

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO  
TIME WARNER INC. WITNESS MITCHELL  
(USPS/TW-T3-1-8)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories to Time Warner Inc. witness Mitchell: USPS/TW-T3-1-8.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**USPS/TW-T3-1** On page 3, line 27 through page 4, line 2 of your testimony, you state "Because of this mail's uniform characteristics and high density levels, the Postal Service is able to handle it at a low cost." On page 7, lines 24-25 of your testimony you state, "QBRM mail is received under multiple permits at their inbound facility in Tampa, Florida..."

(a) Please confirm that when a small volume of BRM or QBRM is received at a destinating facility, the mail may be processed manually. If you cannot confirm, please explain.

(b) Have you conducted field observations in which you evaluated the processing methods used to sort, count, rate, and bill Time Customer Service's and/or Time Warner's BRM mail at the Tampa P&DC? If so, please indicate the approximate date and time of the observations, the specific operations observed, the volume of Time Customer Service and/or Time Warner BRM involved, and describe all mail flows/processing methods that you observed.

(c) Please list all other postal facilities at which you studied non-Time Warner QBRM processing. For each site, include the approximate date and time of the observations, the specific operations observed, the volume of BRM involved, and describe all mail flows/processing methods that you observed.

**USPS/TW-T3-2** On pages 7-8 of your testimony, you discuss Rodale Inc. and Time Customer Service as examples of QBRM users.

(a) Your testimony states that in 2005, Rodale received 7.1 million reply pieces, 3.4 million of which were cards. Please provide a breakdown of those figures by BRM rate category.

(b) Your testimony states that in 2005, Time Customer Service received “more than 17 million QBRM pieces on behalf of Time Inc. publications, 9.2 million of which were cards.” Please provide a breakdown of those figures by BRM rate category.

(c) Do you consider Rodale and Time Customer Service to be representative of most users of QBRM, or are they representative of High Volume QBRM users? Please explain fully.

**USPS/TW-T3-3** On page 12 of your testimony, at the end of your paragraph 2, you state “See Response of Witness Abdirahman to MMA/USPS-T22-15.” Please confirm that MMA/USPS-T22-15 was redirected to the Postal Service, and the response was institutional, rather than from witness Abdirahman. If not confirmed, please explain.

**USPS/TW-T3-4** On page 3 of your testimony, lines 7-9, you state, "One proposal of this kind focused on courtesy reply envelopes, in hopes that recognition in rates would encourage their use and be fairer to all concerned." On page 3, lines 21-23, you state, "Specifically, a discount for Qualified Business Reply Mail (QBRM) was recommended by the Commission in Docket No. R97-1 and has been quite successful."

(a) Do you equate the term "successful" with an increase in mail volume? If that is not specifically what you meant by using that term, please define "successful" as you have used it in this context.

(b) Have you conducted any studies to evaluate how the QBRM discount has affected QBRM mail volumes? If so, please provide the results of those studies.

(c) Please confirm that a rate category for barcoded BRM existed before the implementation of the QBRM discount following Docket No. R97-1 and that this rate category offered lower total postage rates to BRM recipients by virtue of the fact that the per-piece fee was lower than the fees associated with other BRM rate categories. If not confirmed, please explain.

**USPS/TW-T3-5** On page 5 of your testimony, lines 8-10, you state, "They are a simple and friendly alternative to using 800 numbers or the Internet, and they can be used by persons who do not have computers. All parties benefit."

(a) Please describe how 800 numbers and the Internet have affected Time Warner's usage of all types of BRM to date.

(b) Please describe how you anticipate that 800 numbers and the Internet will affect Time Warner's usage of all types of BRM in the future.

(c) Please indicate the extent to which Time Warner prefers 800 numbers, the Internet, or other postal alternatives, when compared to the usage of QBRM, all things considered.

**USPS/TW-T3-6** On page 5 of your testimony, lines 13-14, you state, "The original mailer has worked with the Postal Service in preparing the envelope."

(a) Please confirm that the QBRM approval process does not result in regular evaluation of the mail pieces. Therefore, the only time further review activities are conducted is in the event that a problem is detected. If you cannot confirm, please explain.

(b) Please confirm that, on occasion, BRM recipients change their fulfillment processing vendor, such that: 1) the address and thus the destinating postal processing facility would eventually change; and 2) large volumes of mail would be forwarded from one postal facility to another during the time it takes to exhaust the old envelope or card stock and print/distribute mail pieces bearing the correct destinating address. If not confirmed, please explain.

(c) Has Time Warner experienced the scenario described in part (b) above? If so, please indicate, on average, how long it usually takes from the time the mail pieces are first forwarded to the time that mail pieces bearing the correct address are received.

**USPS/TW-T3-7** On page 5 of your testimony, lines 15-17, you state, "Because of these preparatory efforts and the cooperation involved, Postal Service costs are low. The mailpieces require no window service or stamp cancellation; they can be sorted initially on a barcode sorter; the likelihood of manual sorts at any point in the processing stream is extremely low..." Please confirm that QBRM mail pieces will be processed through cancellation operations, typically on the AFCS-ISS, with all other non-QBRM single-piece mail pieces, despite the fact that the QBRM mail pieces would not actually be cancelled. If not confirmed, please explain.

**USPS/TW-T3-8** On page 10 of your testimony, lines 26-27, you discuss the QBRM cost model and state, "The validity of these changes apparently has not been tested. Yet the Postal Service includes them again in its model in this case."

(a) Please confirm that the cost avoidance presented in this docket is similar to the analysis first presented in Docket No. R97-1, rather than the analysis presented in Docket No. R2000-1, because it calculates costs up to the point where a given mail piece receives its first barcoded sortation on a Bar Code Sorter (BCS). If not confirmed, please explain.

(b) Please confirm that the Commission has not formally expressed an opinion against using the Docket No. R97-1 cost avoidance analysis, due to the fact that Docket Nos. R2001-1 and R2005-1 were settled. If not confirmed, please explain.