

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes

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Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
WITNESS SMITH TO INTERROGATORIES OF  
ALLIANCE OF NONPROFIT MAILERS  
(ANM/USPS-T21-10-12)

The United States Postal Service hereby provides the responses of witness Smith to the following interrogatories of the Alliance of Nonprofit Mailers: ANM/USPS-T21-10-12, filed on March 10, 2000. Interrogatories 13 and 14 have been redirected to the Postal Service.

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

  
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Washington, D.C. 20260-1137  
March 24, 2000

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

**ANM/USPS-T21-10.** Please refer to LR-I-83, p. I-5. In the row labeled "FSM 1000," please explain the source and meaning of the numbers shown in columns I-3.

- a. Are these numbers (807, 942 and 1,150 respectively) intended to represent the number of FSM 1000s deployed? If so, please reconcile with witness Kingsley's statement (USPS-T10, p.11) that the number of FSM 1000s deployed is 340, with no plans to increase that number.
- b. If these numbers in the above-referenced row do not refer to the number of FSM 1000s, how should they be interpreted?
- c. Do the 1,150 FSMs deployed at the end of FY 98 (column 3) consist of 812 FSM 881s and 338 FSM 1000s? Please explain any negative answer

**Response:**

- a. No. This row, which is labeled "FSM 1000 (Included in FSM category)," is intended to reflect the total number of FSMs, both FSM 881 and FSM 1000. The first column is mid-FY96 deployments of FSM 881s, which is shown as 807. The second column is end of FY97 deployments of both FSM 881s and FSM 1000s, which are shown as 942. The third column is the end of FY98 deployments of both FSM 881s and FSM 1000s, which are shown as 1,150.
- b. See the response to part a.
- c. Yes.

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**ANM/USPS-T2I-11.** Please refer to LR-I-83. On p. I-12, in column 1 you show the square feet per FSM and in column 5 the number of FSMs deployed in mid-FY 01. Multiplying the number of FSMs times the square feet per FSM yields a total of 3,945,248 square feet. Please reconcile this number with the 6,126,832 square feet shown at p. I-14, line 18, column 1.

**Response:**

The 3,945,248 square feet is, essentially, the amount of space necessary to operate and maintain the FSMs according to engineering estimates, as discussed below. The 6,126,832 square feet, which is based on the FY92 facility space survey and adjustments for additional deployments (as described in USPS-LR-I-83, part I), is fully consistent since this includes space for staging, empty equipment storage, corridors, stairwells, and elevators and space for custodial, heating and building maintenance. To show this consistency, I will show how adjusting the 3,945,248 square feet to include the space for these additional purposes leads us to about the same result.

Page I-12, column 1 shows the following square feet per machine 2,500, 3696, and 4000 for FSM 881, FSM 1000 and AFSM 100 respectively. (These are the square feet per FSM used to compute the 3,945,248 square feet, as noted in the question.) These square footage per machine correspond to those described in the Witness Kingsley's response to NNA/USPS-T10-13, as "the physical space necessary to operate and maintain the equipment." As indicated in that response, to compute the total "Work Space Units" (WSUs) associated

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**Page 2 of Response to ANM/USPS-T2I-11.**

with each piece of equipment, it is necessary to add 15 percent additional space for staging of mail. Adding 15 percent to the 3,945,248 square feet gives us 4,537,035 square feet of total WSU space for test year FSM equipment.

Of course, for each operation on the workroom floor there is much additional support space needed, in addition to the space used for the operation itself. Space is needed for aisle space, main corridors, empty equipment storage, stairwells, elevators, custodial, heating and building maintenance. The FY92 survey of facility space showed that the space for these purposes accounts for a significant share of space. In FY 1992 we found that the FSMs occupied 2,326,750 square feet (see Docket No. R94-1, USPS-LR-G-120, Schedule 4, Page 1). The space for FSMs was adjusted to include an apportionment or share of the space for these support purposes, listed above, as described in Docket No. R94-1, USPS-LR-G-120, page III-19, and Schedule 5, Page 1, leading to total FSM space of 3,133,107 square feet. Thus, the inclusion of the support space adds 34.66 percent additional space. If the above total WSU FSM space for the test year of 4,537,035 square feet is increased by the same percentage, the result is virtually the same as the 6,126,832 shown at page I-14, line 18, column 1.

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**ANM/USPS-T21-12.** In LR-I-83, p. I-12, you show a total of 175 AFSM 100s deployed by the end of FY 01. Another library reference, LR-I-126, p. 18, under the sections "Accelerate FSM Buy Into 2001" and "Additional Advanced Flat Sorter Machine (AFSM) To Upper Bound," computes savings/costs for the roll-forward model for an additional 88 AFSM 100s. Please reconcile your assumed deployment of 175 AFSM 100s with the data and information shown in LR-I-128 for accelerating the FSM buy and acquiring an additional 88 AFSM 100s.

**Response:**

They don't reconcile. I have not, as your question implies, included any additional facility space for the additional 88 AFSM 100s for the test year. The reason I need not include such space is that I am unable to make a corresponding reduction in FSM 881 space. Witness Kingsley indicates that ultimately the AFSM 100 will replace the FSM 881. See witness Kingsley, USPS-T-10 at 11. There is no available timetable or information on the removal of FSM 881s.

DECLARATION

I, Marc A. Smith, hereby declare, under penalty of perjury, that the foregoing Docket No. R2000-1 interrogatory responses are true to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Marc A. Smith

3/23/00  
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.

  
Richard T. Cooper

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