

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

CRITICAL ENTRY TIME (CET) CHANGES FOR PERIODICALS, 2022

Docket No. N2022-2

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO QUESTIONS  
1-7 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 1  
(September 23, 2022)**

The United States Postal Service hereby provides the responses of witnesses Campbell and Foti to the above-listed questions of the Presiding Officer's Information Request No. 1, issued on September 16, 2022. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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September 23, 2022

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1. Please refer to the direct testimony of witness Jake Campbell.<sup>1</sup> The Postal Service states that the current, staggered CETs for Periodicals with different sortation requirements obstruct its work planning and result in ineffective allocation of its staff. USPS-T-1 at 5. The Postal Service further states that “[a] consistent 0800 CET for Periodicals Mail would...provide a clear picture of committed volume for each given day, allowing the Postal Service to generate reliable processing plans and to allocate staff accordingly.” *Id.* at 10.
  - a. Please explain what the term “committed volume” means and how it is used to generate processing plans.
  - b. Please explain the current process for determining the sortation plan and CET for different types of Periodicals.
  - c. Please explain why the Postal Service does not currently have reasonably accurate estimates of committed volume for each day, given that Periodicals mailers largely operate on subscription-based business models.
    - i. Please also explain what level of variation the Postal Service experiences in average volumes for a specific day of the week for an average facility, *e.g.*, how much Periodicals volume varies for the first Tuesday of each month.
    - ii. Please also explain how much variation the Postal Service experiences in average acceptance times for Periodicals mail.
  - d. Please provide any data available on the variability of Periodicals volumes by time of day and day of the week over the most recent fiscal year.

**RESPONSE:**

a. “Committed volume” means: volume that must be processed on any given day in order to meet its assigned expected delivery day.

First, it bears noting that processing plans are not exclusively based on committed volume, as facilities will process non-committed volume when feasible. Processing plans are established by considering factors such as: volume, staffing, equipment set

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<sup>1</sup> Direct Testimony of Jake Campbell on Behalf of the United States Postal Service, September 2, 2022 (USPS-T-1).

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(including bin counts on the equipment), mail arrival profile, transportation, and downstream delivery and retail facilities.

b. Sortation plans in general (and the corresponding assignment of CETs) are determined by the work required to sort the bundles/flats tendered at a facility; this is determined by the specificity of the destinating ZIP code for which such items are grouped. For example, 3-digit bundles require a bundle sortation, whereas 5-digit bundles can bypass bundle sortation and go directly to a single piece sortation. See United States Postal Service - Service Performance Measurement (SPM) Plan, Appendix, table 10-1.<sup>2</sup>

c. Operating plans are based on volume estimates from historical data. Although this may be reasonably accurate from a macro level, changes in volume, including volume of Periodicals Mail, at a plant level can vary substantially. Additionally, the concern remains that receiving Periodicals Mail later than the other flat/bundle-based products causes workload planning difficulties.

i. No two Postal Service facilities are identical. In reality, there is a wide range of Periodicals Mail volumes (accepted and processed), equipment sets, and operating parameters among the hundreds of Postal Service facilities that process Periodicals Mail. As such, the notion of an “average facility” is not amenable to characterization for this purpose. As an alternative to “an average facility,” this response illustrates the level

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<sup>2</sup> Docket No. PI2022-3, Revised USPS Service Performance Measurement Plan, USPS-LR-PI2022-3-2, May 20, 2022.

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of variation of total Periodicals Mail volumes accepted by the Postal Service through the following results on full-service pieces in service measurement data for the period February 1-July 31, 2022. The specific example cited, *i.e.*, first Tuesday of each month, is used as the basis.

Total Volume Accepted = 918,302,191

Total Volume Accepted on Tuesdays = 132,018,390

Total Volume Accepted on first Tuesday of each month = 26,204,581

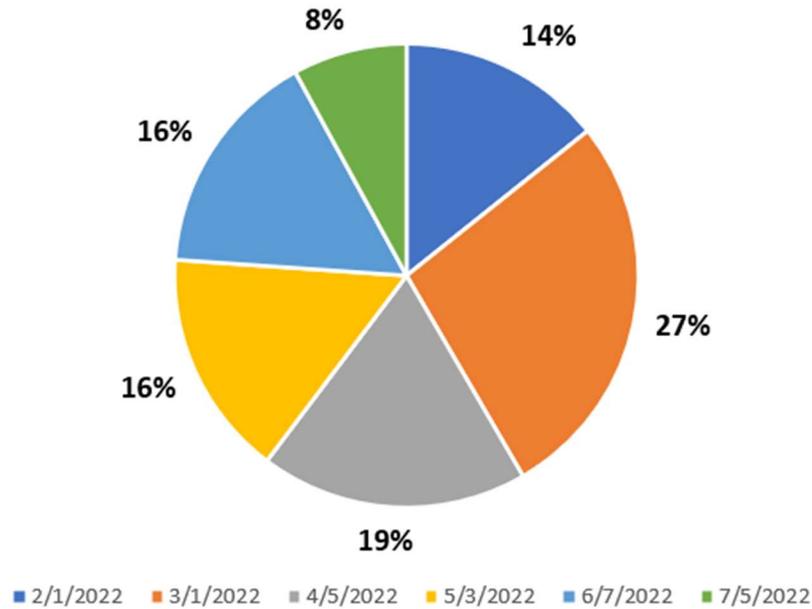
For the first Tuesday of each month during Feb-Jul 2022:

- Lowest Periodical Volume Accepted = 2,085,769 (8% share)
- Highest Periodical Volume Accepted = 7,169,676 (27% share)
- The maximum/minimum ratio of first Tuesday volumes = 3.44

The chart below illustrates the distribution of first Tuesday volumes among the six months in the period Feb-Jul 2022:

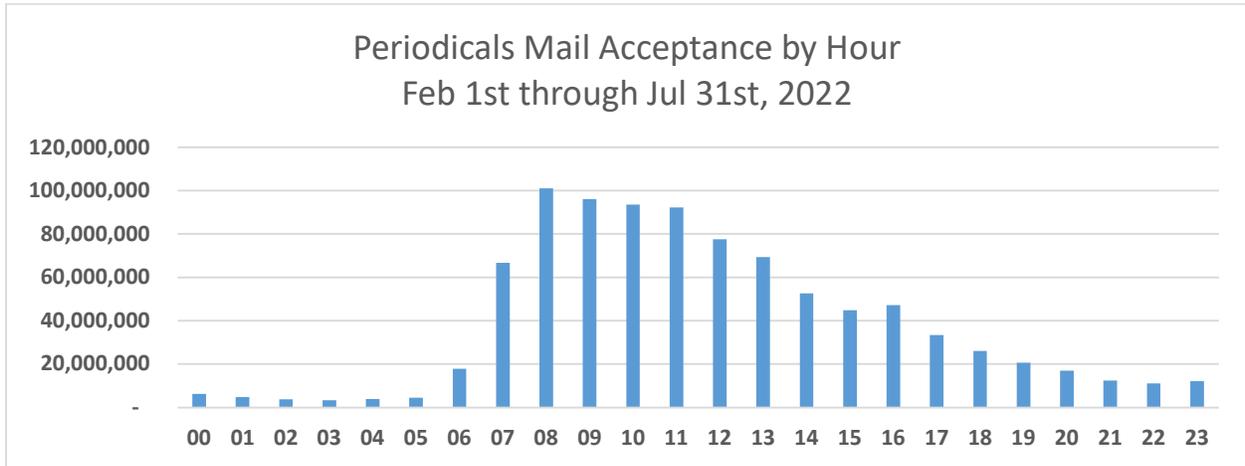
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*Distribution of Periodicals Volume Accepted on First  
Tuesday of Month: Feb-Jul 2022*



iii. Here a similar approach is utilized to that provided in the prior response, in order to describe the variations in average acceptance times for Periodicals Mail experienced by the Postal Service. As in the prior response, this analysis uses the data on full-service Periodicals Mail pieces in service measurement accepted by the Postal Service for the period February 1-July 31, 2022. The chart below offers some indication of the variation in acceptance times of the aforementioned pieces aggregated over Postal Service facilities. The data show a spread of acceptance times ranging from before CET to well after CET on a given day.

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d. See USPS-LR-N2022-2-6, submitted along with this response. The worksheet "Raw Data Including Impact Table" provides the requested information.

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2. Please refer to USPS-T-1. The Postal Service states that the current CETs result in ineffective use of package sorting machines, in part because those machines must either be changed over or remain available to accommodate Periodicals. *Id.* at 5-6, 10-11.
- a. Please provide any data available on the frequency with which the average package sortation machine is changed over each day to accommodate Periodicals.
  - b. Please provide any data available on the amount of staff time:
    - i. Required to change over a package sortation machine, on average;
    - ii. Spent changing over package machines on a daily basis.
  - c. Please provide any available data on the average time a package machine is run per day to process Periodicals volumes.
  - d. Please provide any available data on the average amount of time that package sortation machines are kept idle to remain available for Periodicals.

**RESPONSE:**

a. A Periodicals Mail run (*i.e.*, the period of time during which a machine is run for the sortation of Periodicals Mail) would require at a minimum, two change overs. In the case where two Periodicals Mail runs are required, an additional two change overs would be performed.

**b.**

i. An average cannot be provided based on the number of different machines at various Postal Service facilities. Additionally, each machine will vary based on the number of bins, size of machine, and the container type. For example, a small Single-Induction Package Sorter may require only 4 employees, whereas a dual-sided Automated Package Processing System would require approximately 14 employees.

ii. Each package machine change over requires approximately 45 minutes to 1 hour.

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- c.** USPS-LR-N2022-2-NP1, submitted with USPS-T-1, provides site-specific data on runtimes, in hours, of package machines reserved for Periodicals Mail; total volumes of Periodicals Mail bundles fed into such machines; and actual throughputs.
- d.** Data on the amount of time during which, during any given Periodicals Mail run, a machine is not processing Periodicals Mail, is not collected. However, the site-specific throughputs provided in USPS-LR-N2022-2-NP1, as well as the average throughputs provided in USPS-LR-N2022-2-3, fall well below machine capacity, indicating that stretches of ineffective processing time arise while machines are reserved for bundles of Periodicals Mail.

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3. Please refer to USPS-T-1. The Postal Service states that approximately 20.3 percent of Periodicals will be affected by the revised CETs. *Id.* at 9.
  - a. Please provide the data needed to calculate this percentage over the most recent fiscal year.
  - b. Please also provide volume data, as disaggregated as possible, for each sortation or bundling requirement.

**RESPONSE:**

- a. Approximately 20.5 percent of Periodicals Mail over the most recent fiscal year would have been impacted by the proposed change. See USPS-LR-N2022-2-6.
- b. Both USPS-LR-N2022-2-1 and USPS-LR-N2022-2-6 provide disaggregated Periodicals Mail volume data arranged by Critical Entry Time. By consulting the Periodicals Critical Times as listed in the SPM Plan, Appendix, table 10-1,<sup>3</sup> the sortation or bundling requirements for this volume can be determined.

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<sup>3</sup> *Id.*

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4. Please refer to USPS-T-1. The Postal Service states that the Periodicals affected by this change represent 4.8 percent of the overall volume for flat mail and that the current CETs “represent an unreasonable and disproportionate allocation of time and processing capacity” and “result[] in disproportionate adverse service impacts.” *Id.* at 9-10 (footnote omitted).
- a. Please explain how the affected Periodicals cause significant impacts given that they comprise only 4.8 percent of flat mail volume.
  - b. Please explain how CETs are applied to or affect the remaining 95.2 percent of flat mail volume.
  - c. What percent of overall Periodicals volume is co-mailed or co-palletized with other flats volume?
  - d. What percent of the Periodicals volume impacted by this change in CET is co-mailed or co-palletized with other flats volume?
  - e. How will this change in CET impact First-Class flats volume?
  - f. How will this change in CET impact Marketing Mail flats volume?

**RESPONSE:**

- a. Other flat operations must wait for Periodicals Mail to complete processing. The primary reason for the change in Periodicals CETs is so that other operations are no longer impacted by Periodicals Mail that arrive later than other flat mail.
- b. Please see table 10-1 “National Critical Entry Times” from the Postal Service’s SPM Plan.<sup>4</sup>
- c. Co-mailed Periodicals Mail is determined by a CET of 1600. Per USPS-LR-N2022-2-2, the percentage of overall Periodicals Mail volume that was co-mailed between February 1, 2022, and July 31, 2022, was approximately 13.2 percent. This was computed using the calculation: (Total of Periodicals with 1600 CET) / (Total Periodicals) = percentage of Co-Mailed Periodicals or  $120,804,713 / 918,302,191 = 13.2$  percent.

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<sup>4</sup> *Id.*

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**d.** The proposed change would not impact the CET for Periodicals Mail that is co-mailed or co-palletized.

**e.** The proposed change would affect only the CET for Periodicals Mail. Nonetheless, the proposed change may positively affect processing effectiveness for like-shaped mail.

**f.** The proposed change would affect only the CET for Periodicals Mail. Nonetheless, the proposed change may positively affect processing effectiveness for like-shaped mail.

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5. Please refer to USPS-T-1. The Postal Service states that the “CET is the latest time of day that a mail piece can be tendered to the Postal Service for its service performance to still be measured on that same day.” *Id.* at 1.
- a. Please define the term “tendered” as it is used in the definition above. → “Tendered” means we have determined mail to arrive, i.e., AET.
    - i. Is mail that is unloaded on the loading dock but not yet accepted by the CET considered “tendered” for service performance measurement purposes?
    - ii. Is mail that arrives at the processing facility but is not yet accepted before the CET considered “tendered” for service performance measurement purposes?
    - iii. Please describe how the time mail is “tendered” by is determined and recorded. For example, is it determined through electronic manifest, physical scans at the processing facility, or by other means?

**RESPONSE:**

a. “Tendered,” as used in USPS-T-1, means that the Postal Service has determined the mail to have arrived, *i.e.*, the AET is established. Sections 10.2 through 10.6 of the Postal Service’s SPM Plan<sup>5</sup> detail the methods whereby—and locations at which—mail can be tendered. For example, Section 10.2 describes the rules for determining arrival times at Business Mail Entry Units (BMEUs), and Section 10.5 describes the rules for determining arrival times for Destination-Entered Drop Shipments at Plants.

i-ii. This varies as a function of entry type, among other variables. Sections 10.2 through 10.6 of the Postal Service’s SPM Plan<sup>6</sup> represent in detail the circumstances under which the Postal Service determines arrival of mail, including Periodicals Mail; and how the arrival time, in turn, determines the applicable CET.

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<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

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iii. Sections 10.2 through 10.6 of the Postal Service's SPM Plan<sup>7</sup> discuss in detail the means by which the time that mail is "tendered" is determined and recorded.

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<sup>7</sup> *Id.*

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6. Please refer to USPS-T-1 and the direct testimony of witness Thomas J. Foti.<sup>8</sup> The Postal Service states that the revised CETs will provide simplified acceptance and that it will mitigate the impact on mailers. USPS-T-1 at 11; USPS-T-2 at 5-6.
- a. Please provide any available data on current availability of Facility Access and Shipment Tracking (FAST) appointments.
  - b. Please describe any challenges the Postal Service currently faces in accepting Periodicals through FAST appointments that are prior to or at the 0800 CET.
  - c. Please explain how more effective allocation of personnel can address the concerns of affected Periodicals mailers, such as FAST appointments not being honored.
  - d. Please explain why equipment availability will not be an issue if a significant number of Periodicals mailers shift from their current CETs to the 0800 CET.

**RESPONSE:**

- a. Please see the response provided by Witness Foti.
- b. Staffing allocation is the primary challenge, which could be alleviated by adjusting the CETs for Periodicals Mail, such that staffing that is necessary from 0800 through 1400 could be reallocated to be available prior to 0800.
- c. Please see the response provided by Witness Foti.
- d. In a typical Postal Service processing plant with bundle/package sorting equipment, the package sortation is typically done overnight. As such, bundles that are accepted during this overnight time frame (approximately 2200-0500) are staged for processing during the typical bundle processing window to follow. The proposed CET change in this matter should, therefore, increase the volume of staged bundle pallets awaiting processing during the regular bundle processing window. The benefit of

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<sup>8</sup> Direct Testimony of Thomas J Foti on Behalf of the United States Postal Service, September 2, 2022 (USPS-T-2).

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having an increased volume of staged bundles (resulting from the proposed shift to an 0800 CET) is anticipated in the form of higher throughputs for the bundle processing step, as compared to current throughputs. Concomitantly, the higher throughputs should enable the bundle processing runs to be completed sooner than is presently achievable. This, in turn, should allow package sorting to begin without the delays that currently stem from the multiplicity of Periodicals CETs. It is in this sense that the availability of package/bundle sorting equipment is not expected to be an issue.

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6. Please refer to USPS-T-1 and the direct testimony of witness Thomas J. Foti.<sup>9</sup> The Postal Service states that the revised CETs will provide simplified acceptance and that it will mitigate the impact on mailers. USPS-T-1 at 11; USPS-T-2 at 5-6.
- a. Please provide any available data on current availability of Facility Access and Shipment Tracking (FAST) appointments.
  - b. Please describe any challenges the Postal Service currently faces in accepting Periodicals through FAST appointments that are prior to or at the 0800 CET.
  - c. Please explain how more effective allocation of personnel can address the concerns of affected Periodicals mailers, such as FAST appointments not being honored.
  - d. Please explain why equipment availability will not be an issue if a significant number of Periodicals mailers shift from their current CETs to the 0800 CET.

**RESPONSE:**

- a. Over the past 90 days, there were 62,891 appointments in FAST with Periodicals Mail content.
- b. Please see the response provided by Witness Campbell.
- c. The proposed advancement of CETs to 0800, from their current times, will enable the Postal Service to reallocate staffing to the earlier time frame (*i.e.*, prior to 0800) and more effectively allocate personnel associated with handling FAST appointments. This greater availability of platform staffing during the overnight hours will better enable the Postal Service to honor FAST appointments and thereby help address the concerns of affected Periodicals mailers.
- d. Please see the response provided by Witness Campbell.

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<sup>9</sup> Direct Testimony of Thomas J Foti on Behalf of the United States Postal Service, September 2, 2022 (USPS-T-2).

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7. Please refer to USPS-T-2. The Postal Service states that it is “optimistic” that Periodicals mailers “can adapt” to the proposed CET changes. *Id.* at 6. For purposes of this question, please assume that Periodicals mailers will maintain their current CETs.
- a. Please provide any evaluation the Postal Service has conducted on the loss of value Periodicals mailpieces would incur with an additional service day added.
  - b. Please provide any evaluation the Postal Service has conducted on the impact of an additional service day on consumers of Periodicals.
  - c. Please explain how the Postal Service plans to mitigate concerns of Periodicals mailers related to editorial deadlines and delivery timing.

**RESPONSE:**

**a-b.** The Postal Service has not conducted an evaluation of the impact of an additional service day on either the value of Periodicals mailpieces or on consumers of periodicals. The Postal Service has, however, reviewed available full-service Periodicals mailpiece in service measurement data on mailer AET (actual entry time) versus CET (critical entry time). Specifically, data were examined for Periodicals Mail AETs during the period February 1 through July 31, 2022; the Postal Service found that for Periodicals Mail with a CET of 0800, on average, 87% of the Periodicals Mail volume accepted by the Postal Service nationally had an AET after 0800, specifically with an AET between 0800 and 2359 on a given day. The 0800 CET applies to Periodicals Mail to be processed on FSS machines and requiring bundle sort processing prior to FSS processing. Given that a significant fraction of Periodicals Mail volume with a CET of 0800 was tendered by mailers to the Postal Service after the 0800 CET on any given day, the Postal Service infers that mailers have adapted their logistical and other work processes for tendering Periodicals Mail to the Postal Service after the 0800 CET on a given day while, presumably, still meeting their customers' delivery expectations. In

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analogous fashion, data analysis shows that for Periodicals Mail with a CET of 1100, on average, 55% of the Periodicals Mail volume accepted by the Postal Service nationally had an AET after 1100, specifically with an AET between 1100 and 2359 on a given day. Given that a significant fraction of Periodicals Mail volume with a CET of 1100 was tendered by mailers to the Postal Service after the 1100 CET on a given day, the Postal Service infers that mailers have adapted their logistical and other work processes for tendering such Periodicals Mail to the Postal Service after the 1100 CET on a given day while, presumably, still meeting their customers' delivery expectations.

c. The Postal Service is committed to working with its customers and publishers to optimize the entire customer experience and to striving to continuously improve the effectiveness of the entire supply chain. From the conception of the Postal Service's proposed change to the CETs for Periodicals Mail, the Postal Service has endeavored to involve these customers and publishers and to seek their input about this matter.

As the Postal Service understands the periodicals mailers' editorial deadline concerns, the adjustments needed to mitigate such concerns are beyond the reach of the Postal Service. We note, however, that periodicals mailers who may need to make adjustments to their editorial deadlines represent a fraction of all periodicals mailers (see USPS-T-1 at 8-9; USPS-LR-N2022-2-2 Preface and Spreadsheet at Final Data Tab.) For mailers who are unable to adjust to meet an 0800 CET, the Postal Service encourages consideration of the 1700 CET option for direct 5-digit carrier route pallets by preparing their mail as direct 5-digit carrier route pallets that can be cross-docked directly to Destination Delivery Units with minimal processing.

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With respect to the periodicals mailers delivery timing concerns, the Postal Service expects that the proposed CET changes will facilitate more effective staff allocation, which would, in turn, better enable the Postal Service to provide appropriate personnel to ensure that FAST appointments are addressed in a timely manner.

Furthermore, the Postal Service is committed to:

- Creating availability of FAST appointments prior to 0800 to meet demand;
- Ensuring adequate platform staffing is available to accept and process early morning incoming Periodical Mail FAST appointment mailings without delay;
- Continuing standard operating procedures for Periodicals Mail received outside Bulk Mail Operating Hours; and
- Ensuring that acceptance processes are in place in Post Office mail acceptance locations that accommodate early morning drop-offs.

The Postal Service will continue to monitor changes in behaviors of publishers and mail service providers including the entry time of Periodicals Mail at postal facilities.