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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

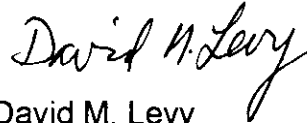
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Docket No. R2000-1
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Postal Rate and Fee Changes, 2000
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**FIRST INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS KINGSLEY (ANM/USPS-T10-1-32)**

Pursuant to section 20 of the Commission's Rules of Practice, the Alliance of Nonprofit Mailers ("ANM") respectfully submits the attached interrogatories and document requests to USPS witness Linda A. Kingsley (USPS-T-10). ANM incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed Jan. 24, 2000).

Respectfully submitted,



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QUESTIONS

ANM/USPS-T10-1. Please refer to your testimony at pages 10-11, concerning the FSM 881.

a. In what year did the Postal Service install the first of the 812 FSM 881s now in operation?

b. How many FSM 881s were installed in that year, and each subsequent year (through total deployment of all 812 FSM 881s)?

ANM/USPS-T10-2. At p. 11, lines 28-29 of your testimony, you state that "A second phase of approximately 400 additional AFSM 100s is also planned to start at the end of 2001."

a. Does the Postal Service anticipate procuring and deploying any additional AFSM 100s beyond the 575 discussed in your testimony? If so, when?

b. By the time all 400 of so additional AFSM 100s have been fully deployed and are operational, how many FSM 881s (if any) will be retired?

c. How many FSM 881s will be retired one year after deployment of the additional 400 or so AFSM 100s is complete?

ANM/USPS-T10-3. Please produce all studies, analyses and similar documents created since January 1, 1998, concerning the costs, benefits, productivity, deployment, updating, replacement or retirement of the FSM 881.

ANM/USPS-T10-4. Please produce all studies, analyses and similar documents created since January 1, 1998, concerning the costs, benefits, productivity, deployment, or financing of potential successors or alternatives to the FSM 881.

ANM/USPS-T10-5. Please produce all studies, analyses and similar documents created since January 1, 1998, concerning the cost, productivity, deployment, updating, replacement or retirement of the FSM 1000.

ANM/USPS-T10-6. Please produce all studies, analyses and similar documents created since January 1, 1998, concerning the cost, benefits, productivity, deployment, updating, or financing of potential successors or alternatives to the FSM 1000.

ANM/USPS-T10-7. Please produce all documents submitted to or generated by the Board of Governors or senior Postal Service management relating to the first phase deployment of AFSM 100 flat sorting machines.

ANM/USPS-T10-8. Please produce all documents submitted to or generated by the Board of Governors or senior Postal Service management relating to the second phase deployment of AFSM 100 flat sorting machines.

ANM/USPS-T10-9. Please produce all documents submitted to or generated by the Board of Governors or senior Postal Service management relating to any further

deployment of AFSM 100 flat sorting machines after the second phase.

ANM/USPS-T10-10. Please produce all studies, analyses, reports or similar documents generated by or for the Postal Service concerning the costs, benefits, productivity, performance limitations, financing, or appropriate deployment rate of the AFSM 100.

ANM/USPS-T10-11. Please produce all studies, analyses, reports or similar documents generated by or for the Postal Service concerning the costs, benefits, productivity, performance limitations, financing, or appropriate deployment rate of potential alternatives to the AFSM 100.

ANM/USPS-T10-12. At page 11, lines 12-14 of your testimony, you state that "It is possible that an OCR modification will be added to the FSM 1000 in the future, but deployment currently is not scheduled before FY 2002 at the earliest."

a. Please provide a full explanation of why the Postal Service is delaying an OCR modification for the FSM 1000 until at least FY 2002.

b. Produce all studies, analyses or similar documents performed by or for the Postal Service concerning the appropriate rate of deploying an OCR modification to the FSM 1000.

ANM/USPS-T10-13. If the Postal Service has equipped 240 of its 341 SPBSs with

the SPBS Feed System, and has 101 SPBSs not so equipped, please explain why the Service is procuring only 50 additional Feed Systems, instead on an additional 101.

ANM/USPS-T10-14. Please produce all studies, analyses, reports or similar documents generated by or for the Postal Service since January 1, 1998, concerning the costs and effectiveness of the Postal Service's existing efforts to automate the processing of flat-shaped mail.

ANM/USPS-T10-15. Please produce all studies, analyses, reports or similar documents generated by or for the Postal Service since January 1, 1998, concerning the costs and benefits of any proposals to expand or improve the Postal Service's automated processing of flat-shaped mail.

ANM/USPS-T10-16. Please produce all studies, analyses, reports or similar documents generated by or for the Postal Service since January 1, 1998, concerning any potential means of increasing the Postal Service's productivity of processing flat-shaped mail.

ANM/USPS-T10-17. Please produce all written communications to or from the Board of Governors or its members since January 1, 1998, concerning the funds available for capital investment for automated processing of flat-shaped mail.

ANM/USPS-T10-18. Please identify each financial, budgetary, supply or operational constraint that prevents greater investment by the Postal Service in automated equipment for processing flat-shaped mail in the test year. Produce all studies, analyses, communications and other documents that support your response.

ANM/USPS-T10-19. Please specify the hurdle rate(s) used by the Postal Service to evaluate potential capital investments relating to automated processing of flats in each fiscal year since 1998, and in each future year for which the Postal Service has set a hurdle rate. Produce all studies, analyses and other documents relied on by the Postal Service for adopting each hurdle rate.

ANM/USPS-T10-20. When an FSM 881 is operated in a manual-keying mode, what is the maximum throughput per hour using the full complement of six employees? Please produce documents sufficient to verify your response.

ANM/USPS-T10-21. On pages 10-11 of your testimony, you state that the throughput of the FSM 881 is approximately 6,500 pieces per hour for BCR/OCR operations, and the throughput of the AFSM 100 is approximately 17,000 pieces per hour. Please confirm that the throughput capacity of the AFSM 100 is about 2.6 times the capacity of the FSM 881. If you do not confirm fully, please provide your best estimate of the ratio of the throughput capacities of the two machines, explain the basis for your answer, and provide documents sufficient to verify your response.

ANM/USPS-T10-22. When the FSM 1000s are modified to include OCR capability, is the throughput expected to exceed the current rate of 5,000 pieces per hour? If an increase in throughput is anticipated, please state the expected rate. Produce all studies, analyses and similar documents that support your response.

ANM/USPS-T10-23. When flats are sorted into vertical flat cases, what is the average rate of sortation for: (a) primary outgoing; (b) secondary outgoing; (c) primary incoming; and (d) secondary incoming? Produce all studies, analyses and similar documents that support your response.

ANM/USPS-T10-24. Your testimony at pp. 10-12 states that the FSM 881 sorts to 100 bins, has a throughput of approximately 6,500 pieces per hour for BCR/OCR operations (when fully staffed with six employees), and sorts mail directly into flats trays, or tubs.

- a. How much more productive is the FSM 881 than manual sortation of flats?
- b. How many clerk/mailhandler work hours are required to give flats the same sortation as can be achieved in one hour on the FSM 881?
- c. Produce all studies, analyses and similar documents that support your response.

ANM/USPS-T10-25. Your testimony at p. 19, lines 11-14, discusses the secondary

parcel sorting operation at BMCs.

- a. On average, how many 5-digit locations does a typical BMC serve?
- b. How many separations can the BMCs secondary parcel sorter achieve on a single pass? If the number of separations of the secondary parcel sorters varies between different BMCs, please provide the minimum, maximum and average number of separations achievable by the machines expected to be in operation during Test Year.
- c. If a BMC must prepare parcels to more 5-digit locations than can be achieved with a single pass on the secondary parcel sorter, please describe how the required number of separations is achieved.
- d. Please produce documents sufficient to verify your answers to the previous parts of this question.

ANM/USPS-T10-26. At p. 20, line 9 of your testimony, you state that “The SPBSs are deployed with four, five or six induction stations.” You subsequently state (at lines 20-22), “When the SPBS Feed System is incorporated, staffing is reduced by one-half to three people per crew, depending on the number of induction stations.”

- a. For those SPBSs with 4 induction stations, what reduction in staffing results from installation of a SPBS Feed System?
- b. For those SPBSs with 5 induction stations, what reduction in staffing results from installation of a SPBS Feed System?
- c. For those SPBSs with 6 induction stations, what reduction in staffing results from installation of a SPBS Feed System?

d. Please produce documents sufficient to verify your answers to the previous parts of this question.

ANM/USPS-T10-27. Please produce all studies, analyses or similar documents produced by or for the Postal Service since January 1, 1998, evaluating the Service's automation of flat processing in light of the automation achieved by the Service's counterparts in other advanced industrial nations.

ANM/USPS-T10-28. Please produce all studies, analyses or similar documents produced by or for the Postal Service since January 1, 1998, evaluating the Service's level of capital spending in comparison with the level of capital spending by (a) the Service's counterparts in other advanced industrial nations, or (b) competitors such as FedEx or UPS.

ANM/USPS-T10-29. For the last batch of FSM 881s purchased and deployed by the Postal Service, what was the average cost per machine?

ANM/USPS-T10-30. What is the average cost of an FSM 881, including barcode readers (BCRs) and optical character readers (OCRs)?

ANM/USPS-T10-31. Please provide the following information about the Postal Service's depreciation of its FSM 881s:

- (a) the economic life assumed;
- (b) the assumed residual value (if any) at the end of the economic life;
- (c) the method of depreciation used;
- (d) the survivor curves used; and
- (d) all studies, analyses, and similar documents that support the reasonableness of the values stated in response to the previous parts of this question.

ANM/USPS-T10-32. In your testimony at page 24, lines 20-22, you state that "The TMS system has been deployed to 17 facilities, with 15 more plants to come on-line by FY 2001. Plans are to extend the system to most large and medium facilities."

a. Aside from the 32 facilities that will have a TMS system by FY 2001, how many large facilities will NOT have a TMS system

b. Aside from the 32 facilities that will have a TMS system by FY 2001, how many medium facilities will NOT have a TMS system?

c. How many years will the Postal Service require to extend the TMS system to most large and medium facilities under the plans that you mention in your testimony?

d. Please produce all studies, analyses and similar documents produced by or for the Postal Service concerning the costs, benefits, and appropriate deployment rate of the TMS system.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



February 7, 2000