

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
TIME WARNER, INC.
(TW/USPS-T10-1-4)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Time Warner, Inc.: TW/USPS-T10-1-4, filed on March 10, 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



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March 24, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
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TW/USPS-T10-1 In your answer to PostCom/USPS-10-2a you state:
"Barcoded flats allow use of a lower paid clerk in comparison with the clerk
required for keying non-barcoded flats on the FSM-1000 and non-barcoded
OCR rejects on the FSM-881. "

Please elaborate on how this works in practice. In particular:

- a. What are the two pay-levels to which your statement refers, and what is the hourly differential between them?
- b. Can the feeding of barcoded flats on an FSM-1000 also be done by the lower paid clerks?
- c. Will a given clerk be paid at a different scale depending on whether he/she is keying flats at an FSM or simply feeding flats in BCR/OCR mode? Or will a given clerk be paid at the same level regardless?
- d. How do the two FSM clerk pay levels to which you refer compare with the pay levels for: (1) manual flat sorting, without required scheme knowledge; (2) manual flat sorting, with scheme knowledge; (3) OCR clerks; and (4) BCR clerks?
- e. Can an FSM-881 clerk being paid at the lower level, who normally is used only for sortation in BCR/OCR mode, be asked to work on keying non-barcoded flats without violating any work rules? If yes, will he be paid extra?
- f. Assume that a facility has an FSM crew of lower paid workers on Tour 1 who on a given night sorts barcoded flats until 4 am, at which point all the flats available for sorting are flats that must be keyed. Assume this is the only FSM crew available. What do instructions require be done to those flats, if they are time sensitive and if they are not? And what will be done with the workers who have become idle because they are not supposed to be keying flats?

Response:

- a. The lower paid clerk would be PS-04, or possibly a casual clerk, and the other clerk would be either a PS-05 or PS-06. If the clerk qualified to key non-scheme mail (i.e. by ZIP Code) they would be PS-05. If they qualified to key

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incoming secondary mail to carrier routes due to scheme knowledge requirements, they would be PS-06. I am told that the FY 99 labor rates, fully loaded with service wide costs, are \$10.77, \$25.47, \$29.47, and \$30.97 for Casual, PS-04, PS-05, and PS-06, respectively.

- b. Yes, the answer applied to barcoded flats on both the FSM 881 and the FSM 1000.
- c. Pay depends on the pay level (e.g. Casual, PS-04, PS-05, or PS-06) of the clerk assigned. A higher level clerk can perform lower level work.
- d. (1) Manual flat clerk without scheme knowledge is a PS-05.
(2) Manual flat clerk with scheme knowledge is a PS-06.
(3) OCR (FSM or MLOCR) clerk is a PS-04.
(4) BCR (FSM or BCS) clerk is a PS-04.
- e. No. The Casual or PS-04 clerk would not have the skills necessary to key non-barcoded flats. If the clerk was trained and had passed the qualification test, they would be paid as a PS-05 or PS-6, depending on the training as described in "a" above.
- f. In your hypothetical situation, a couple different scenarios could occur. The PS-04 FSM crew may be scheduled to leave at 4 am if the barcoded volume available to work is to be completed by this time on a regular basis. A PS-04 clerk can also work on any automation equipment and might be assigned to a DPS operation, since DPS generally runs later into the morning than incoming secondary. If the flats are already sorted to 5-digits, are time sensitive, and this is the only FSM crew, the mail could either be worked by manual scheme

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clerks at the plant, if there are any (and if the operating window and transportation allow), or sent to the delivery unit for their manual scheme clerks to distribute. If the volume is not time sensitive, and if there are FSM scheme clerks that will be coming in on another tour, then the volume will be set aside for them to work. If there are no scheme clerks in the plant, the volume will be sent out to the delivery unit where the scheme clerks are located.

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TW/USPS-T10-2

- a. In FY98, what percentages of FSM-881 clerk hours were paid at respectively the higher and lower pay scale? Please provide similar information for FY97 and FY99, and the projected percentage for FY2001.
- b. What was the average wage rate for FSM-881 clerks in FY98? Please provide similar information for FY97, FY99, and the projected rate for TY2001.
- c. In FY98, what percentages of FSM-1000 clerk hours were paid at respectively the higher and lower pay scale? Please provide similar information for FY99, and the projected percentage for TY2001.
- d. What was the average wage rate for FSM-1000 clerks in FY98? Please provide similar information for FY99 and the projected rate for TY2001.
- e. What does the Postal Service expect will be the typical pay-level for workers on AFSM-100 machines?
- f. What is the projected AFSM-100 wage rate in TY2001?

Response:

- a. - d. I am told that this information is not available.
- e. The typical pay-level will be PS-04.
- f. The projected pay rate for a PS-04 in FY 01 is \$27.41.

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TW/USPS-T10-3 Please describe as fully as possible the Postal Service's general strategy and current plans for managing the transition from flats being mostly sorted manually or by FSM keying, to them being mostly just fed into machines in BCR/OCR sorting modes, by clerks who are paid less. In particular:

- a. Has there been or will there be a program or programs to reduce the pay for existing FSM workers to reflect the reduced use of keying in FSM sortation? If yes, please elaborate.
- b. Has there been or will there be a program or programs to replace existing FSM workers with lower paid workers to reflect the reduced use of keying in FSM sortation? If yes, please elaborate. Particularly: what is being done and will be done with the higher paid workers who no longer are needed to sustain FSM productivity?
- c. What is the Postal Service doing, and what does it plan to do, to counter the obvious incentives at this time for FSM workers and their unions to sort more mail manually, or to use keying on FSM's, in order to protect jobs?

Response:

(a) The Agreement between the Postal Service and the American Postal Workers' Union (APWU) outlines actions agreed upon during contract negotiations by the parties related to salary changes due to technological changes. The Postal Service is committed to placing impacted employees in other available and necessary jobs at the same salary level, if possible. Under the contract, employees whose jobs are eliminated by technology and who cannot be placed in other jobs of equal salary, receive "saved" salary. Saved salary retention status continues until such time as an employee fails to bid or apply for newly available positions in the former wage level. Impacted employees also may voluntarily accept a lower salary at any time by bidding or applying for available assignments at lower wage levels; an option often exercised by employees to attain preferred assignments or schedules.

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(b) Yes. The Postal Service has identified a lower graded position appropriate for use in automated, non-manual keying operations. Field sites are pursuing use of the lower graded position. Further, the labor contract with the APWU recognizes the need to minimize impacts to career employees as the result of operational changes. The labor agreement provides for withholding the filling of impacted positions in anticipation of technological changes and reduction or changes in staffing needs. The Postal Service, at the field level, has been withholding the permanent filling of career flat sorting positions to reduce the number of impacted career employees, in anticipation of the use of new automated equipment. Employees still on the rolls in positions that are no longer needed are being placed in other available positions at their current salary level, if possible. Impacted employees who can not be placed at their own level are being placed in other available lower level jobs for which they are qualified.

(c) Postal Service employees and the union recognize the need for improvement of mail service and do not oppose automation of work tasks. The Postal Service has and will continue to invest in technology to eliminate manual and manual keying operations. Equipment modifications have continued to shrink the amount of mail that can not be worked on automation. On-going management awareness efforts stress full utilization of automated processing at field sites and moving mail "up the ladder". The remaining residual non-machineable mail volumes will continue to be worked by higher level clerks. Supervision of processing operations monitors work completion

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for efficient use of resources. The Postal Service and its unions have been able to reduce the volume of letters in manual operations and anticipates the same trends for flats.

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TW/USPS-T10-4 Please confirm that on a current FSM-1000 machine barcodes can be read on pieces fed at the first three keying stations but not at the fourth one, because of its location relative to the barcode reader. Additionally:

- a. Are there any plans to modify the FSM-1000 layout so as to enable barcoded mail to be fed at all four stations? If yes, please describe those plans and when they are expected to be realized.
- b. Are the current plans for FSM-1000 machines to use only the higher paid workers who are expected to also be able to key flats, or to use at least some lower paid workers on the FSM-1000s as well?

Response:

Confirmed.

- (a) Currently there are no plans to modify the FSM 1000 layout to enable barcoded mail to be fed at all four stations.
- (b) When in automation mode (BCR), management is expected to utilize lower paid mail processor or casual clerks. The clerk levels used are further discussed in TW/USPS-T10-1.

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: 3-24-2000

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.

A handwritten signature in black ink, appearing to read "Susan M. Duchek", is written over a solid horizontal line.

Susan M. Duchek

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