

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

RECEIVED
APR 26 2 42 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

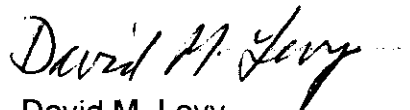
Docket No. R2000-1

Postal Rate and Fee Changes, 2000

**FIRST INTERROGATORIES OF ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS UNGER (ANM/USPS-ST43-1-4)**

The Alliance of Nonprofit Mailers ("ANM") respectfully submits the attached interrogatories and document requests to USPS witness Dennis R. Unger (USPS-ST-43). *ANM incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed Jan. 24, 2000).*

Respectfully submitted,



David M. Levy
Christopher T. Shenk
Sidley & Austin
1722 Eye Street, N.W.
Washington, DC 20006-3704
(202) 736-8214

Counsel for Alliance of Nonprofit Mailers

April 26, 2000

QUESTIONS

ANM/USPS-ST-43-1. In Section IV of your testimony, beginning on page 13, you discuss the issue of flat sorter productivity. In particular, you note that the Southeast Area productivity trend has followed the national trend, and over the past four years has declined from 711 total pieces handled per work hour to 545 total pieces handled per work hour, a decline in productivity of some 28 percent. You note that “beneficial operational changes have had a very significant impact, but have contributed to the impression of a loss in productivity.” (Emphasis added.)

- a. Please identify and describe each such “beneficial operational changes.”
- b. Have these “beneficial operational changes” been effective to offset fully the apparent decline in productivity over this period? If so, please explain how.
- c. Produce all data indicating the extent to which these “beneficial operational changes” have offset the apparent decline in productivity over this period.

ANM/USPS-ST-43-2. You contend that sorting mail to carrier route is more efficient when performed on FSM 881 equipment, but note that throughput of the machine is affected by the change from one set of five digit zones to another.

- a. Do the guidelines now in place assure that decisions negatively affecting machine utilization are offset by greater savings generated in other areas?
- b. Describe these guidelines and the process in which they are used, and produce copies of all such guidelines in current use.
- c. Provide examples of how tradeoff decisions regarding machine and personnel utilization are evaluated to determine if they were truly effective.

d. Produce copies of all such evaluations performed since 1993 by or for (1) regional management for Florida, Georgia, Alabama, Mississippi or Tennessee or (2) Postal Service headquarters management.

ANM/USPS-ST-43-3. In your testimony on page 13, lines 26 through 30, you discuss utilization of the FSM 1000 equipment.

a. Please explain what you mean by the statement, "many processing plants have moved all volume for given operations to this equipment."

b. Explain the causal link, if any, between the stated phenomenon and the rising cost of handling periodical mail.

c. Produce all data that support your response to part b.

ANM/USPS-ST-43-4. On page 15, lines 8 through 12, you raise the issue of achievement of operating budget and net income. Please confirm that giving primacy as an organizational goal to meeting the "bottom line operational budget" can, in some circumstances, lead to sub-optimized performance in a particular cost segments (such as processing periodicals).

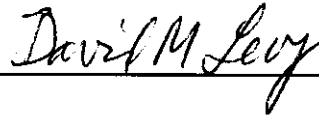
a. If you do not confirm, please explain fully.

b. If you do confirm, please identify all standards and procedures adopted by the Postal Service to avoid harming either the cost or quality of serving particular classes of mail.

c. Please produce all data, studies, analyses and other documents needed for a third party to verify your responses to parts a and b.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, reading "David M. Levy", is written above a solid horizontal line.

April 26, 2000