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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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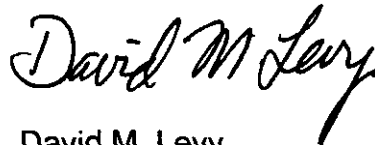
Postal Rate and Fee Changes, 2000

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**SECOND INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS  
TO USPS WITNESS TAYMAN (ANM/USPS-T9-17-28)**

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 Tayman (USPS-T-9). ANM incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed Jan. 24, 2000).

Respectfully submitted,



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February 10, 2000

## **QUESTIONS**

**ANM/USPS-T9-17.** Exhibit USPS-9P, pages 1-2, attached to your testimony, under FY 1999, indicates that Prior Year Workyears for FY 1998 amounted to 909,578.

- a. Please provide the average employment reported for FY 1998 for (i) regular (ii) casual and (iii) transitional employees.
- b. Please reconcile the 909,578 workyears for FY 1998 with actual employment reported to FY 1998.
- c. The FY 2001 After Rates section in Exhibit USPS-9P shows a decline in workyears of 13,597 from FY 2000. If this projected decline in workyears were to be realized, how many fewer employees would be on the payroll in FY 2001?

**ANM/USPS-T9-18.** Please refer to LR-I-126, page 6, paragraph on "Flat Sorter Machine (FSM) 1000 (Phase II)".

- a. Before issuing a purchase order for the 240 FSM 1000s, Phase II, was a Decision Analysis report ("DAR") prepared for Postal Service management or the Governors?
- b. If your answer to preceding part (a) is negative, please explain why a DAR was not prepared.
- c. If your answer to preceding part (a) is affirmative, provide the estimated workhour savings projected for clerks in the DAR .
- d. If the projected workhour savings for clerks in the DAR differs from the

projected workhour savings shown in LR-I-126, please explain why they differ.

- e. If your answer to preceding part (a) is affirmative, provide the estimated increase in workhours projected for maintenance in the DAR.
- f. If the projected increase in maintenance workhours in the DAR differs from the projected increase shown in LR-I-126, please explain the difference.
- g. Confirm that for FY 1999 the net savings per FSM 1000 is estimated to be 3,787.5 hours (4,150 hours for clerks less 362.5 hours for maintenance). If you do not confirm, please explain fully.
- h. Do the estimated workhour savings for clerks and the workhour increases for maintenance represent (i) direct workhours only, or (ii) direct workhours plus indirect supervisory and administrative time which are normally piggybacked on direct workhours? If piggybacks are excluded, please explain why it is not appropriate to include them in the savings estimates which you provide for the roll-forward model.
- i. In FY 1999, what was the effective average hourly wage rate for (i) clerks and (ii) maintenance personnel?
- j. Please produce any DAR identified in response to part (a) of this question.
- k. Please produce documentation sufficient to verify your responses to parts (b) through (i) of this question.

**ANM/USPS-T9-19.** Please refer to LR-I-126, page 6, paragraph on Advanced Flat Sorter Machine (AFSM) 100.

- a. Before issuing a purchase order for the AFSM 100s, was a Decision Analysis report ("DAR") prepared for management or the Governors?
- b. If your answer to preceding part (a) is negative, please explain why a DAR was not prepared.
- c. If your answer to preceding part (a) is affirmative, provide the estimated workhour savings projected for clerks in the DAR.
- d. If the projected workhour savings for clerks in the DAR differ from the projected workhour savings shown in LR-I-126, please reconcile the difference.
- e. If your answer to preceding part (a) is affirmative, provide the estimated increase in workhours projected for maintenance in the DAR.
- f. If the projected increase in maintenance workhours in the DAR differs from the projected increase shown in LR-I-126, please reconcile the difference.
- g. Please produce any DAR identified in response to part (a) of this question.
- h. Please produce documentation sufficient to verify your responses to parts (b) through (f) of this question.

**ANM/USPS-T9-20.** Please refer to LR-I-126, page 6.

- a. For the AFSM 100, please confirm that the estimated workhour savings (+)/cost(+) per machine are as follows:

	<b>FY 2000</b>	<b>FY 2001</b>	<b>Total</b>
Clerk hours	-118.8	-2,500.0	-2,618.8
Maintenance hours	+50.0	+377.5	+427.5
Net	-68.8	-2,122.5	-2,191.3

If you do not confirm, please explain and provide the correct data.

- b. Please confirm that the estimated workhour changes in FY 2000 and FY 2001 span a full year of savings and costs. If you do not confirm, please explain and provide the appropriate data for a full year.
- c. Please provide the source of the 1,086 FSM 100s used in your computations, and reconcile this number with purchase and deployment of 575 AFSM 100s (175+400) discussed by witness Kingsley, USPS-T-10, at p. 11.

**ANM/USPS-T9-21.** Please refer to ANM/USPS-T9-18 (g) and ANM/USPS-T9-19(b). Please explain why the FSM 1000, which has a throughput of 5,000 pieces per hour (see USPS-T-10, p. 11), has an estimated net reduction of 3,787.5 hours per machine, while the AFSM 100, which has a throughput of about 17,000 pieces per hour (see USPS-T-10, p. 11) has an estimated net reduction of only 2,191.3 hours per machine.

**ANM/USPS-T9-22.** Please refer to LR-I-126, page 18.

- a. Please explain why the section "Accelerate FSM Into 2001" shows a projected savings of 29,727.3 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours

per machine (see ANM/USPS-T9-20a).

- b. Have the additional 44 machines discussed in preceding part (a) been approved for purchase by the Governors?
- c. Are any of the projected savings discussed in preceding part (a) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.
- d. Please explain why the section "Additional Advanced Flat Sorter Machine (AFSM) to Upper Bound" projects savings of 43,181.8 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours per machine.
- e. Have the additional 44 machines discussed in preceding part (d) been approved for purchase by the Governors?
- f. Are any of the projected savings discussed in preceding part (d) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.
- g. Explain why a second buy of an additional 44 machines should save 45 percent more work hours ( $43,181.8/29,727.3$ ) than the immediately preceding buy.

**ANM/USPS-T9-23.** Please refer to LR-I-126, page 6, paragraph on "Carrier Sort Bar Code Sorter (CSBCS)-3,144."

- a. Before issuing a purchase order for the 3,144 CSBCSs, was a Decision Analysis report ("DAR") prepared and submitted to management and to the Governors for their review? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.
- b. If your answer to preceding part (a) is negative, please explain why a DAR was not prepared.
- c. If your answer to preceding part (a) is affirmative, provide the estimated workhour savings projected for clerks in the DAR.
- d. If the projected workhour savings for clerks in the DAR differ from the projected workhour savings shown in LR-I-126, please reconcile the difference.
- e. If your answer to preceding part (a) is affirmative, provide the estimated increase in workhours projected for maintenance in the DAR.
- f. If the projected increase in maintenance workhours in the DAR differs from the projected increase shown in LR-I-126, please reconcile the difference.

**ANM/USPS-T9-24.** Please refer to LR-I-126, page 7, DBCS Additional Capacity (Part A).

- a. Please confirm that savings/costs per machine are estimated to be as follows:

	<b>FY 2000</b>	<b>FY 2001</b>	<b>Total</b>
Clerks	-416.3	-861.0	-1,277.3
Carriers	-553.0	-383.2	-936.2
Maintenance	+120.5	+118.0	+238.5
Net	-848.8	-1,126.2	-1,975.0

If you do not confirm, please explain and provide the correct data.

- b. Explain why in FY 2000 clerk time is reduced by 0.75 hours per one hour reduction in carrier time, (416.3/553) whereas in FY 2001, clerk time is reduced by 2.25 hours per one hour reduction in carrier time (861/383.2).

**ANM/USPS-T9-25.** Please refer to LR-I-126, pages 16-17, Delivery Confirmation.

- a. Confirm that the data you provide show workhour savings(-)/costs(+) as follows:

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Clerks	+152,000	+256,000	+336,000
		-118,000	
Carriers	+361,000	+498,000	+670,000

If you do not confirm, provide the correct data and explain all differences.

- b. Explain why there are both costs and savings of clerk hours in FY 2000.
- c. Do the figures given here for carriers represent annual total amounts, or annual net incremental amounts? That is, are estimated carrier hours spent on delivery confirmation in FY 2001 equal to 670,000, or 1,529,000 (670,000+498,000+361,000)?

**ANM/USPS-T9-26.** Accounting Period reports for A/P 1, for the FY 1995-2000



indicate the following number of career employees shown in Column 1 below. Please provide annual data for columns 2 and 3 (where "separations" in column 2 include retirements, quits, and separations for any other reason).

Fiscal Year	(1) Career Employees	(2) Less: Separations	(3) Plus: New Hires
1995	730,707		
1996	753,932		
1997	760,750		
1998	765,472		
1999	794,064		
2000	796,961		

**ANM/USPS-T9-27.** Please refer to Table 5 at page 7 of your testimony.

- a. Of the total liabilities shown in Table 5, how much reflects (i) current portion of long-term debt, and (ii) other short-term debt used to finance capital improvements?
- b. Provide the statutory restrictions imposed on Postal Service borrowing, (i) for the years shown in Table 5, explain whether and how those restrictions have restrained the Postal Service's capital investment program and (ii) for FY 1999-2001, explain what effect these statutory restrictions are expected to have on the Postal Service's capital spending.

**ANM/USPS-T9-28.** Please refer to LR-I-126, pages 5-6.

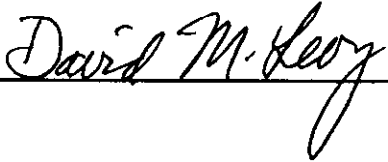
- a. On page 6, under "Flat Sorter Machine (FSM) 1000 Phase II (240)" you state that "the [240] machines come fully integrated with the barcode reader in the

production configuration.” Do the savings/costs estimates in this section reflect machines that are so equipped? Please explain.

- b. Starting on page 5, under “Flat Sorter Machine (FSM) 1000 Barcode Reader” you compute savings/costs estimates for 339 machines.
  - (i) Please reconcile the 339 FSM 1000 machines with the 338 FSM 1000 machines shown in LR-I-83, page I-12, column 4.
  - (ii) Does the estimated savings/cost for 339 Barcode Readers double count the 240 barcode readers on the fully integrated machines discussed in preceding part (a)? Please explain.

## 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.

  
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February 10, 2000