

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 DEGEN TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-T16-5-6)

The United States Postal Service hereby provides the responses of witness Degen to the following interrogatories of United Parcel Service: UPS/USPS-T16-5-6, filed on March 6, 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



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992 Fax -5402
March 20, 2000

**Response of United States Postal Service Witness Degen
To Interrogatories of United Parcel Service**

UPS/USPS-T16-5. Refer to page 36 of your testimony, where you state that "most primary parcel sortation occurs in BMCs." Refer also to page 44 of your testimony, where you state that "[o]utgoing parcels are sent to the BMC without any sortation." Refer also to page 45 of your testimony, where in your discussion of Manual Flat Sortation and the Small Parcel Bundle Sorter ("SPBS"), you state that "The SPBS sorts parcels and bundles when the keyers enter a numeric code--the first few digits of the ZIP Code for an outgoing scheme . . ." Explain this apparent contradiction.

UPS/USPS-T16-5 Response.

There is no contradiction. Insofar as the first two quoted statements refer to BMC operations, the term "parcel" should be understood to refer primarily to Standard A and Standard B parcels. The statement quoted from p. 45 of my testimony refers to bundles and small parcels sorted in (non-BMC) plants on the Small Parcel and Bundle Sorter (SPBS). Thus, my use of the word "parcels" in that context chiefly refers to Priority Mail and First-Class Mail parcels that are not normally processed in the BMC network.

That said, there are always exceptions. The standard operational plan may not always be efficient for all individual pieces, and the Postal Service expects its mail processing personnel to act appropriately in instances where this is true. For instance, local parcels that are accepted over the counter at a plant, or local parcels received at a remote plant where the associated BMC is very far away, may be held out for local sortation and dispatch.

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UPS/USPS-TI6-6. Refer to pages 32 through 34 of your testimony, where you indicate that the standard operating plan for the piece sortation of letters begins with cancellation and culling of automation incompatible letters from the mailstream. Automation incompatible letters are then either sorted manually or sorted on a letter sorting machine ("LSM"). Automation compatible pieces are sent either directly to the bar code sorter ("BCS") or are diverted into various processing streams that prepare them for eventual sortation by the BCS.

- (a) Confirm that under the standard operating plan, all the actual sortation of letters is performed either manually, by an LSM, or by a BCS. If not confirmed, identify all of the other operations in which letters are sorted, and describe the types and approximate percentages of mail sorted in these other ways.**
- (b) Specify the number of times under the standard operating plan that a specific letter at a specific processing plant would be processed either manually, through an LSM, or through a BCS before leaving the plant.**
- (c) If the answer to (b) varies either from letter to letter or from plant to plant, indicate the minimum number of times a letter would be processed in one of these three operations under the standard operating plan, and the maximum number of times it would be processed.**
- (d) If the answer to (b) above varies either from letter to letter or from plant to plant, describe the circumstances and conditions that determine how many times a letter would be processed.**

UPS/USPS-T16-6 Response.

- (a) Not confirmed. The phrase "actual sortation" is ambiguous. For purposes of my response I will assume it means piece distribution as defined in section 412.11 of the M-32 MODS handbook (see Docket No. R97-1, USPS LR-H-147), which does not include sortation by size, weight, class, or facing. I also exclude operations where items or containers of letter mail are sorted, even though individual pieces may be handled therein due to spillage. According to the Standard Operating Plan, letter mail is piece**

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distributed in manual, LSM, OCR, and BCS operations. (The interrogatory, as stated, omitted OCRs.)

- (b) The number of distribution handlings per piece in manual, LSM, OCR, and BCS operations would vary by: the level of sortation at which the mail was presented to the Postal Service, the number of separations for which the operation was designed, the quality of the address, and the destination (specific delivery address) of the piece. The level of sortation ranges from collection mail, the least highly prepared, to carrier route trays sorted to non-DPS zones, the highest level of preparation. The number of separations varies by equipment type (manual case types, OCR and BCS models) and by local schemes. Unreadable bar codes or addresses will tend to affect the mix of operations where the handlings occur, possibly in addition to the total number of handlings. Since readability is sometimes a function of the interaction of the machine and characteristics of the mailpiece, it is very unpredictable, and subject also to local practices and time-of-day constraints as to when (or whether) unreadable pieces would be rerun. The address itself can determine whether a piece would be finalized to a firm hold-out on a primary scheme (e.g., a utility payment) or require multiple handlings in a secondary scheme because it was addressed to a low volume zone in a 3-digit area with more zones than the number of separations.

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- (c) Non-carrier route letters should receive at least one distribution handling in at least one of the manual, LSM, OCR, or BCS operations. For all the reasons specified in my response to (b) above, I cannot say what a maximum number of distribution handlings would be for an individual piece.**
- (d) See response to (b) and (c) above.**

DECLARATION

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



Dated: 03-20-00

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 dark ink, appearing to read "Eric P. Koetting", is written over a horizontal line.

Eric P. Koetting

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