

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

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Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION
(NNA/USPS-T10-1-25)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of the National Newspaper Association: NNA/USPS-T10-1-25, filed on February 29, 2000.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 14, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
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NNA/USPS-T10-1. Please respond to the following questions with respect to broken bundles:

- a. At which point in operations are bundles most likely to break? (e.g., opening units, bundle sorters, dock transfers, etc.)
- b. Please explain the procedure required in FY 99 for handling of broken bundles, including any steps workers are required to take to preserve the sorting scheme within bundles after breakage.
- c. Please explain any changes in the procedure described in b. that have been prescribed for FY 2000 or beyond.
- d. Are there circumstances where a worker might reassemble a collection of broken bundles without regard to the presort or destination levels within the original bundles?

Response:

- a. The Postal Service does not have data that responds to this question. It is thought that more broken bundles are observed at the locations where mailer or postal containers are dumped, such as at the SPBS, because the volume of bundles is very concentrated at these locations.
- b. The treatment of broken bundles varies from one plant to another as do instructions for preserving the sort if broken bundles are recovered.
- c. As discussed further in MPA/USPS-T10-6, a letter was sent to the field in December 1999, providing direction as to the procedure to follow for Periodicals package recovery methods. The letter identified some of the means of package recovery and the most economical methods of handling broken packages.
- d. Yes, this might occur.

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NNA/USPS-T10-2. Please confirm that no FSM 1000 presently in operation is equipped with Optical Character (OCR) readers.

Response:

Confirmed.

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NNA/USPS-T10-3. If your response to NNA/USPS T10-2 is yes,

- a. Please state whether it would have been technologically feasible to install OCRs in the initial deployment of FSM 1000s.
- b. Please state why FSM 1000s were not equipped with OCRs prior to original deployment.

Response:

(a) + (b) I am told it would not have been technically feasible to install OCRs in the initial deployment of FSM 1000s. There were read issues with flimsier pieces (the piece "bends" at the edge often where the barcode and address are located) as well as a problem on where to mount the OCR on the FSM 1000. Deployment of the FSM 1000s occurred in 1996-1998, before the FSM 881 OCR deployments in 1998-1999 (see Postcom/USPS-T10-4, a). Unlike the FSM 1000, deployment of the OCR on the FSM 881 was not hindered by difficulties of mounting the hardware and reading flimsier pieces. There are different automation readability issues with flats compared to letters, such as, more graphics to look through to locate an address, no standard location for an address, and barcodes can be vertical or horizontal, upside down, or right side up.

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NNA/USPS-T10-4. Please refer to the statement in your testimony on p. 11, lines 12-14.

- a. Please explain why USPS has decided, if it has decided, that OCR's should be added to the FSM 1000s;
- b. What degree of certainty causes you to state that it is "probable" that OCRs will be added to FSM 1000s;
- c. What throughput will you expect from FSM 1000s after OCRs are installed?

Response:

- (a) The addition of OCRs (and automatic feeders) to the FSM 1000s are expected to increase productivity and decrease handling costs.
- (b) Success of FSM 881 OCRs and the pending competitive testing of the FSM 1000 OCR and automatic feeder combination planned for April, 2000, both support that the OCR addition to the FSM 1000 is "probable". Also see MPA/USPS-T10-4 and 5.
- (c) I am told that it is not possible to adequately project expected throughputs on the FSM 1000 with OCR and automatic feeder until the upcoming competitive test is completed. The OCR alone will not increase throughput on the FSM 1000 over the existing BCR throughput. See Postcom/USPS-T10-4fv.

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NNA/USPS-T10-5 Please respond to the following questions with respect to a flat mailpiece consisting of newsprint weighing approximately four ounces and with the dimensions of 11 inches by 14 inches, (or a half-folded broadsheet):

- a. Will the FSM 881 process this mailpiece if it has a barcode?
- b. Will the FSM 881 process this mailpiece if it has no mailer applied barcode, but has an OCR readable address?
- c. Will the FSM 1000 process this mailpiece if it has a barcode?
- d. Will the FSM 1000 process this mailpiece if it has no mailer applied barcode, but has an OCR readable address?
- e. Will the AFSM 100 process this mailpiece if it has a barcode?
- f. Will the AFSM 100 process this mailpiece if it has no mailer applied barcode, but has an OCR readable address?

Response:

(a) No.

(b) No.

(c) + (d) Yes. The FSM 1000 is capable of sorting this type of piece.

(e) + (f) It is very unlikely since the AFSM 100 specifications are based on FSM 881 machinability requirements.

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NNA/USPS-T10-6 If an AFSM 100 machine will not process the half-folded newspaper described in NNA/USPS T10-5, please respond to the following;

- a. Please explain what characteristic of this mail would cause it to be ineligible for processing by this machine;
- b. Please describe any steps or deliberations the Postal Service took during the design and development specifications for this machine to produce a machine that would be able to handle this mail piece;
- c. What additional cost in design or development of the AFSM 100 would have resulted if the Postal Service had required the capabilities of the machine to sort this type of mail?

Response:

- a. Flimsy pieces and open edges are not conducive to the high speed induction.
- b. There are no steps or deliberations that I am aware of.
- c. It is my understanding that the AFSM 100 throughput would have been greatly reduced given the pure physics of trying to accelerate flimsy or unbound open-edged pieces for the high speed induction. No specific cost has been estimated.

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NNA/USPS-T10-7 Please assume that following full deployment of the AFSM 100s, a given Processing and Distribution Plant has no FSM 881s on site and the FSM 1000 has either been taken down for a given tour or is no longer in operation at that plant. If an AFSM 100 was unable to handle the newspaper piece described in NNA/USPS T10-5, how would you expect the piece to be handled:

- a. In outgoing primary sort?
- b. In outgoing secondary sort?
- c. In incoming primary sort?
- d. In incoming secondary sort?

Response:

(a-d) If the site has no FSM 1000 (57 of 244 FSM sites were FSM 881 only sites as of October 1998 after full FSM 1000 deployment), or the FSM 1000 is down due to mechanical problems, and it is the only FSM 1000 on site, then the piece would be handled in a manual operation.

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NNA/USPS-T10-8 Please explain why the USPS plans no further purchase of FSM 1000s.

Response:

Currently there is enough FSM 1000 capacity to meet the processing needs of our flat mail base that falls outside the FSM 881/AFSM 100 specifications. In today's environment, some of the FSM 1000s are being used to process FSM 881 mail where we have 881 capacity shortfalls. However, as the AFSM 100s are deployed, we expect to handle all of the 881 compatible mail on the AFSM 100 and bring FSM 1000 compatible mail that is currently being sorted manually onto the FSM 1000.

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NNA/USPS-T10-9 Please refer to your statement on p. 18, lines 3 through 10.

- a. Would a mailer of carrier route bundles be required to prepare mail in walk sequenced sorts if the bundle was entered at the delivery unit?
- b. Does the Postal Service plan at the point when the DPS capability is fully developed, as you state in your testimony, to alter eligibility for or in any way diminish the ability of mailers to prepare carrier route bundles for entry at the delivery unit?
- c. Will the machinery that you envision in this section of your testimony handle the newsprint piece described in NNA/USPS T10-5?
- d. If your answer to c. is no, please state whether the mailers of a carrier route bundle be required in the environment you envision in this section to prepare mail in Delivery Point Sequencing and explain the rationale for such a requirement.

Response:

- a. If the future of DPS for flats requires a collator or similar equipment, the answer is yes. The final method(s) have not yet been determined.
- b. Once a method is determined, current requirements will need to be reevaluated, just the same as occurred previously for letters.
- c. I am told that is not likely.
- d. It is envisioned that if walk sequence becomes a requirement for carrier route presort, when and if we DPS flats, then a flat that does not meet the DPS machinability requirements would also be required to be walk sequenced. The requirement has two rationales. One, we would not want to incent flats to become non-DPS machine compatible by lessening the requirements. Two, walk sequence still has value to the carrier casing mail.

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NNA/USPS-T10-10 Please confirm that the intended effect of the deployment of AFSM 100s is to move some mail from downstream delivery units for outgoing secondary sort to a point further upstream where flat processing machinery will perform the sort.

Response:

I do not confirm. The first deployment of 173 AFSM 100s will be primarily used to add additional capacity to our flat mail processing network. They will handle *incoming* secondary (not outgoing secondary) flats that are currently sorted manually to carrier route at our plants and associated offices.

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NNA/USPS-T10-11 If you confirmed NNA/USPS T10-10, please provide an estimate of the percentage of the following types of mail that is likely to be moved upstream for processing:

- a. Letter mail
- b. Flat mail that can be processed on an AFSM 100
- c. Flat mail that cannot be processed on an AFSM 100.

Response:

(a) 0%. The AFSM 100 impacts flat mail processing operations, not letter mail processing.

(b) + (c) As mentioned on page 13 of my testimony, we expect to process flats for zones with 10 or more carrier routes to incoming secondary on the FSMs once the AFSM 100s are deployed. The percent of flats that will actually be sorted to carrier on the FSMs is not currently available. We are in the process of assessing the impact of the AFSM 100 to our existing mail flows and still have not determined the exact number of AFSM 100s that will be ultimately deployed or the exact AFSM 100 machinability requirements.

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NNA/USPS-T10-12 If you confirmed NNA/USPS T10-11, please assume a local newspaper is entered in a carrier route bundle at a local post office for delivery to a point outside the county and at least 20 miles away. If delivery took one day in 1999 in an area where the outgoing secondary operation was handled at the destination post office, how many days would you expect the change in outgoing secondary processing to add to the delivery time? Please explain your response in detail.

Response:

I assume you are referring to the incoming secondary operation (sortation to carrier route) since you mention the destination post office. Outgoing sortation does not occur at post offices, stations, or branches. If there was no change to the carrier route presort, then there would be no change expected in the delivery time.

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NNA/USPS-T10-13 Please provide the physical dimensions in required floor space (i.e., the "footprint") of the:

- a. FSM 881
- b. FSM 1000
- c. AFSM 100

Response:

- a. FSM 881 25' by 100'
- b. FSM 1000 24'5" x 126'8"
- c. AFSM 100 33' x 156' for a single machine (120 bins)
 27' x 156' for multiple machines stacked, sharing common
 space

These are not machine dimensions. They are "Work Space Units" (WSUs), which include the physical space necessary to operate and maintain the equipment.

These are the dimensions we use to derive the square footage of floor space that is allocated when sizing new facilities for each of these pieces of equipment.

To these requirements, we also add a 15% staging allocation for each piece of equipment. Thus, the total WSU for each piece of equipment is:

- a. FSM 881 – 2875 sq. ft.
- b. FSM 1000 – 4250 sq. ft.
- c. AFSM 100 – 5742 sq. ft.

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NNA/USPS-T10-14 Please explain the operational steps required to “set up and pull down” an FSM 1000, as you mean those terms on page 12 of your testimony and provide an estimate of the amount of time required to carry out the totality of those steps.

Response:

The set up includes loading the sort program, placing flat tubs into each run out and loading mail on the ledges. Labeling the flat tubs can be done once the machine has started. The pull down includes pulling flat tubs, ensuring they are labeled and put on a conveyor or sorted into rolling containers for dispatch or a subsequent operation.

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NNA/USPS-T10-15 Please explain whether the following circumstances cause a flat mail piece eligible for sorting on the FSM 1000 to be sorted manually and why such a decision would be made by a plant manager:

- a. the volume of that type of mail to be sorted on that tour is low;
- b. another type of mail is occupying the machine during the service window;
- c. plant personnel deem the "set up and pull down" time to be longer than the time that would be required for a manual sort;
- d. workers are on hand during that tour who are otherwise unoccupied.

Response:

- a. Yes. Operating plans are based on arrival profiles and service commitments for each type of mail. For example, if volume is low on a tour, equipment maintenance might be scheduled for that time. That does not mean that the mail ends up being sorted manually on that tour, it may be held until the next tour for FSM processing depending on mail arrival and service commitment.
- b. Yes. Assuming that FSM 1000 capacity is constrained and that another mail type with a similar service window is more advantageous for that operating window. For example, the other mail type may have greater volume, more barcodes, and fewer machine rejects, thus providing a long and highly productive run on the machine.
- c. Yes. Certainly if it is more economical to sort the mail in manual cases, plant management would be expected to choose that option. For example, if there are only 1000 pieces for a particular sort plan with the same service requirement, that would only be approximately 12 minutes of run time and on

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average 10 pieces per flat tub, plus set up and pull down. This would not be the most efficient use of the FSM if more volume of another type of mail was available.

- d. No. We staff to workload and personnel would either be moved to where they are needed or the workforce would be reduced to match the workload. Casual and Part Time Flexible employees would be sent home first. Next, Full Time Regulars would be encouraged to take leave. As an alternative, non-preferential volumes might be worked immediately even though they were scheduled for later (e.g. during non-premium hours). It would not be advantageous to us cost wise since any clerk can feed an FSM 1000 in the BCR mode and manual operations are a level 5 which is more expensive than the level 4 clerks that can operate automation.

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NNA/USPS-T10-16 You stated on p.14 of your testimony that the rate of growth of conversion to mailer-applied bar codes has slowed significantly since 1997. Please state the reasons for this slowdown.

Response:

I do not know.

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NNA/USPS-T10-17 Please state whether the Postal Service will no longer encourage mailer application of barcodes to flat pieces after it has reached a point where maximum deployment of OCR's and other reading equipment has been installed on flat sorting machines. If your answer is no, please explain why the Postal Service would continue to find mailer applied barcodes of value.

Response:

No. As with letters, there is a higher barcode accept rate than OCR accept rate, and the barcode may be used more than once. Currently flats are not being barcoded with any OCR or encoding results as are with letters.

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NNA/USPS-T10-18 You stated on p. 14 in your testimony that lack of machine capacity has caused a "decentralization" of processing.

- a. Does this statement mean that you believe outgoing secondary sorts were once more "centralized" than in days before automation
- b. If your answer to be is yes, please explain what year the trend to "decentralization" began.

Response:

I assume that you meant "incoming secondary sorts" and are referring to the sentence "Decentralization of manual flat incoming secondary operations from the plant to the delivery units has occurred due to FSM capacity, service, scheme training and/or space considerations."

- a. Not necessarily. It is my impression that the trend to decentralization of manual flat incoming secondary sortation reversed an earlier trend toward centralization.
- b. The decentralization trend became noticeable in the mid 1990s. It was driven by local considerations on a plant by plant basis. Commonly, there was more demand on space in the plant, DPS freed space in the delivery units, and the declining volume of manual incoming secondary processing, both letters and flats, made it difficult to maintain scheme proficiency within the plant.

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NNA/USPS-T10-19 Please estimate the approximate relative percentage of plastic sacks and canvas sacks being used during the base year and predicted for the test year by the Postal Service for periodicals mail.

Response:

I am told that data is not available for the base year and that projections for use by type of sack (plastic vs. cloth) have not been made for the test year.

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NNA/USPS-T10-20 Please provide the unit cost of a canvas sack and the unit cost of a plastic sack.

Response:

Please see MPA/USPS-T10-1

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NNA/USPS-T10-21 Please confirm that the Postal Service has increased the usage of plastic sacks in the past three years and explain the rationale for doing so.

Response:

The Postal Service has purchased plastic sacks predominately for approximately the past 5 years. The rationale was based on the ability to acquire significantly more plastic sacks than cloth sacks for the same net expenditure.

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NNA/USPS-T10-22 Please respond to the following questions regarding use of plastic sacks for periodicals mail.

- a. Do all plastic sacks employ plastic closers or grippers instead of metal closers or grippers?
- b. Has the Postal Service observed a higher incidence of periodicals spilling from sacks with plastic grippers than from sacks with older style metal grippers?
- c. If the Postal Service has collected any data or conducted any studies with regard to the phenomenon of periodicals mail spilling from sacks, please provide that data or those studies.

Response:

- a) Yes, except for a very limited number of international sacks which use a cable tie as a closure devise.
- b) + c) I am told that there are no studies to provide data regarding spilling of mail from plastic or cloth sacks, therefore I cannot answer these questions.

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NNA/USPS-T10-23 Does the Postal Service use the term "news belt" to describe the work functions in any aspect of mail processing? If so, please explain it.

Response:

Some plants may process newspapers in a dedicated operation where they dump sacks onto a belt and sort bundles into containers. This often occurs with "hot" items that arrive at the facility close to the critical dispatch times.

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NNA/USPS-T10-24 What quality control measures does the Postal Service use to ensure that newspapers in a plant for outgoing primary or incoming secondary sort are not delayed or aggregated so that multiple issues are delivered together?

Response:

The Daily Mail Condition Report, required from all plants, reports any delayed mail by type and is examined closely by mail processing management throughout the organization. By reducing on-hand and delayed volumes, there is a reduced likelihood that newspapers are delayed resulting in multiple issues delivered together. The normal practice in dispatch operations is to dispatch the contents of every container, even if it is only one mail piece. When problems are detected, publication watches are used to find and fix the problem if possible.

Occasionally, publication watches reveal problems beyond our control, such as publishers who use newsstand returns for out-of-town subscribers and aggregate multiple issues before mailing.

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NNA/USPS-T10-25 Please explain the basis of your assumption that flat and parcel volume is expected to increase, as you state in your testimony on page 28, including specific references to studies, analyses or testimony performed by the Postal Service that predicts growth in flat volume.

Response:

USPS volume forecasts may be found in the testimonies of USPS witnesses Tolley (USPS-T-6) and Musgrave (USPS-T-8), and it is my understanding that they are forecasting increases in the categories that are predominantly flats and parcels.

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: 3-14-2000

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.



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March 14, 2000