

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
THE ALLIANCE OF NONPROFIT MAILERS
(ANM/USPS-T10-46-47)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of the Alliance of Nonprofit Mailers:
ANM/USPS-T10-46-47, filed on March 20, 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



Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990 Fax -5402
April 3, 2000

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TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

ANM/USPS-T10- 46 Please refer to USPS-LR-I-193, Publication 128, Strategic Improvement Guide for Flats Processing (September 1999) at page 4.

a. Please confirm that the productivities shown above the bars in the bar chart on that page represent pieces per hour. If you do not confirm, please explain what they mean.

b. What are the meanings of "140c" and "960c" that appear in the small box?

c. For each pair of bars shown for each fiscal year, what do the bars on the left and the right represent?

d. The right-hand bars show the following productivities:

FY 94 - 1520
FY 95 - 1450
FY 96 - 1332
FY 97 - 1165
A/P01-FY 98 - 845

Most alarmingly, not only has year-to-year productivity been declining, but also at an accelerating rate, as follows:

FY 94-95 - 70 pcs/hr
FY 95-96 - 118 pcs/hr
FY 96-97 - 167 pcs/hr
FY 97-98 - 320 pcs/hr

In light of these data, has the declining trend in flat sorting productivity been projected in the roll-forward model to TY 2001? If not, for TY 2001 what underlying assumptions were used for flat sorting productivity and cost, and what was the basis for extrapolating or not extrapolating the downward trend in productivity?

Response:

a) Confirmed.

b) The "140c" includes the combination of MODS operation codes 141-148 which represent the keying processing of flat sorting machine outgoing primary through incoming secondary operations. The "960c" includes the combination of MODS

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operation codes 961-968 which represent the flat sorting machine BCR outgoing primary through incoming secondary operations.

- c) The left side represents the 140c and the right side represents the 960c MODS operations, which are described in (b) above.
- d) It is my understanding that a decline in FSM productivity is NOT in the roll-forward. LR-I-126 page 18, includes *increasing* manual flat productivity and *improving* flat sorting machine utilization/productivity. The productivities you cite above are for BCR Total Pieces Handled (sorted) per hour, not total FSM productivity. See, LR-I-193, page 56 (Appendix D) for FSM productivity goals.

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ANM/USPS-T10- 47 Now that all FSM 881s are equipped with BCRs and OCRs, why is flat sorting productivity on FSMs lower than in earlier years when all or most flats were keyed manually? Please produce (or cite, if already produced) documents sufficient to verify your response.

Response:

With OCR and BCR operations, there are more rejects and subsequent second handlings to finalize a piece. The pieces then left to key include BCR/OCR rejects, which can be more difficult to read.

In addition, before FSM 1000 deployment provided some FSM capacity relief, the volume competing for the FSM 881 allowed the most efficient mail for the longest runs to be put on the machines. Similar to letters, as the cleanest volumes are automated, the less machinable pieces and shorter sort plans are added, thereby effecting productivity.

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: 4-3-2000

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 horizontal line.

Susan M. Duchek

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