	E	E	D	C	D	\$75,029.51
579066	169	MANL	E	E	C	C	D	\$76,049.31
394509	044	MANL	E	E	C	C	D	\$73,560.68
41026	160	MANL	E	E	C	C	D	\$72,906.21
579512	168	MANL	E	E	C	C	D	\$76,049.31
212565	150	MANL	E	E	C	C	D	\$75,029.51
403512	160	MANL	E	E	C	C	D	\$73,560.68
106465	160	MANL	E	E	C	C	D	\$85,976.12
372703	168	MANL	E	E	C	C	D	\$74,710.44
51006	030	MANL	E	E	C	C	D	\$53,680.72
403235	168	MANL	E	E	C	C	D	\$275,852.55
42347	160	MANL	E	E	C	C	D	\$72,906.21
367738	150	MANL	E	E	C	C	D	\$101,877.87
194208	160	MANL	E	E	B	C	D	\$74,489.11
218909	030	MANL	E	E	B	C	D	\$75,029.51
112808	160	MANL	E	E	B	C	D	\$85,976.12
200720	030	MANL	E	E	B	C	D	\$67,250.61
41587	169	MANL	E	E	B	H	D	\$72,906.21
297227	043	MANL	E	E	B	B	D	\$235,161.75
556270	030	MANL	E	E	B	C	D	\$80,711.01
223106	169	MANL	E	E	B	C	D	\$102,312.97
48750	030	MANL	E	E	A	C	D	\$109,359.31
212556	030	MANL	E	E	A	C	D	\$75,029.51

404355	030	MANL	E	E	A	C	D	\$73,560.68
551732	030	MANL	E	E	A	B	D	\$80,711.01
211891	160	MANL	E	D	D	D	D	\$75,029.51
584966	168	MANL	E	D	D	C	D	\$76,049.31
8777	168	MANL	E	D	D	D	D	\$74,875.03
142966	160	MANL	E	D	D	C	D	\$97,670.50
143436	169	MANL	E	D	D	F	D	\$97,670.50
236975	169	MANL	E	D	D	C	D	\$47,773.35
232300	044	MANL	E	D	C	C	D	\$75,029.51
555425	044	MANL	E	D	C	C	D	\$80,711.01
215455	043	MANL	E	D	C	C	D	\$75,029.51
373628	040	MANL	E	D	B	C	D	\$74,710.44
43851	029	MANL	D	-	-	-	D	\$72,906.21
546757	150	MANL	D	-	-	-	D	\$80,711.01
524593	169	MANL	-	E	D	C	D	\$211,301.75
575703	044	MANL	-	E	D	C	D	\$76,049.31
397357	168	MANL	-	-	-	-	D	\$73,560.68
236577	169	MANL	-	-	-	-	D	\$65,145.47

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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