

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

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BANK OF AMERICA CORPORATION

Docket No. MC2007-1

**REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS AYUB TO
INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T1-5(A))
(June 11, 2007)**

The United States Postal Service hereby provides the revised response of witness Ayub to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T1-5(a). Interrogatory OCA/USPS-T1-5 was filed on February 20, 2007 and the original response was filed on March 9, 2007. Subpart (a) of the original response is being revised and is shaded; subparts (b) and (c) are repeated here, but remain the same as in the original response. The interrogatory is stated verbatim and is followed by the response.

UNITED STATES POSTAL SERVICE

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OCA/USPS-T1-5. Please refer to your testimony at page 16, lines 9-14, which defines the read/accept rate

as the total number of Bank of America letter-rated First-Class Mail mailpieces that are read and accepted during their first pass through Postal Service mail sorting equipment, divided by the total number of letter-rated First-Class Mail mailpieces of Bank of America Mail that receive a first pass through Postal Service mail sorting equipment during the same quarter.

A similar definition of the read/accept rate applicable to Standard Mail mailpieces is found at page 21, lines 3-8.

- a. Please explain how the Postal Service determines that a letter-rated First-Class Mail mailpiece (and Standard Mail mailpiece, if different) is read and accepted.
- b. For each of the following, please explain whether or not it is possible for a letter-rated First-Class Mail mailpiece (or Standard Mail mailpiece, if different) to be
 - i. read, but not accepted;
 - ii. accepted, but not read; and
 - iii. not read, and not accepted.
- c. For each of the following, please explain how the Postal Service determines that a letter-rated First-Class Mail mailpiece (and Standard Mail mailpiece, if different) is
 - i. read, but not accepted;
 - ii. accepted, but not read; and
 - iii. not read, and not accepted.

RESPONSE:

(a) The measurement processes used to assess improvements in BAC read and accept rates were intended to be generally consistent with the measurement of what are termed "accept" rates as used in LR-L-110 in Docket No. R2006-1. Although, as discussed more fully below, the measurement is not identical to that used in LR-L-110, I believe it is sufficiently comparable and addresses the purposes of the Bank of America (BAC) NSA so as to enable a fair and accurate measurement of improvements in the processing of BAC's mail.

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The term “read and accept rate” appears in my testimony and in the NSA contract. I have used the terms “accept rate,” “read rate” and “read and accept rate” interchangeably. The use of these and other terms has engendered some questions among the participants.

Because the terms “read” and “accept” have different meanings in different contexts, their use in testimony and interrogatory responses may not have been clear in indicating the measurements and calculations incorporated into the BAC NSA. This response is intended to clarify my use of the following terms and phrases within the context of this NSA: “accept” and “accept rate,” “read” and “read rate,” “read and accept rate,” “first pass” and “first pass through Postal Service mail sorting equipment.” This response also explains how BAC’s “read and accept rate” (to be used as one element in measuring the improvement in the processing of its mail) is calculated for the purposes of this NSA as well as how and to what extent this calculation differs from the calculations underlying USPS-L-LR-110, Docket No. R2006-1.

1. “Accept” and “accept rate,” “read” and “read rate,” and “read and accept rate.”

In the context of mail entry and acceptance, as well as in certain contexts in this NSA, the term “accept” refers to the total number of mailpieces presented to the Postal Service and for which postage is paid.¹ As part of this NSA, the Postal Service will be measuring the volume of BAC mail that is “accepted” in the BMEU and Seamless Acceptance environment via manifest. The volume reflected on the manifest, will form

¹ I had stated this in my initial response to OCA/USPS-T1-5.

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the denominator in the Postal Service's "read and accept rate" calculation, as discussed in more detail in section 3 below.

In the context of this NSA, the measured improvement in the processing of BAC's mail will be determined by changes in the "read and accept" rate according to the Postal Service's calculation, discussed in more detail in section 3 below.² If a mailpiece is rejected for either mechanical reasons or due to an unreadable barcode, that piece will not be counted in the numerator of the Postal Service's calculation and thus will lower the "read and accept rate."

My use of the terms "accept" and "accept rate" differs somewhat from the manner in which those terms are used in the context of mail processing, in which "accept" generally means that mail is processed by automated equipment and will not have to be diverted to manual operations. In mail processing terms, "accept" is normally associated with machinability of the mailpiece.³ For example, a mailpiece may be mechanically rejected (not successfully sorted by the automated equipment) when there is moisture or dust on the piece. My use of the terms "read and read rate" also differs somewhat from the manner in which those terms are used in the context of mail processing. Generally, in the mail processing context, "read" is used in association with a measure of the readability of either the address or the barcode on a mailpiece. However, "read" can also be used to mean that mail is not rejected due to *either*

² As indicated, I have used the terms "accept rate," "read rate," and "read and accept rate" interchangeably.

³ Please note, however, that in USPS-LR-L-110, "accept" reflects pieces not rejected due to mechanical and unreadability reasons.

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mechanical problems or an unreadable barcode. “Read” can even mean that a machine *tried* to read a letter, but may not have.

Within the context of this NSA, the term “read and accept rate” is a percentage, derived by dividing the numerator used in the Postal Service’s formula by the denominator, as explained in more detail below in section 3. This percentage will be used as one element in determining the improvement in the processing of BAC’s mail. This percentage will be compared against the other element, the baseline value, to determine incremental improvements.

My use of the phrase “read and accept rate” differs somewhat from the manner in which that phrase is used in the context of mail processing (and similarly, “accept” rates in USPS-LR-L-110) in which “read and accept rate” would generally refer to a percentage derived by dividing the number of pieces successfully sorted (that is, not rejected for mechanical reasons or due to illegible addresses or barcodes) by the number of pieces actually run or “fed” on the machine. As explained more fully below, the calculation for this NSA is somewhat different.

2. “First pass” and “first pass through Postal Service mail sorting equipment”

In the BAC NSA, the phrases “first pass” and “first pass through Postal Service mail sorting equipment” refer generally to the first sortation activity performed on a particular letter in an automated mail processing environment. In BAC NSA terminology, for example, for a Standard Mail Auto MAADC piece, the “first pass” would be the Outgoing Secondary operation. For a Standard Mail Auto 5-Digit piece, the “first pass” would be the Incoming Secondary operation.

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My use of these terms differs somewhat from the manner in which the terms are used in the context of mail processing, although the terms can be used to mean several things in the mail processing context. “First pass” can be used to describe sortation activities in which more than one “pass” on a particular type of equipment is required. For example, the process for delivery point sequencing of letters is usually a two-pass system, involving running the letters on the equipment two times, with the first time being the “first pass.” “First pass” can also be used to simply mean that a letter has successfully been sorted on the automated equipment – that is, not rejected for either mechanical reasons or due to illegible barcodes.

In the BAC NSA, those pieces successfully scanned on a first run through the applicable mail processing equipment form the numerator of the Postal Service’s “read and accept rate” calculation.

3. Calculating the “read and accept rate” in this NSA

The BAC NSA seeks to measure improvements in the processing of BAC’s mail, determined according to the following formula.

As indicated previously, the numerator will be those pieces successfully sorted on a first run through the applicable mail processing equipment in the applicable operation (for example, the Incoming Secondary operation for Standard Mail Auto 5-Digit pieces). The numerator thus excludes both mechanical rejects and pieces rejected because of unreadable barcodes.⁴ Technically, the numerator is the total pieces from the Seamless Acceptance manifest minus the pieces rejected by the automated equipment for either mechanical reasons and due to unreadable barcodes.

⁴ These are the same types of pieces excluded from the accept rate in USPS-LR-L-110.

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The numerator will be tracked by scanning the Intelligent Mail® barcode on each BAC mailpiece.

The denominator consists of the total number of pieces listed on the Seamless Acceptance manifest. The assumption is that pieces will be directed to the appropriate operations. If this is indeed the case, as would normally be expected, then the concept is the same as the one underlying USPS-LR-L-110. Simply because a piece is listed on a Seamless Acceptance manifest, however, does not mean that the piece will necessarily and correctly be processed on automated equipment. For various reasons – for example, the machine is under repair -- it may be diverted to manual operations. The frequency with which BAC mail would be diverted to manual operations is likely to be low, simply because the machines are usually running, BAC's mail generally is thought to be properly prepared, and the normal practice is to process as much mail on automated equipment as possible. Therefore, there should not be a significant difference between BAC's manifest pieces and the BAC pieces actually run on automated equipment.

(b) Please see my responses to parts (i) through (iii) below:

- i. It is not possible for a mailpiece to be read but not accepted.
Please see my response to part (a) above.
- ii. It is possible for a mailpiece to be accepted but not read. Please see my response to part (a) above. This might happen if the address quality of a particular mailpiece is poor or for a variety of other reasons, as described in USPS-T-22 in Docket No. R2006-1.
- iii. It is not possible for a mailpiece to be “not read” and “not accepted.”

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(c) Please see my responses to (i) through (iii) below:

- i. It is not possible for a mailpiece to be read but not accepted.
Therefore, the Postal Service cannot determine whether a mailpiece is read, but not accepted.
- ii. The number of pieces accepted is the number of mailpieces for which postage is paid. The number of pieces read is the number of mailpieces for which there is scan data available. For example, if the Postal Service “accepts” 100 pieces of mail and there is only scan data for 98 pieces Of mail, the read rate for that mail is 98 percent.
- iii. It is not possible for a mailpiece to be “not read” and “not accepted.”
Therefore, the Postal Service cannot determine whether a mailpiece is to be “not read” and “not accepted.”

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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June 11, 2007