

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

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORY OF THE ALLIANCE OF NONPROFIT MAILERS
(ANM/USPS-T9-22)

The United States Postal Service hereby provides a revision to the response of witness Tayman to interrogatory ANM/USPS-T9-22. The original response was filed on March 16, 2000.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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April 5, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS**

ANM/USPS-T9-22. Please refer to LR-I-126, page 18.

- a. Please explain why the section "Accelerate FSM Into 2001" shows a projected savings of 29,727.3 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours per machine (see ANM/USPS-T9-20a).
 - a. Have the additional 44 machines discussed in preceding part (a) been approved for purchase by the Governors?
 - b. Are any of the projected savings discussed in preceding part (a) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.
 - c. Please explain why the section "Additional Advanced Flat Sorter Machine (AFSM) to Upper Bound" projects savings of 43,181.8 hours per machine, while the initial buy discussed on page 6 shows a projected savings of only 2,618.8 clerk hours per machine.
 - d. Have the additional 44 machines discussed in preceding part (d) been approved for purchase by the Governors?
 - e. Are any of the projected savings discussed in preceding part (d) contained in a Decision Analysis report ("DAR") that has been submitted to management or the Governors? If so, please produce the DAR, along with any correspondence, memoranda or other documents relating to the DAR.
 - f. Explain why a second buy of an additional 44 machines should save 45 percent more work hours (43,181.8/29,727.3) than the immediately preceding buy.

RESPONSE:

- a. Please note that the savings per the AFSM 100 for clerks was revised in errata filed on February 18 to page 6 of LR-I-126; clerk savings per machine is 15,694 hours. Savings differences still exist since the Phase I purchase is to supplement current FSM capacity (thereby reducing manual flat volumes) and the Phase II purchase will be to replace existing FSM 881s.

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For comparison purposes, the total savings for Phase I should be compared to the total savings for Phase II. For this comparison, please refer to Table I that accompanies the response to DMA/USPS-T9-49. Total Phase I savings through FY 2001 are $16,439 + 10,000 = 26,439$.

- b. No.
- c. Information pertaining to Phase I was filed in USPS-LR-I-261, "DAR Materials Produced Under Protective Conditions Pursuant to Presiding Officer's Ruling No. R2000-1/22 (March 29, 2000). A DAR has not been prepared for Phase II.
- d. The referenced savings of 2,618.8 clerk hours per machine is not contained on page 6 of LR-I-126. This amount was apparently calculated by summing the clerk savings in FY 2000 and FY 2001. As explained in my response to part a) of this question, errata filed to page 6 on February 18 modified the per machine savings. The initial savings were based on an established ROI and competitive testing. Given the additional experience with the pre-production AFSM and an additional challenge to the field to increase productivity, we have increased the test year savings on the 44 additional AFSM purchases to the equipment's maximum throughput specifications.

Furthermore, errata filed to page 18 on April 5, 2000 explains how the savings were derived from both Phase I and Phase II for "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100." As can be seen on Table I that

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accompanies the response to DMA/USPS-T9-49, the additional Phase II savings in FY 2001 are 3,864 average hours per machine for the equivalent of 44 machines.

The additional savings in FY 2000 and 2001 are 10,000 average hours per machine for all of the 173 Phase I machines deployed.

- e. No.
- f. A DAR has not been prepared for Phase II.
- g. Please refer to the errata filed April 5, 2000 for the revision to page 18 of USPS-LR-I-126. The paragraph titled "Additional Savings Potential for Automated Flat Sorter Machine (AFSM) 100" describes the calculation of the 1,900,000 clerk hours of savings. There is no longer a comparison of 43,181.8 to 29,727.3.

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: 4/5/2000

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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