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 TAYMAN TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA (MPA/USPS–T9–1-3)

The United States Postal Service hereby provides the responses of witness Tayman to the following interrogatories of Magazine Publishers of America: MPA/USPS–T9-1-3, filed on March 14, 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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April 4, 2000

RESPONSE OF WITNESS TAYMAN TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA

MPA/USPS-T9-1. According to LR-I-126, section 1 (Original LR), clerk workhours for Advanced Flat Sorting Machine (AFSM) for FY 2000 will decrease by 129,000 hours (1,086 machines x 118.8 hours per machine) and maintenance hours for FY 2000 will increase by 51,000 hours (1,086 machines x 50 hours per machine). Clerk workhours for FY 2001 will decrease by 2.715000 hours (1,086 machines x 2,500 hours per machine) and maintenance hours will increase by 410,000 hours (1,086 machines x 377.5 hours per machine). On February 18, you filed errata (Errata) to the Original LR.

(a) Please confirm that the Errata did not change the FY 2000 cost or workhour savings or the FY 2001 cost or workhour savings estimated from deployment of AFSM 100s.

(b) Please confirm that the Original LR estimates the use of 1086 AFSM 100s in FY 2000 and 1086 AFSM 100s in FY 2001.

(c) Please confirm that the Errata estimates the use of only 173 AFSM 100s in FY 2000 and 173 AFSM 100s in FY 2001.

(d) Please confirm that the Errata estimates workhours savings resulting from use of the AFSM 100s that are greater by a factor of 6.2775 than those estimated by the Original LR.

(e) Please confirm that 1086 divided by 173 is 6.2775.

(f). Please explain how you found the errors in the number of machines and the hours savings per machine and provide all work papers showing original and revised calculations.

(g) Please explain the process the USPS followed in estimating cost reductions for the ASFSM 100.

RESPONSE:

Before I respond to the questions, I will attempt to dispel some of the confusion that has resulted from the presentation and revisions to USPS-LR-I-126. Table I that accompanies this response shows the summary of impacts resulting from the Automated Flat Sorting Machine program. The table presents the page and description in USPS-LR-I-126 and presents the information by Phase I and Phase II. It is important to note that the "Average Hours per Machine" represents a national average at a point in time following completion of deployment. As such, dividing the total number of

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MPA/USPS-T9-1 Response continued:

machines into savings calculated at other points in time, may lead to meaningless results; this point is explained further in part (g) below.

(a) Confirmed.

(b) Confirmed.

(c) Confirmed for the total number of Phase I machines.

(d) Confirmed.

(e) Confirmed.

(f) The errors were discovered while reviewing the narrative portion of Library Reference I-126. The amounts shown in the exhibits accompanying USPS-LR-I-126 are correct, but some of the description was not correct. For instance, the Postal Service's AFSM calculations were based on the deployment of 173 machines, not 1,086 machines. Upon investigation, it became apparent that the 1,086 machines originally shown on page 6 for Advanced Flat Sorting Machine (AFSM) was a typographical error that used the 1,086 machines listed for Advanced Facer Canceler (AFC) OCR, which appears in the very next section of page 6.

(g) The USPS estimated the AFSM 100 cost reductions by utilizing assumptions about the anticipated operating environment. For instance, the assumptions were based on average FSM 881 and AFSM 100 runtimes, average throughputs, average

MPA/USPS-T9-1 Response continued:

staffing, etc. expected during the deployment period. The deployment period for any mechanization or automation project evolves in a dynamic environment that requires changes as the needs change. Thus, the hours per machine used in USPS-LR-I-126 are representative averages of the anticipated national environment during the period FY 1999 through Test Year 2001.

TABLE I

Response:
MPA/USPS-T9-1

LR-I-126 Rev. 4/5/00	Description		Equivalent Number of Machines	Average Hours per Machine	Workhour Savings
		Phase I			
		FY 2000			
Page 6	Automated Flat Sorting Machine (AFSM)	Clerks	173	(746)	(129,006)
		FY 2001			
Page 6	Automated Flat Sorting Machine (AFSM)	Clerks	173	(15,694)	(2,714,993)
Page 18	Additional Automated Flat Sorter Machine (AFSM) To Upper Bound	Clerks	173	(10,000)	(1,730,000)
		FYs 00&01 Total	173	(26,439)	(4,573,999)
		Phase II			
		FY 2001			
Page 18	Accelerate FSM Buy Into 2001	Clerks	44	(29,727)	(1,307,988)
Page 18	Additional Savings Potential for Automated Flat Sorting Machine (AFSM) 100	Clerks	44	(3,864)	(170,016)
		FY 01 Total	44	(33,591)	(1,478,004)

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MPA/USPS-T9-2. Please reconcile the difference in FY 2001 workhour savings for "Accelerate FSM Buy Into 2001" of 29,727.3 hours per machine (Original LR) with the FY 2001 workhour savings per machine of 15,693.6 hours cited in the Errata.

RESPONSE:

Please refer to Table I that accompanies the response to MPA/USPS-T9-1. The 29,727.3 for "Accelerate FSM Buy Into 2001" is the Phase II workhour savings per machine for FY 2001. The comparable Phase I workhour savings per machine for F Y 2001 is 26,439; the sum of "Automated Flat Sorting Machine (AFSM)" and "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100 savings.

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MPA/USPS-T9-3. Please reconcile the difference in FY 2001 workhour savings for "Additional Advanced Flat Sorter Machine (AFSM) To Upper Bound" of 43,181.8 hours per machine (Original LR) with the FY 2001 workhour savings per machine of 15693.6 hours cited in the in the Errata.

RESPONSE:

Please see Table I that accompanies the response to MPA/USPS-T9-1, the response to MPA/USPS-T9-2 and the Erratum filed for page 18, "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100." These additional savings include further savings resulting from the challenge to the field to realize the savings calculated from the "Upper Bound" of the DAR calculations, as opposed to the "Lower Bound" of the used in the earlier calculations. Including the Upper Bound challenge increases the average savings per machine 10,000 hours for Phase I and 3,864 hours for Phase II.

DECLARATION

I, William P. Tayman, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

William P. Tayman

Dated: 4/24/2000

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.

Scott L. Reiter

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