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

POSTAL RATE AND FEE CHANGES, 2000 | Docket No. R2000–1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE (OCA/USPS–T10–1-2)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS–T10-1-2, filed on March 17, 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 31, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T10-1 Please refer to your testimony at page 8, lines 9-10.

(a) What portion of the 88.3 percent of all letters that were barcoded are First-Class
   (i) Automation Presort Letters and Parcels, and
   (ii) Automation Carrier Route Letters.
   (iii) Please provide the volumes for the mail identified in subparts (i) and (ii) of this interrogatory.

(b) What portion of the 88.3 percent of all letters that were barcoded are Standard (A) Regular
   (i) Automation Category Letters, and
   (ii) ECR Subclass Letters.
   (iii) Please provide the volumes for the mail identified in subparts (i) and (ii) of this interrogatory.

(c) Show all calculations used to derive the "88.3 percent," and provide citations for all figures used in the calculations.

(d) Please confirm that data exists to calculate the percent of all letters that were barcoded in AP 1 through AP 12 of FY 99. If you do not confirm, please explain.

(e) Please confirm that data exists to calculate the percent of all letters that were barcoded in AP 1 through AP 13 of Fiscal Years 1996, 1997 and 1998. If you do not confirm, please explain.

(f) Please calculate the percent of all letters that were barcoded for the Accounting Periods (AP) identified in parts (d) and (e) of this interrogatory. Show all calculations and provide citations for all figures used in the calculations. Also please provide the data identified in parts (d) and (e) of this interrogatory in hardcopy and electronic formats.

Response:

a) and b) The break down of the 88.3 percent of barcoded letters in AP13, FY99:

Total Letters:	9,463,365,000
Total 9&11 digit barcoded letters:	8,352,241,000
First Class barcoded rate:	2,857,913,000
Basic/3/5 digit auto	2,771,566,000
Crte auto letters:	86,346,000
Reply	532,225,000
Standard (A) barcoded rate:	2,510,592,000
Basic/3/5 digit auto:	2,305,673,000
ECR auto letters:	204,918,000
MLOCR and RBCS barcodes:	2,451,511,000
FCM:	2,397,824,000
Standard (A) :	53,687,000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

Excluding the postal barcoded volumes since they are not tracked by class, the portion of:

(a) (i) First-Class automation presort rate letters to all barcodes is: 33.2% (2771566 / 8352241)

(ii) First-Class automation carrier route to all barcodes is: 1.0% (86346 / 8352241)

(iii) See above.

(b) (i) Standard Mail A automation presort rate letters to all barcodes is: 27.6% (2305673 / 8352241)

(ii) Standard Mail A automation carrier route to all barcodes is: 2.5% (204918 / 8352241)

(iii) See above.

(c) The numbers of total letters and 9 & 11-digit barcoded letters come from various reports contained in our Corporate Data Base. See attached Barcode Letter Mail Report.

(d) Confirmed.

(e) Confirmed.

(f) See attached hardcopy Barcode Letter Mail Report. Data is available for each Accounting Period listed for FY 1999, FY 1998, FY 1997 and FY1996. These data are provided on diskette in USPS-LR-I-253.

BARCODE LETTER MAIL REPORT - FY 2000 FIRST & STANDARD (A) CLASS MAIL (000)

	9-Digit BC	%Ltr	Letters
FY91	40,471,457	36.2%	111,789,055
FY92	51,277,087	45.5%	112,681,666
FY93	59,697,565	51.7%	115,439,043
FY94	64,256,413	53.8%	119,509,392
FY95	76,077,031	60.4%	126,013,575
FY96			
AP	9&11-Digit BC	%Ltr	Letters
01	6,228,333	65.1%	9,572,088
02	6,591,630	65.0%	10,142,992
03	5,945,673	64.6%	9,200,810
04	5,970,467	61.5%	9,704,661
05	6,727,491	67.9%	9,910,812
06	6,472,412	68.2%	9,483,793
07	7,187,314	70.6%	10,175,493
08	6,988,735	72.2%	9,683,970
09	6,881,304	72.1%	9,539,753
10	6,585,451	73.3%	8,987,082
11	6,706,050	75.8%	8,846,840
12	6,908,112	77.8%	8,876,586
13	7,026,597	78.0%	9,009,873
FY96	90,532,827	70.1%	129,074,836
FY97			
AP	9&11-Digit BC	%Ltr	Total Letters
01	7,945,420	78.6%	10,104,091
02	8,154,193	78.1%	10,438,894
03	7,758,039	80.3%	9,664,716
04	7,501,220	75.9%	9,878,690
05	8,214,600	82.4%	9,968,063
06	7,932,015	81.4%	9,741,449
07	7,912,080	81.3%	9,737,032
08	7,863,106	82.3%	9,559,813
09	7,972,029	82.8%	9,623,968
10	7,441,705	82.7%	9,003,414
11	7,603,188	83.9%	9,063,268
12	7,790,998	84.2%	9,257,561
13	7,588,285	83.7%	9,069,079
FY97	106,808,005	81.5%	131,106,447
FY98			
AP	9&11-Digit BC	%Ltr	Total Letters
01	8,602,047	84.6%	10,169,745
02	8,771,975	84.9%	10,328,587
03	8,593,971	84.7%	10,145,792
04	8,398,449	82.5%	10,179,508
05	9,007,873	86.0%	10,476,234
06	8,595,456	86.4%	9,947,573
07	8,794,334	85.5%	10,283,715
08	8,899,367	86.2%	10,096,912
09	8,717,907	86.3%	10,099,541
10	8,207,053	86.4%	9,502,691
11	8,085,164	87.1%	9,287,128
12	8,263,324	86.3%	9,575,060
13	8,183,622	86.3%	9,482,408
FY98	115,636,894	85.6%	135,032,417
FY99			
AP	9&11-Digit BC	%Ltr	Total Letters
01	9,003,046	86.7%	10,387,510
02	9,042,330	85.9%	10,529,020
03	8,677,416	86.5%	10,032,147
04	8,801,909	86.4%	10,187,937
05	9,400,568	88.3%	10,644,352
06	8,947,545	87.8%	10,188,148
07	8,951,196	88.1%	10,162,574
08	8,772,270	87.2%	10,065,495
09	9,041,626	88.2%	10,250,069
10	8,342,351	88.2%	9,463,654
11	8,332,872	88.2%	9,450,325
12	8,597,878	88.4%	9,726,436
13	8,352,241	88.3%	9,463,365
FY99	120,163,491	87.5%	137,166,328
%SPLY	3.9%		[illegible]%
FY00			
AP	9&11-Digit BC	%Ltr	Letters
01	9,437,692	88.5%	10,658,196
02	9,570,536	88.5%	10,811,149
03	9,478,568	88.3%	10,731,378
04	9,812,509	88.4%	11,093,946
05	9,139,813	89.2%	10,243,627
06	9,562,923	89.0%	10,738,878
07			
08			
09			
10			
11			
12			
13			
YTD00	59,576,572	88.6%	67,221,406
%SPLY	5.8%		3.7%

Reply Mail Prebarcode - ODIS Report HSB710P1 (AP)
Rate Prebarcode - Prior to AP8/96 EMRS Report CED861P8 (AP), number may be understated. AP8/96 forward CBCIS (AP/YTD), number may be understated.
MLOCR Codes - Prior to AP8/95 Encode Report NQCIS (AP), number may be understated (especially FY93-95) From AP8 forward MODS.
RBCS Codes - No data available prior to AP8/95; AP8/95 forward MODS.(AP). Annual FY93-95 is estimated (SIS).
Total 9&11D and Letters - ODIS Report HSA955P1 (AP/PQ)
Other = Total - Customer - MLOCR - RBCS, number may be overstated prior to AP5/95 due to Encode (MLOCR) data Assumed to be CFS and SLOCR barcodes.
%BC 11-Digit - ODIS Report HSA955P1 (AP/PQ): % of total 9&11digit BCs with 11 digit BC.
YTD - Rate Prebarcodes from CBCIS report, all others are the sum of the AP's or PQ's.
AP8 Notes - MLOCR and RBCS barcodes have been adjusted for AP 10 FY 98 through AP 7 FY 99 to account for software changes implemented on automated equipment

New sampling methods may make FY95 ODIS numbers slightly higher when compared to prior years. RBCS codes may be overstated due to 5-D No Improvement Codes.
Rate %SPLY (for FY96&YTD97) is based on CBCIS SPLY data (not FY95&96 EMRS data above).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T10-2 Please refer to Chapter III, entitled "Staffing and Complement," of your testimony.

(a) Please confirm that the single-piece First-Class mail volume fluctuates by the
   (i) day of the week,
   (ii) week of the month, and
   (iii) month of the year.
   If you do not confirm, please explain.

(b) Please describe in percentage terms the range of fluctuation above and below the average for subparts (i), (ii) and (iii) in part (a) of this interrogatory for several representative Processing and Distribution Centers.

(c) Please confirm that workshared First-Class mail volume fluctuates by the
   (i) day of the week,
   (ii) week of the month, and
   (iii) month of the year.
   If you do not confirm, please explain.

(d) Please describe in percentage terms the range of fluctuation above and below the average for subparts (i), (ii) and (iii) in part (c) of this interrogatory for several representative Processing and Distribution Centers.

(e) To the extent that fluctuations in volume result in shifts in the proportion of First-Class single-piece and workshared volume, please explain, for each time period identified in parts (a) and (c) of this interrogatory, how plant managers of Processing and Distribution Centers plan for and accommodate such shifts in the proportion of single-piece and workshared volume.

(f) Please confirm that there are operating manuals, handbooks, instructions and other written guidance to plant managers on how to plan for and accommodate shifts in the proportion of First-Class single-piece and workshared volume. If you do confirm, please identify such operating manuals, handbooks, instructions and other written guidance to plant managers and provide copies. If you do not confirm, please explain and provide copies of any documents advising plant managers on how to plan for and accommodate any periodic fluctuations in mail volumes.

Response:

(a) (i) Confirmed.

(ii) - (iii) Operational records are kept in four week blocks called accounting periods (AP), 13 APs per year. Accordingly, I do not have data to confirm fluctuations by week of the month or month of the year. However, it is well known that single piece FCM volume surges with bill payments near the first of each month.

and that there are surges near holidays when greeting cards are traditionally exchanged.

b. Using volumes processed on the Advanced Facer Canceler System (AFCS) in FY 99 as a proxy for single piece FCM volumes, a table depicting fluctuations from the average by day of the week at six facilities is shown below. I am told that data to construct similar tables by week of the month and month of the year are not available.

	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Pittsburgh	-20.5%	-97.4%	43.3%	32.3%	16.2%	10.7%	15.4%
Philadelphia	-32.7%	-96.7%	47.2%	34.3%	18.0%	14.4%	15.6%
Denver	-40.6%	-98.1%	45.7%	39.1%	17.6%	22.5%	13.7%
Los Angeles	-42.2%	-93.9%	46.5%	36.0%	17.3%	23.2%	13.1%
Lexington	-9.2%	-99.3%	40.6%	32.6%	14.9%	9.8%	10.5%
Springfield	-29.2%	-98.3%	47.7%	31.5%	16.2%	14.2%	17.9%
Total	**-32.4%**	**-97.1%**	**45.5%**	**35.3%**	**17.1%**	**17.2%**	**14.4%**

c. - d. Workshared FCM is largely destinating mail and, there are no destinating operations that process or track just workshared FCM. Accordingly, I do not have any data to confirm such fluctuations. However, in my personal experience, I have noticed that entries are heavier towards the end of each week.

e. As I discussed in my testimony, operating and staffing plans are developed for the various processing operations in a plant based on hourly volume arrival profiles by operation, with given operating windows by day of the week. They are based on the total flow through the operation without regard to the rate category of the mail (except in as much as the sources relate to service commitments). The staffing plans reflect the daily and monthly volume fluctuations and even take into account employee unavailability rates (annual leave, sick leave) and are generally not specific to a class or subclass. In addition to years of operational experience, historical data is used by plant management particularly for holiday peakload planning.

f. Not confirmed specific to FCM. Planning guidance is provided through the Site META Users Manual filed under protective conditions in R97-1 as LR-H-221, and by the annual guidelines for the fall and Christmas mailing seasons. A copy of the 1999 fall guidelines is attached. The FY 99 Christmas Plan is provided as USPS-LR-I-253.

Staffing for volume fluctuations was discussed extensively in R97-1. See, for example, MPA/USPS-T4-1, DMA/USPS-T4-63 through 83, and TW/USPS-T4-18 through 20.

Attachment To OCA/USPS-T10-2, page 1 of 5

NICHOLAS F. BARRANCA
VICE PRESIDENT, OPERATIONS PLANNING

UNITED STATES
POSTAL SERVICE

June 24, 1999

VICE PRESIDENTS, AREA OPERATIONS

SUBJECT: 1999 Fall Mailing Season Planning

As stated in my memo dated April 12, last year we had a very successful fall mailing season, but there is always opportunity for improvement. With your help, we are anticipating success again this year. For planning purposes, a national increase of 3 percent to 5 percent is projected for Standard (A) volume. Initial estimates from our major customers reflect an increase of up to 7 percent for Standard (A) volume compared to last year. These customers have an expectation that the USPS will put plans in place to maintain or improve the performance that was achieved last year. Likewise, we must maintain service on periodical and Standard (B) volume.

In order to meet customer expectations, all performance clusters will need to process and deliver this mail volume in a timely manner. All processing facilities must comply with operating plans to ensure that the mail is processed and delivered to meet customer demands. To ensure that mail is processed timely, we must plan for the fall mailing period with the same emphasis that we put into Christmas planning.

Each processing facility must develop a plan for processing, dispatching, and delivering the fall mail volume. The attached check-off sheet should be provided to each processing facility, along with the entry guidelines to in-home delivery (also attached), to assist in developing this plan. The check-off sheet includes some of the items that need to be addressed when planning for the fall mailing period. All items on the list should be addressed. This list is only a starting point, so planning should not be limited to these items. As with Christmas planning, facilities must try to anticipate all concerns ahead of time and have plans in place to overcome any problems.

Each processing facility within your Area must perform an analysis of their mail conditions from last year and complete the check-off sheet. Facility plans must be in place within the next few weeks in order to be properly prepared for the increased volume, which is predicted to begin by the end of July. These plans must be completed by each processing facility and reviewed by your Manager, Operations Support (Area) by July 16.

I greatly appreciate your dedicated attention to this planning process to ensure that we are positioned properly to achieve a successful 1999 fall mailing season. If you have any questions or would like to discuss this further, please feel free to call me.

Nicholas F. Barranca

Attachments

cc: Mr. Lewis, Mr. Potter, Mr. Black, Mr. Rapp, Ms. Brennan
Managers, Operations Support (Area)
Manager, Capital Metro Operations

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1999 FALL MAILING SEASON CHECK-OFF SHEET

Standard A and Periodicals Operations

Customer Communications

- ☐ Ensure Business Service Network (BSN) is involved in fall planning process, the drop ship appointment process and problem resolution.
- ☐ BSN update customer/manager contact list.
- ☐ Ensure appropriate postal personnel are aware of customer support team and BSN process.
- ☐ Fully utilize ADVANCE.
- ☐ Check for accuracy of facility information in the Drop Ship Appointment System (DSAS). Pay special attention to open/close information, location and mail type accepted.
- ☐ Review new Drop Ship Guidelines available in mid-July.

Mail Volume & Capacity

- ☐ Calculate volume per day using previous year's volumes for Standard A and Periodical mail throughout fall season. Expect more appointments on Friday and Saturday and before holidays.
- ☐ Determine capacities of current operations based on local productivity rates, complement, and schedules, paying close attention to opening flat, manual, and dock operations.
- ☐ Using volume figures and capacities, determine where potential problems exist.
- ☐ Identify the steps needed to overcome potential problem days.
- ☐ Plan to segregate Standard A from Periodicals for processing.
- ☐ Review drop shipment appointment capabilities and identify opportunities to expand capacity.
  - Input close-out information in a timely manner
  - Update MCRS thresholds.
- ☐ Instruct dock personnel on acceptance of PS Form 8125 for Standard A and Periodicals, and the Drop Ship Management System.
- ☐ Open communications to "servicing" BMC and/or transfer hub for Standard A and Periodicals.

Complement

- ☐ Review availability of employees and operational hours to identify opportunities to expand throughput capacity.
- ☐ Identify the number and type of employees needed to expand capacity.
- ☐ Coordinate with Area Office on identified sources of needed employees, in compliance with COO Lewis' letter dated 06/11/99.
- ☐ If additional employees are authorized, begin hiring process in time to assure employees are available and trained to meet projected volume increases

Attachment to OCA/USPS-T10-2, page 3 of 5

Equipment/Sort Plans

- Review equipment utilization reports (run time, idle time, throughput) by sort plan to identify areas of opportunity to increase utilization and throughput.
  - Set equipment performance benchmarks (e.g. FSMs operation 20 hrs per day etc.)
  - Identify available SPBS time for pure processing of Periodicals volume
- Ensure proper identification/tagging of Standard A and Periodical to define urgency of processing.
- Ensure appropriate employees are trained on color code policy and procedures.
- By mid August, fine tune all equipment to ensure it is operating at peak performance, especially Flat Sorters, Sack Sorters, SPBSs, and other bundle Sorters.
- Conduct density counts for primary operations to ensure Standard A and Periodical operations finalize highest volumes in a single handling whenever possible.
- Consider expansion of SPBS capacities by installing slide extensions (rollers or chutes) to fully utilize all slides to finalize and containerize volumes.
- Evaluate forklift, pallet jack, dumper, and conveyor requirements and ensure that all available equipment capacity matches fall and R-97 volume levels.
- Ensure that a sufficient number of cardboard boxes are purchased to be utilized when rolling stock is at a premium.
- Ensure all necessary purchases are made well enough in advance to arrive in time for fall mailing.

Transportation/MTE

- Develop a MTE backflow plan.
  - Identify Cluster/Plant MTE coordinators
- Identify requirements for dedicated MTE runs
- Review local transportation to keep mail moving between BMCs, annexes, AMC/Fs, and AOs.
- Evaluate need for additional trailers (MTE storage, preloaded in yard, etc.)
- Ensure trailers are loaded/unloaded in a safe manner and within OSHA guidelines.
- Review HCRs:
  - Capacity
  - Additional service responsive trips
  - Drivers

Space

- Determine if added space will be needed for processing large mail volumes. Look at utilizing large Station/Associate Offices or, if necessary, leasing added space for the fall period.
- Analyze the potential for expanding cross dock operations for Standard A and Periodicals volumes.

Contingency

- Develop a contingency plan to determine where mail can be worked if a plant becomes overcome by mail volume, with no chance of recovery (within 2 days) on its own.
- Evaluate capacities at non-ADC Plants to determine if they have available windows to process mail for larger ADC Plants:
  - If significant capacity exists at "downstream" plants evaluate the need for seasonal hold-outs (National, Area, Local).
  - Smaller offices may be used to process barcoded flat volumes during a period when their machines are not currently utilized.
- Develop contingency plan for large mailers.
  - Holdouts for local/SCF volumes and other large volume destinations.
- Develop contingency plan for Acceptance personnel.
  - For special contingency make up requirements.
  - To segregate mails that do not pass ABE bar-coding requirements.

attachment to OCA/USPS-T10-2, page 5 of 5

STANDARD (A)
DESTINATING MAIL
ENTRY GUIDELINES TO IN-HOME DELIVERY
(FOR PLANNING PURPOSES)

This information is provided to assist our customers in planning their drop shipment mailings. These are meant to be general guidelines and do not imply any type of promise or guarantee. In most categories, an additional day is included to cover mail entered after the Critical Entry Time. In determining the days to delivery, the entry day is considered day zero.

All postal processing plants and delivery units must continue to process and deliver standard (A) mail according to Facility Operating Plans and the National Color-Code Policy for Standard (A) Mail. These entry guidelines are not to be used in lieu of current processing and delivery policies.

MAIL SORT	ENTRY POINT		
	DBMC	DSCF	DDU
TRAYS			
CRRT	3-4 DAYS	2-3 DAYS	2 DAYS
CRRTS	3-4 DAYS	2-3 DAYS	2 DAYS
5-DIGIT	3-5 DAYS	3-4 DAYS	2 DAYS
3-DIGIT	4-5 DAYS	3-4 DAYS	
ADC/AADC	4-5 DAYS	3-5 DAYS	
PALLETS			
5-DIGIT	3-5 DAYS	3-4 DAYS	2 DAYS
3-DIGIT	4-5 DAYS	3-4 DAYS	
SCF	4-5 DAYS	3-4 DAYS	
ASF/BMC	4-6 DAYS		
SACKS			
CRRT	3-4 DAYS	2-3 DAYS	2 DAYS
CRRTS	3-4 DAYS	2-3 DAYS	2 DAYS
5-DIGIT	3-5 DAYS	3-4 DAYS	2 DAYS
3-DIGIT	4-5 DAYS	3-4 DAYS	
ADC	4-5 DAYS	3-5 DAYS	

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: 3-31-2000

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.

Susan M. Duchek

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March 31, 2000