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

RECEIVED

FEB 29 4 26 PH '00

POSTAL BURG CONTROL OF MARK

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

### RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA (MPA/USPS-T10-3-6)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Magazine Publishers of America: MPA/USPS-T10-3-6, filed on February 15, 2000.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2990 Fax –5402 February 29, 2000

MPA/USPS-T10-3. The Postal Service hosted a Flats Day at the Baltimore P&DC on February 8, 2000. During the day, the Service described the current processing environment for flats and the future environment. Your testimony also describes the current and future environment for processing flats. Please provide a copy of the briefing the Postal Service provided on Flats Day.

### Response:

Please see USPS LR -I-195.

MPA/USPS-T10- 4 Please confirm that under Planning Issues, the briefing cites "Automatic feeders to FSM 881" and "Plan to incorporate automatic feeders and OCR capability to FSM 1000."

- (a) What is the status of these plans? Specifically, will either be implemented in the Test Year?
- (b) Are either of these plans described in your testimony? If so, where?

#### Response:

Confirmed.

a) The Great Lakes Area has purchased and plans to deploy automatic feeders on the FSM 881 and the Northeast Area has deployed its version of the FSM 881 flats feeder. The Great Lakes Area automatic feeder is currently being evaluated, and if it is deemed cost effective, the optimum number of automatic feeders per machine will also need to be determined. Ultimately, each Area will identify the number of machines to be modified, if any. Depending on the results of the evaluation, expected some time in late-March, any additional deployments should occur in or before the Test Year.

Three vendors of automatic feeders for the FSM 1000 are expected to participate in upcoming competitive testing conducted by Engineering with results anticipated in April, 2000. Automatic feeders may be implemented as soon as July of the Test Year, but that is dependent on the results of the test, the chosen manufacturer's production capabilities, required changes to the existing FSM 1000, and the Board of Governors approval of the DAR in August, 2000.

The OCR capability to FSM 1000 deployment is tied to the automatic feeder and is discussed further in ANM/USPS-T10-12. Deployment of the FSM 1000 OCR may or may not occur in or before the Test Year.

b) The FSM 1000 OCR is mentioned in my testimony on page 11. Since OCRs are currently on the FSM 881, I thought it was appropriate to add to my testimony. The automatic feeders, however, are not discussed in my testimony. Given that

FSM automatic feeders have been researched and pending since the early 1990's without any proven results, I did not think it was appropriate to include them in my testimony.

MPA/USPS-T10- 5 Please describe how implementing these plans will enhance flat sorting productivity. Please include descriptions of staffing changes and throughput. Once automatic feeders have been incorporated, how will the productivity of the FSM 881 and the FSM 1000 compare to the productivity of the AFSM100?

#### Response:

Please see response to MPA/USPS-T10-4. Evaluation of the Great Lakes automatic feeders on the FSM 881s has just begun and, as yet, there are no specifics on expected changes to staffing or throughput. The feeder/OCR for the FSM 1000 is currently being evaluated so throughput and staffing cannot be substantiated by test data. The productivity of the FSM 881 and FSM 1000 with automatic feeders compared to the productivity of the AFSM 100 cannot be determined at this time.

**MPA/USPS-T10-6** Please confirm that the USPS has issued a new SOP on broken bundles at SPBS machines. Please provide the date of release of the SOP and a copy of it. Please describe the treatment of broken bundles at SPBS prior to the issuance of this SOP.

#### Response:

I cannot confirm. The attached letter was sent in December to the field providing direction as to the procedure to follow for periodical package breakage recovery methods. The letter was not a new SOP, but rather, it identified some of the means of package recovery and the most economical methods of handling broken packages.

The treatment of broken bundles at the SPBS in the past varied from one plant to another. Some handled broken packages as described above. In other cases, broken packages, which had lost their integrity, were gathered and put into containers to be processed on the appropriate flat sorting machine and still others were keyed as individual pieces on the SPBS.



December 30, 1999

MANAGERS, IN-PLANT SUPPORT (AREA)

SUBJECT: Periodical Package Breakage Recovery Methods

A recent survey has found that approximately 17 percent of mailer-prepared periodical flat packages in sacks are breaking either before or during induction into USPS processing operations. Periodical flat packages on pallets are breaking at the rate of approximately 0.5 percent. System-wide this equates to approximately 50 million broken periodical packages per year. These broken packages have proved costly to recover and process.

The attached report has tried to identify some of the methods of package recovery and the added costs associated with the different methods. Although this letter is mainly addressing periodical flat packages, these methods are also applicable to Standard A flat packages.

Clearly, the most economical method of package breakage recovery is to recover the broken packages as originally secured by the mailers at induction and re-band them using rubber bands and/or strapping machines and re-induct them into the system. This is the preferred method and should be utilized whenever the package integrity is sufficient to identify the contents because it retains the correct presort level.

If the packages have broken and lost their integrity, they should be recovered and, whenever possible, faced and put directly into the proper container, i.e., flat tub, u-cart etc., for further processing on the appropriate Flat Sorter Machine (FSM) sort program.

The least economical method is incurred when the broken package is keyed as individual pieces on the Small Parcel Bundle Sorters (SPBS). Productivities are considerably lower on the SPBS as compared to the FSM. Not only is this process a great deal more expensive, it also inflates SPBS volumes. At no time should this method be used as a processing option.

When you receive large volumes of broken packages from the same mailing, it is imperative that mail preparation irregularity reports (PS Form 3749) are filled out and the mail preparer and publisher/advertiser are notified.

Please disseminate this information to all Plant Managers for their action. If you have any questions as it relates to this request, please contact Patrick Killeen at (202) 268-2473.

Walter O'Tormey

Manager

Attachment

475 L'ENFANT PLAZA SW WASHINGTON DC 20260-2804 202-268-4305 FAX: 202-266-5388

#### **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.

Date:

#### **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.

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2990 Fax –5402 February 29, 2000