

DOCKET SECTION

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
VAL-PAK DEALERS' ASSOCIATION, INC., VAL-PAK DIRECT MARKETING
SYSTEMS, INC., AND CAROL WRIGHT PROMOTIONS, INC.
(VP-CW/USPS-T10-1-8)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Val-Pak Dealers' Association, Inc., Val-Pak Direct Marketing Systems, Inc., and Carol Wright Promotions, Inc.:
VP-CW/USPS-T10-1-8, filed on March 16, 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 30, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC., VAL-
PAK DEALERS' ASSOC., AND CAROL WRIGHT PROMOTIONS, INC.**

VP-CW/USPS-T10-1 This question pertains to ECR Saturation mailings with detached address labels ("DALs").

- a. Must DALs have a postnet barcode?
- b. If not, does the Postal Service ever run DALs through Optical Character Reader ("OCR") equipment to add a postnet barcode? If so, under what circumstances?
- c. When the mailing is to a rural route area where letter mail routinely is prepared on Delivery Point Sequencing ("DPS") equipment,
 - (i) Are there any areas or circumstances where the DALs would be sorted on DPS equipment?
 - (ii) Would the DALs be sorted on DPS equipment if the mail were entered at the DBMC or the DSCF?
 - (iii) If the mail were entered at the DDU, are there any areas or circumstances where the DALs would be transported back to the plant and sorted on DPS equipment?
- d. When the mailing is to a city delivery route area where letter mail routinely is prepared on Delivery Point Sequencing ("DPS") equipment,
 - (i) Are there any areas or circumstances where the DALs would be sorted on DPS equipment?
 - (ii) Would the DALs be sorted on DPS equipment if the mail were entered at the DBMC or the DSCF?
 - (iii) If the mail were entered at the DDU, are there any areas or circumstances where the DALs would be transported back to the plant and sorted on DPS equipment?
- e. At all DDUs where DALs are not presorted on DPS equipment, do carriers always case the DALs, or do circumstances exist where a carrier would take the both DALs (uncased) and the mail which goes with the DALs directly to the carrier's vehicle?
- f. Please describe all in-office procedures used for DALs that are not presorted with letter mail, compare the procedures for handling DALs versus those for handling saturation enveloped letter mail (e.g., to the same addresses as the DALs), and indicate which is easier and less costly for the Postal Service to process and deliver.

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Response:

- a. No.
- b. I am not aware of any instances when DALs are run through an OCR to add a PostNET barcode nor would it be advantageous to do so. If the DALs are mixed in the DPS letters, the carrier will not know how many DALs he has in DPS to know how many matching pieces to take. The carrier may also not know to take any matching pieces at all that day before going out on the street since he may not see any DALs until on the street.
- c. + d. (i)-(iii) I am not aware of any circumstances when DALs would be sorted on DPS equipment regardless of where the mail is entered. As above, it would *not* be operationally advantageous to put the DALs in with the DPS letters.
- e. Yes, with the exception of on a mounted route. See my response to NAA/USPS-T10-16.
- f. See NAA/USPS-T10-14 and NAA/USPS-T10-17b for the handling of DALs in the office. The handling of ECR letters is described in my testimony on page 25. I have not studied the relative costs of these mail streams, given the many variables involved, and am unable to indicate which is easier and less costly for the Postal Service to process and deliver.

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VP-CW/USPS-T10-2 When carriers deliver a DAL mailing, do they put both the detached address label and the mailpiece in the addressee's mail receptacle, or do they put only the mailpiece in the receptacle? If the Postal Service has no standard operating procedure, please indicate what you believe to be the prevailing practice.

Response:

Both the detached address label and the mailpiece are delivered to the addressee's mail receptacle.

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VP-CW/USPS-T10-3 Assume that a carrier receives two ECR saturation mailings for delivery, for example, on Tuesday.

- (a) Would the carrier case one mailing and take the other as a third bundle, or would the carrier take one as a third bundle and defer the other until the next delivery day? Which would be most likely to occur?
- (b) If one of the two saturation mailings were DAL, and the other were an enveloped addressed mailpiece, would the carrier be most likely to case the addressed envelope mailpieces or the DALs?

Response:

- (a) See my responses to NAA/USPS-T10-14 and NAA/USPS-T10-17.
- (b) See my response to NAA/USPS-T10-17. Note that on a mounted route, both could be taken to the street without casing. In a DPS environment, ECR letters, if they are automation compatible, most likely would be sent to the plant for DPS processing and the DALs would be cased by the carrier in the office. If the ECR saturation letters are not run on DPS, then both the letters and the DALs will be cased by the carrier in office.

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VP-CW/USPS-T10-4 Is it operationally easier for the Postal Service to process and deliver (i) ECR saturation mail that is enveloped and has a preprinted postnet barcode, or (ii) ECR saturation mail that has a DAL and is "loose," or folded and not enveloped?

Response:

It depends on the shape and characteristics of the piece. I am told that it is operationally easier to process and deliver an ECR saturation letter mailing that is enveloped and has a preprinted PostNET barcode. That is why DALs are not allowed for ECR saturation letters. However, in the case of flats, it is generally easier to case the DAL than the flat.

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VP-CW/USPS-T10-5 Please describe and compare the processing of (i) ECR saturation letter mail with a postnet barcode with (ii) ECR saturation flat mail (no barcode) both (a) in the current mail processing environment and (b) in the future "automated" flats environment when the Postal Service has the ability to DPS flat mail.

Response:

- (i) If the letter is machinable and the zone is a DPS zone, then an ECR saturation letter mailing with a PostNET barcode may be sorted to DPS with other barcoded letters which often requires being sent back to the plant. The letter may also be sorted manually by the carrier into delivery sequence in the carrier case depending on the machinability of the piece and if it is destined for a DPS route.
- (ii) a) See my responses to NAA/USPS-T10-14 and NAA/USPS-T10-16.
b) See page 18 in my testimony.

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VP-CW/USPS-T10-6

- a. When a carrier receives an ECR saturation DAL mailing, does the carrier count the number of detached labels and then count the number of mailpieces needed to make complete delivery?
- b. If not, how does the carrier make certain that the number of mailpieces equals or exceeds the number of detached labels?
- c. What happens if the carrier has fewer mailpieces than DALs (i.e., the carrier runs out of mailpieces before completing the route)? For example, does the carrier return to the office with the remaining DALs and, assuming that the office still has sufficient mailpieces, complete delivery the following day?
- d. What happens if the carrier takes on the route more mailpieces than DALs (i.e., upon completing the route, the carrier has some mailpieces left over)? Does the carrier return the extra mailpieces to the office, or are they discarded?

Response:

- a. No. The carrier does not count the number of detached address labels nor the number of mailpieces needed to make delivery.
- b. The carrier is required to take enough mailpieces to cover the mailing. He will determine what is enough from either:
 - the counts on the routing slips for each bundle
 - previous experience
 - will just take them all
- c. If the carrier has fewer mailpieces than DALs, the DALs are brought back to the office for next day delivery with mailpieces.
- d. If the carrier takes out more mailpieces than are needed for delivery with DALs, then the extra mailpieces are returned to the office. See the Domestic Mail Manual, section A060.4, for the disposition of any excess.

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VP-CW/USPS-T10-7 When the Postal Service receives an ECR saturation DAL mailing where the mailpiece is folded and loose (i.e., un-tabbed), has dimensions of 5.75 inches by 10.5 inches, and weighs 3.0 ounces, does such mail pay the letter rate or the flat rate?

Response:

Letters cannot be mailed with DALs, so pieces must qualify as and pay the flat rate to be eligible. In this case, I would assume the thickness exceeds $\frac{1}{4}$ inches to qualify as a flat.

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VP-CW/USPS-T10-8

- a. Please explain the acceptance and verification procedures for ECR saturation DAL mailings.
- b. Does the acceptance clerk count both the DALs and the mailpieces, or just the DALs?
- c. If the number of mailpieces exceeds the DALs, is the rate based on the number of DALs or the number of mailpieces?

Response:

- a. Please refer to the response for UPS/USPS-T10-15 b – c. The referenced verification procedures and certain reference cards attached to that response also apply to ECR saturation DAL mailings. Additional acceptance and verification procedures unique to DALs are listed in DMM A060.
- b. The clerk verifies the counts of both the DALs and the accompanying items.
- c. In accordance with DMM A060.5.2, if the number of DALs and items is not identical, the number of pieces used to determine the postage is the greater of the two.

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: 3-30-2000

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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