

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORIES OF
THE ALLIANCE OF NONPROFIT MAILERS
(ANM/USPS-T10-1-3,5-6,9-10,12-16,18,21-27,29-30, and 32)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of the Alliance of Nonprofit Mailers: ANM/USPS-T10-1-3,5-6,9-10,12-16,18, 21-27, 29, 30 and 32 (a)-(c), filed on February 7, 2000. Objections to interrogatories ANM/USPS-T10-4, 7, 8, and 11, and a partial objection to ANM/USPS-T10-10, were filed on February 17, 2000. An objection to ANM/USPS-T10-32(d) is being filed today. Interrogatories ANM/USPS-T10-17, 19, 28, and 31 were redirected to witness Tayman.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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February 22, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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)?

Response:

- a. The FSM 775 was deployed 1982-1988. The FSM 775 is the existing machine with all four consoles at one end of the machine. The FSM 775 was converted to the FSM 881 in 1990-1992, which moved two consoles to the other end of the machine for improved throughput.
- b. The information as to how many 775s/881s were deployed each year is no longer available.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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 or 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?

Response:

- a. Not at this time.
- b. The number of FSM 881s to be retired is currently being evaluated.
- c. The majority of the FSM 881s are expected to be retired.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

I am told that the costs, benefits, productivity, deployment, updating, replacement, or retirement of the FSM 881 are currently being evaluated.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

An objection for this interrogatory was filed on February 17, 2000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

There are no plans at this time to replace or retire the FSM 1000 machine.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

I am informed that there are none at this time.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

An objection for this interrogatory was filed on February 17, 2000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

An objection for this interrogatory was filed on February 17, 2000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

There are no further plans at this time.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Partial objection filed February 17, 2000. Deployment schedule determined by manufacturer's capabilities. See attached deployment schedule.

AFSM SEQ. #	AREA	PLANT	ST	TOTAL UNITS	START ACCEPT TEST
				175	
2	HQ	Baltimore (NG Training Ctr; Eng.)	MD		
3	HQ	Baltimore (NG Training Ctr; ILS)	MD		
1	CM	Baltimore P&DC (Pre-Prod)	MD	2	13-Sep-99
4	HQ	Baltimore (NG Training Ctr; T1)	MD		
5	HQ	Baltimore (NG Training Ctr; T2)	MD		
10	HQ	Baltimore (NG Training Ctr; T3)	MD		
13	HQ	Baltimore (NG Training Ctr; T4)	MD		
6	MW	St Paul P&DC (First Article)	MN	1	21-Mar-00
7	AL	Harrisburg P&DC	PA	1	23-Jan-00
8	PA	Industry P&DC	CA	1	23-Jan-00
9	NE	Buffalo P&DC	NY	1	23-Jan-00
11	SE	Atlanta P&DC	GA	1	23-Jan-00
12	CM	No Virginia P&DC	VA	1	01-May-00
14	MA	Columbia P&DC	SC	1	23-Jan-00
15	MA	Fayetteville P&DC	NC	1	23-Jan-00
16	GL	Indianapolis MPA #1	IN	2	23-Jan-00
17	NY	Mid-Island P&DC #1	NY	2	23-Jan-00
18	GL	Chicago Central P&DC #1	IL	2	23-Jan-00
19	WE	Spokane P&DC	WA	1	23-Jan-00
20	AL	Cleveland P&DC #1	OH	2	23-Jan-00
21	NE	Hartford P&DC #1	CT	3	23-Jan-00
22	SW	Tulsa P&DC #1	OK	2	23-Jan-00
23	CM	Dulles P&DC	VA	1	23-Jan-00
24	PA	San Francisco P&DC #1	CA	2	23-Jan-00
25	SE	Jacksonville P&DC (TAnnex)	FL	1	23-Jan-00
26	WE	Las Vegas P&DC #1	NV	2	23-Jan-00
27	GL	Indianapolis MPA #2	IN		23-Jan-00
28	NY	Mid-Island P&DC #2	NY		23-Jan-00
29	MW	Milwaukee P&DC #1	WI	4	23-Jan-00
30	MW	Milwaukee P&DC #2	WI		23-Jan-00
31	CM	Washington DC P&DC	DC	1	23-Jan-00
32	GL	Chicago Central P&DC #2	IL		23-Jan-00
33	AL	Cleveland P&DC #2	OH		23-Jan-00
34	MA	Greenville P&DC	SC	1	23-Jan-00
35	NE	Boston P&DC #1	MA	4	23-Jan-00
36	NY	DVDaniels P&DC #1	NY	2	23-Jan-00
37	NE	Hartford P&DC #2	CT		23-Jan-00
38	SW	Tulsa P&DC #2	OK		23-Jan-00
39	SE	Nashville P&DC	TN	1	23-Jan-00
40	MA	Raleigh P&DC	NC	1	23-Jan-00
41	MW	St Louis P&DC #1	MO	2	23-Jan-00
42	CM	Baltimore #1	MD	2	30-Jan-00
43	PA	San Francisco P&DC #2	CA		30-Jan-00
44	WE	Las Vegas P&DC #2	NV		30-Jan-00
45	AL	Philadelphia P&DC #1	PA	2	30-Jan-00
46	NY	Kilmer P&DC	NJ	1	30-Jan-00
47	SW	Houston P&DC#1	TX	2	30-Jan-00

AFSM SEQ. #	AREA	PLANT	ST	TOTAL UNITS	START ACCEPT TEST
				75	
48	GL	South Suburban P&DC	IL	1	23-Jan-00
49	PA	Santa Ana P&DC	CA	1	23-Jan-00
50	SE	Birmingham P&DC	AL	1	23-Jan-00
51	SW	Ft Worth P&DC	TX	1	23-Jan-00
52	WE	Phoenix P&DC #1	AZ	3	23-Jan-00
53	CM	Southern MD P&DC	MD	1	23-Jan-00
54	NE	Boston P&DC #2	MA		23-Jan-00
55	NY	DVDaniels P&DC #2	NY		23-Jan-00
56	MA	Greensboro P&DC	NC	1	23-Jan-00
57	SE	Ft Lauderdale P&DC	FL	1	23-Jan-00
58	GL	Detroit P&DC #1	MI	2	23-Jan-00
59	MA	Louisville P&DC	KY	1	23-Jan-00
60	NE	Hartford P&DC #3	CT		23-Jan-00
61	MW	St Louis P&DC #2	MO		23-Jan-00
62	PA	Anaheim P&DF	CA	1	23-Jan-00
63	AL	Cincinnati P&DC #1	OH	2	23-Jan-00
64	NE	Albany P&DC	NY	1	23-Jan-00
65	NY	Queens P&DC	NY	1	23-Jan-00
66	AL	Philadelphia P&DC #2	PA		23-Jan-00
67	SW	Houston P&DC #2	TX		23-Jan-00
68	SE	Ft Myers P&DC	FL	1	23-Jan-00
69	MA	North Park Annex	NC	1	23-Jan-00
70	MW	Milwaukee P&DC #3	WI		23-Jan-00
71	MW	Milwaukee P&DC #4	WI		09-Aug-00
72	WE	Phoenix P&DC #2	AZ		23-Jan-00
73	PA	San Jose P&DC #1	CA	2	23-Jan-00
74	SW	Dallas P&DC #1	TX	2	23-Jan-00
75	NY	Westchester P&DC	NY	1	23-Jan-00
76	SE	Memphis P&DC	TN	1	23-Jan-00
77	SW	Baton Rouge P&DC	LA	1	23-Jan-00
78	CM	Baltimore #2	MD		30-Jan-00
79	NE	Boston P&DC #3	MA		30-Jan-00
80	GL	Detroit P&DC #2	MI		30-Jan-00
81	WE	Salt Lake City P&DC	UT	1	30-Jan-00
82	AL	Pittsburgh P&DC #1	PA	2	30-Jan-00
83	GL	Palatine P&DC #1	IL	2	23-Jan-00
84	AL	Cincinnati P&DC #2	OH		23-Jan-00
85	MA	Norfolk P&DC	VA	1	23-Jan-00
86	MW	Minneapolis P&DC	MN	1	23-Jan-00
87	SE	Tampa P&DC	FL	1	23-Jan-00
88	NY	Brooklyn P&DC	NY	1	23-Jan-00
89	PA	Santa Clarita P&DC #1	CA	3	23-Jan-00
90	WE	Tucson P&DC	AZ	1	23-Jan-00
91	MA	Richmond P&DC	VA	1	23-Jan-00
92	NE	Rochester	NY	1	23-Jan-00
93	NY	Morgan P&DC #1	NY	4	23-Jan-00
94	SE	Mid-Florida P&DC	FL	1	23-Jan-00

AFSM SEQ. #	AREA	PLANT	ST	TOTAL UNITS	START ACCEPT TEST
				175	
95	WE	Denver P&DC #1	CO	3	23-Jan-00
96	WE	Phoenix P&DC #3	AZ		23-Jan-00
97	PA	San Jose P&DC #2	CA		23-Jan-00
98	SW	Dallas P&DC #2	TX		23-Jan-00
99	AL	Columbus P&DC #1	OH	2	23-Jan-00
100	GL	Carol Stream P&DC #1	IL	2	23-Jan-00
101	MW	Kansas City P&DC #1	MO	2	23-Jan-00
102	NE	Boston P&DC #4	MA		23-Jan-00
103	AL	Pittsburgh P&DC #2	PA		23-Jan-00
104	GL	Palatine P&DC #2	IL		11-Sep-00
105	NE	Southern Connecticut P&DC	CT	1	11-Sep-00
106	NY	Western Nassau P&DC	NY	1	11-Sep-00
107	AL	Toledo P&DC	OH	1	23-Jan-00
108	MW	St. Paul P&DC #2	MN		30-Jan-00
109	PA	Santa Clarita P&DC #2	CA		23-Jan-00
110	SE	North Metro P&DC	GA	1	23-Jan-00
111	SW	Austin P&DC #1	TX	2	23-Jan-00
112	MW	Des Moines P&DC	IA	1	23-Jan-00
113	SW	No Houston P&DC	TX	1	18-Sep-00
114	WE	Denver P&DC #2	CO		25-Sep-00
115	GL	Fox Valley P&DC	IL	1	23-Jan-00
116	NY	Morgan P&DC #2	NY		23-Jan-00
117	PA	M L Sellers P&DC #1	CA	2	23-Jan-00
118	SE	Orlando P&DC	FL	1	23-Jan-00
119	SW	El Paso P&DC	TX	1	23-Jan-00
120	AL	Columbus P&DC #2	OH		30-Jan-00
121	GL	Carol Stream P&DC #2	IL		30-Jan-00
122	MW	Kansas City P&DC #2	MO		30-Jan-00
123	AL	South Jersey P&DC	NJ	1	30-Jan-00
124	MW	Omaha P&DC	NE	1	30-Jan-00
125	NE	Providence P&DC	RI	1	23-Jan-00
126	SE	Knoxville P&DC	TN	1	30-Jan-00
127	WE	Seattle P&DC #1	WA	2	30-Jan-00
128	GL	Irving Park Rd P&DC	IL	1	30-Jan-00
129	NE	Manchester P&DC	NH	1	30-Jan-00
130	NY	West Jersey P&DC	NJ	1	30-Jan-00
131	SE	Miami P&DC	FL	1	23-Jan-00
132	PA	Santa Clarita P&DC #3	CA		30-Jan-00
133	SW	Austin P&DC#2	TX		30-Jan-00
134	WE	Tacoma P&DC	WA	1	30-Jan-00
135	AL	Delaware P&DC	DE	1	30-Jan-00
136	GL	Lansing P&DC	MI	1	30-Jan-00
137	MW	Wichita P&DC	KS	1	23-Jan-00
138	WE	Denver P&DC #3	CO		30-Jan-00
139	PA	M L Sellers P&DC #2	CA		30-Jan-00
140	PA	Oakland P&DC #1	CA	2	30-Jan-00
141	SW	North Texas P&DC #1	TX	2	30-Jan-00

AFSM SEQ. #	AREA	PLANT	ST	TOTAL UNITS	START ACCEPT TEST
				175	
142	GL	Grand Rapids P&DC	MI	1	30-Jan-00
143	MW	Madison P&DC	WI	1	23-Jan-00
144	WE	Seattle P&DC #2	WA		30-Jan-00
145	NE	Springfield P&DC	MA	1	30-Jan-00
146	NY	Morgan P&DC #3	NY		30-Jan-00
147	SE	West Palm Beach P&DC	FL	1	30-Jan-00
148	SW	Lafayette P&DF	LA	1	30-Jan-00
149	AL	Dayton P&DC	OH	1	23-Jan-00
150	WE	Portland P&DC #1	OR	2	30-Jan-00
151	GL	Royal Oak P&DC #1	MI	2	30-Jan-00
152	NY	Monmouth P&DC	NJ	1	30-Jan-00
153	NE	Syracuse P&DC	NY	1	23-Jan-00
154	SE	Montgomery P&DC	AL	1	23-Jan-00
155	AL	Southeastern P&DC	PA	1	23-Jan-00
156	MW	Kansas City (KS) P&DC	KS	1	23-Jan-00
157	PA	Bakersfield P&DC	CA	1	23-Jan-00
158	NY	Patterson P&DC	NJ	1	23-Jan-00
159	MW	Fargo P&DC	ND	1	23-Jan-00
160	PA	Long Beach P&DC #1	CA	2	23-Jan-00
161	NE	Brockton P&DC	MA	1	23-Jan-00
162	PA	Oakland P&DC #2	CA		30-Jan-00
163	SW	North Texas P&DC #2	TX		30-Jan-00
164	SE	Manasota P&DC	FL	1	30-Jan-00
165	WE	Reno P&DC	NV	1	30-Jan-00
166	AL	Akron P&DC	OH	1	30-Jan-00
167	AL	Lehigh Valley P&DC	PA	1	23-Jan-00
168	NY	Morgan P&DC #4	NY		30-Jan-00
169	PA	Los Angeles P&DC	CA	1	30-Jan-00
170	PA	San Bernardino P&DC	CA	1	30-Jan-00
171	SE	South Florida P&DC	FL	1	30-Jan-00
172	MW	Sioux Falls P&DF	SD		30-Jan-00
13a	PA	Sacramento P&DC	CA	1	23-Jan-00
173	WE	Portland P&DC #2	OR		30-Jan-00
174	GL	Royal Oak P&DC #2	MI		30-Jan-00
175	PA	Long Beach P&DC #2	CA		30-Jan-00
10a	MW	Springfield P&DC	MO	1	30-Jan-00
3a	SE	Chattanooga P&DC	TN	1	30-Jan-00
2a	WE	Everett P&DF	WA	1	23-Jan-00
1a	CM	Suburban MD P&DC	MD	1	30-Jan-00
S	HQ	Engineering - Simulator	VA		18-Dec-00
5a	HQ	Norman (NCED)	OK	2	23-Jan-00
4a	HQ	Norman (NCED)#2	OK		23-Jan-00
175				175	

AIR COMPRESSOR

1 UNIT ONLY 5HP 15 SCFMs

2 - 4 UNITS 20HP 75 SCFMs

5 - 10 UNITS 30HP 140 SCFMs

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

An objection for this interrogatory was filed on February 17, 2000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

- a. Engineering has not resolved all the technical and procurement issues at this time. Plans are evolving but further work needs to be done.
- b. There are none available at this time. The rate of deployment depends primarily on the manufacturer's production capabilities.

41

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response

There are two major reasons for not deploying feed systems to all SPBSs:

- 1) Not economical – if a site has too many sacks to dump, the savings are not there,
- 2) Not enough space – the feed systems have a large footprint.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Please refer to Library Reference USPS-LR-I-193.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Please refer to Library Reference USPS-LR-I-193.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

There are two indicators, increased FSM utilization and decreased manual flats, that are being tracked and discussed on teleconferences on a regular basis (once or twice per month) between Headquarters and Area operations.

Attached is a list of the latest FSM utilization indicators.

FSM UTILIZATION

AP 5 FY 00

FSM 881

AP Target: 2.0 Million Utilization Rate per Machine

Area	TPH(000)	Workhrs	Inventory	Utilization Rate	Prod
	100,653.7	169,450	51	1,973.6	594.0
	149,270.7	285,480	86	1,735.7	522.9
	87,254.7	134,359	52	1,678.0	649.4
	150,682.7	213,872	91	1,655.9	704.5
	112,556.3	212,399	68	1,655.2	529.9
	127,332.1	217,654	77	1,653.7	585.0
	122,184.2	199,538	75	1,629.1	612.3
	136,841.0	260,851	87	1,572.9	524.6
	110,173.8	195,432	74	1,488.8	563.7
	75,689.0	138,367	51	1,484.1	547.0
	66,715.3	126,387	51	1,308.1	527.9
	1,239,353.5	2,153,789	763	1,624.3	575.4

FSM 1000

AP Target: 1.4 Million Utilization Rate per Machine

Area	TPH(000)	Workhrs	Inventory	Utilization Rate	Prod
	47,968.7	80,874	28	1,713.2	593.1
	40,412.4	67,067	24	1,683.9	602.6
	70,182.3	122,637	42	1,671.0	572.3
	51,554.6	79,071	32	1,611.1	652.0
	60,322.4	97,177	38	1,587.4	620.7
	51,806.9	74,628	33	1,569.9	694.2
	36,845.7	66,185	24	1,535.2	556.7
	34,941.9	62,821	23	1,519.2	556.2
	55,853.3	95,679	37	1,509.5	583.8
	43,574.9	78,936	29	1,502.6	552.0
	12,601.2	29,128	11	1,145.6	432.6
	506,064.3	854,203.0	321	1,576.5	592.4

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

This interrogatory has been redirected to Witness Tayman (T-9).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Engineering is always looking to improve the processing of flat shaped mail. However, I am told that there are no constraints that prevent greater investment in automated equipment to process flat shaped mail in the test year since there are no new innovations or plans, beyond what is envisioned today, to be evaluated at this time.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

This interrogatory has been redirected to Witness Tayman (T-9).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

I am told that the maximum, sustainable, throughput of the FSM 881 in manual keying mode is approximately 10,000 pieces per hour. A throughput of 14,000 may be possible in an ideal environment with very "clean" flats that would not cause jams and that have very readable, clear addresses that are easy to locate and decipher by the keyers.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Confirmed. We have been using a 2-3 ratio depending on mail arrival profiles, operating windows, accept rates (on-line encoding will reduce the amount of OCR rejects requiring rehandling), and any mail piece machinability characteristic changes that have yet to be determined or tested.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Based on our experience with the FSM 881 OCR modification, we expect the throughput to exceed the current rate. The equipment is in the development stage, so the expected rate is not known at this time.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

a – d. Vertical flats casing is not used for any of these operations. The vertical flat case is used by the majority of city carriers to case flats into delivery sequence. The various productivities requested in a-d, however, are contained in LR-I-90, Flats Mail Processing Cost Model.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

a – c. The requested information, by operation, is contained in or can be derived from LR-I-90, Flats Mail Processing Cost Model. The depth of sort is not included in these productivities but should be reflected in the cost mailflow models in witness Yacobucci's testimony (T25).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

- a. A typical BMC serves approximately 2,000 5-digit locations.
- b. When fed from the Primary Parcel Sorter, the Secondary Parcel Sorters combined will make from approximately 500 up to 1,500 separations in the Test Year. The average in the Test Year will be approximately 1,000 separations. This information refers to the number of separations made at the BMCs, not the number of run-outs on the sorters. There are many run-outs in the BMCs that dump parcels onto slides, and then the parcels are manually sorted into multiple separations.
- c. This would not happen in the BMCs. Parcels that are not finalized to the 5-digit level in the BMCs are sent in a 3-digit container to an ASF or SCF for further processing.
- d. I have been told this information and am not aware of any documents.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

- a. The staffing reduction varies between .5 and 2 positions.
- b. The staffing reduction varies between 1 and 3 positions.
- c. The staffing reduction varies between 1 and 3 positions.
- d. Please see attached.

DECISION ANALYSIS REPORT

operational goals through reduced manual loading and staffing workhours.

III. SYSTEM DESCRIPTION

These feed systems consolidate all Small Parcel and Bundle Sorter induction lines into a centralized network capable of transferring mail from all types of postal service mail containers and transporting it on mechanized conveyors to the Small Parcel and Bundle Sorter induction and keying consoles. The mechanized container unloading equipment utilized in the system reduces manual handling tasks and should reduce unloading workhours, as well as industrial accidents. Additionally, the container unloading equipment design incorporates a mail backlog, or surge, capacity, which supplies keyers with staged mail on demand and without delays. Feed system configuration designs also provide effective space for culling non-machinable mail and for bundle breakage repair. These features expand the potential for Small Parcel Bundle Sorter productivity improvements.

The Small Parcel and Bundle Sorter Feed System production contract contains a "modular" design requirement to ensure that the feed system can be adapted to all existing Small Parcel and Bundle Sorter machine configurations.

IV. SYSTEM BENEFITS

Staff reduction and machine throughput benefits are anticipated from the new Small Parcel and Bundle Sorter Feed System. Mailhandler/loader staffing reductions are anticipated which should eliminate between 0.5-2 positions on a four-station Small Parcel and Bundle Sorter and between 1-3 positions on the five-station and six-station Small Parcel and Bundle Sorters. Exact reductions depend on the quantities of sacked mail a plant handles. Sacked mail dumping was not mechanized with the Small Parcel and Bundle Sorter Feed System. However, we still realize nominal savings for sacked mail dumping as a result of the efficiencies offered by only having one induction point. The exact crew sizes would then range between 10-12 and 15-17, depending on machine configuration. It is also anticipated that the

DECISION ANALYSIS REPORT

mechanized container unloading equipment may generate further staffing reductions due to its capacity to increase mailhandler productivity.

Reductions in industrial accidents, and their associated medical, compensation, and lost work day costs, are also anticipated due to the enhanced ergonomic and safety conditions of Small Parcel and Bundle Sorter Feed Systems unloading equipment. Productivity gains will be further augmented through the reduction of keying clerk fatigue. Additionally, minimized mail starvation will improve operational throughput. Today's feed system will also minimize bundle breakage, and its resultant work. Where bundles do break, the design improvements will better accommodate rebundling and efforts to cull non-machinable and damaged mail. The design improvements, which support culling non-machinable mail and rebundling broken mail activities, will increase operational efficiency and productivity.

V. ECONOMIC ANALYSIS AND FUNDING SUMMARY

A. Basis of Savings

Savings projections are based solely on anticipated reductions in loader staffing, as was the case in the savings projections for the first buy of 230 Small Parcel and Bundle Sorter Feed Systems.

Annual workhour savings for the 53 Small Parcel Bundle Sorter Feed Systems currently requested was based on machine configuration (four-station, five-station, and six-station), Small Parcel and Bundle Sorter runtime, and the containerization of mail received for Small Parcel and Bundle Sorter processing (sacked or non-sacked mail). A combination of these factors was used to determine the staffing impact and resultant savings.

The full annual workhour savings for the 53 feed systems equates to 288,000 workhours, which equates to \$8 million.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

I am informed that there are no such documents. However, I understand that Engineering is continually involved with international symposiums, which include counterparts and manufacturers from other nations.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

Redirected to Witness Tayman (T-9).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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?

Response:

I am told that the approximate cost per machine was \$230,000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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

Response:

I am told that the approximate cost per machine was \$290,000.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

This interrogatory has been redirected to Witness Tayman (T-9).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

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.

Response:

- a. It was not my intention to indicate that there is a strict designation of plants based on small, medium, and large. Consequently, numbers can not be provided specifically for large or medium facilities. There are 357 total plants in the Postal Service leaving 325 without TMS by FY 2001.
- b. See response for a.
- c. It is not known at this time. It is now my understanding that though it is still the goal of the Postal Service to automate more of the material handling functions related to tray staging, sorting, and movement in a majority of the existing medium to large facilities, the exact technology that will perform the TMS functions is currently being reevaluated and may or may not ultimately vary from the current configurations. Any deployment schedules will be subsequent to this evaluation.
- d. Objection filed February 22, 2000.

DECLARATION

I, Linda Kingsley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Linda A. Kingsley

Date: 2-22-2008

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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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February 22, 2000