

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 UNGER
TO INTERROGATORIES OF ASSOCIATION FOR POSTAL COMMERCE
(POSTCOM/USPS-ST43-1-5, and 6(b)-(e))

The United States Postal Service hereby provides the responses of witness Unger to the following interrogatories of Association for Postal Commerce: POSTCOM/USPS-ST43-1-5, and 6(b)-(e), filed on April 21, 2000. Interrogatories POSTCOM/USPS-ST43-6 and 6(a) were redirected to the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 5, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS UNGER
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POSTCOM/USPS-ST43-1 You say (at page 4 of USPS-ST-43) that "Some mailings in other [than Periodical] classes arrive in a line-of-travel sequence" Please identify those other classes.

RESPONSE:

I referred to Standard A mail.

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POSTCOM/USPS-ST43-2 You note (at page 4 of your testimony) that "Mail of all classes frequently arrives in pallets and sacks. Pallets are generally the easier to handle" You discuss the cost of breakage of periodical bundles and recite that you " . . . understand that recently measures have been initiated to minimize mail processing bundle breakage."

(a) Do these measures have to do only with bundles of Periodicals? If not, to what non-Periodical mail do they apply.

(b) Do you have any information concerning the anticipated success of these "measures"? If so, what is it?

RESPONSE:

- a). No, any strapped mail is subject to breakage. However, when I see broken bundles, they are most frequently Periodicals mail.
- b). I am confident that the measures designed to reduce the frequency of bundle breakage will meet with success. I am seeing increased emphasis on mail preparation changes, consideration of equipment modifications, and changes in work methods to reduce bundle breakage and recover broken bundles.

See also the response of Witness O'Tormey to MPA/USPS-ST42-10.

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POSTCOM/USPS-ST43-3 . Witness O'Tormey attributes to you the conclusion that "... the Postal Service had difficulty reducing the number of employees [hired in the fall of 1998]." Is this an accurate characterization of your testimony?

RESPONSE:

The personnel issue for us involved several variables. These included (1) the timing of increased numbers of mailings for both the 1998 fall mailing season and in late 1998 (in anticipation of the January, 1999, rate change); (2) achieving appropriate staffing levels for those peak workloads; and (3) practical considerations surrounding hiring and terminating employees, especially temporary ones.

In the Southeast Area, a significant percentage of the employees hired in advance of the 1998 fall mailing season were temporary employees, called casuals. These employees could have been terminated immediately when the increased fall workload failed to appear. However, for a number of reasons, we chose to retain them. The circumstances in fall 1998 that influenced our decisions were:

- a. Mailers' communications and our own forecasts indicated that we should expect higher workloads in fall 1998 than other times of the year. However, that forecast did not predict the exact dates to expect the surge. We hired the additional resources in anticipation of the increased fall mailings predicted. Given our commitment to mailers that we would ensure trained staff would be ready when the volumes arrived, most were employed shortly before the dates we expected to need them so we could train them and have them available when heavy mailing volumes appeared.

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We had no communication from Headquarters or from mailers that told us to stop expecting those increased volumes. We had no information to conclude that we should not retain this additional personnel.

- b. In addition to the fall mailing season, we anticipated higher than normal workloads in late November and December as customers entered mailings in advance of the rate change that was scheduled for January, 1999.
- c. The terms of employment of casuals are established in part by our labor agreements. In each calendar year, an individual may be hired as a casual employee for two 90-day appointments plus one 21-day Christmas appointment. To hire a casual for even one day uses one of those appointment periods. Once terminated, some of the casuals hired for the fall 1998 mailing season would have been ineligible for rehire until December. This would have been too late to assist in the late 1998 workload increase. We adjusted casuals' schedules to provide fewer hours when volumes were low.
- d. Even for those casuals eligible to be re-appointed immediately, there is a period of time it takes to hire or rehire an individual. If we had terminated these employees and thereafter the additional mailing volumes appeared, the lag time between need and availability could have caused mail delays for the entire remaining fall mailing season and for the late 1998 surge.
- e. Even though the anticipated fall volumes did not materialize, there was more mail in the system than at other times of the year. Those already on the rolls could be and were used productively to provide the promised levels of service.

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In addition to casual employees, the number of career employees was increased slightly by advancing hiring authorizations. This small group of employees would not be terminated should the increased workload not appear. They were also utilized to provide a higher level of service than the 1997 season and to keep workloads moving through the system pending late 1998 workload surges.

Had the Postal Service not hired the additional resources or had it terminated them, I believed then, and do now, that service failures and delayed mail would have existed as they did in the 1997 mailing season. For all the reasons cited in this response, we retained the additional resources longer than we might have under different circumstances.

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POSTCOM/USPS-ST43-4 Do you have a view as to whether commercial Standard A regular automation mail is presented on pallets more frequently than Commercial Standard A presort mail? If so what is it?

RESPONSE:

No, I have no view on this issue.

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POSTCOM/USPS-ST43-5 In the text at lines 1-12 at page 15 of your testimony you describe the complexity of evaluating performance but make no ultimate evaluation. *If you have evaluated performance in the Southeast Area, what is that evaluation?*

RESPONSE:

The focus of my direct testimony is on the complexity of evaluating performance. However, I did provide the evaluation to which you refer. In response to your question, I reiterate the statements made in my direct testimony on page 13, at lines 14-20 and on page 15, at lines 6-8.

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POSTCOM/USPS-ST43-6 Page 2 of your testimony says: "My testimony addresses three specific issues: (1) the trend in Periodicals since 1993; (2) the trend in flats mail costs in FY 1998; and (3) the trend in flats productivity from 1995 to 1999." LR-I-107 provides productivities for FY 1998 for MODS operations. Please provide three updates to LR-I-107, Yrscrub.xls, worksheet "table" using data from the following periods: (1) FY 1999; (2) FY 1999, AP13; and (3) FY 2000, YTD. Please also answer the following questions about how MODS reports data for FSM 881s with both OCR and BCR capability and about the Baltimore AFSM 100 trial.

- (a) How are TPH, TPF, and workhours for an FSM 881 with both BCR and OCR capability reported in the updated tables?
- (b) How are TPH, TPF, and workhours for an FSM 881 with both BCR and OCR capability reported in MODS?
- (c) What MODS numbers can be used to record TPH, TPF, and workhours for FSM 881s with both BCR and OCR capability?
- (d) Are TPH and TPF for barcoded flats that are processed on an FSM 881 with both BCR and OCR capability reported in different MODS numbers than are TPH and TPF for nonbarcoded flats that are processed on the same machine?
- (e) Please provide TPH and TPF data for the AFSM 100 trial in Baltimore. In particular, please provide aggregate AFSM 100 TPH and TPF, AFSM 100 TPH and TPF just for barcoded flats, and AFSM 100 TPH and TPF just for nonbarcoded flats.

RESPONSE:

The requested updates to the LR-I-107 material will be provided by the Postal Service.

- a). Redirected to the Postal Service.
- b). These data are reported using MODS operation series 140 (for manual keying mode) or series 420 (for OCR mode, OCR-BCR mode, or BCR-OCR mode)

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for FSM881's with both BCR and OCR capability. The specific operation codes associated with these two series are set forth in the following tables.

The operation numbers to be used on an FSM881 when an operator is manually keying each mail flat piece are:

Operation Number	Description in MODS
140C	Composite for MPFSM
141	MPFSM-OUTGOING PRIMARY
142	MPFSM-OUTGOING SECONDARY
143	MPFSM-MANAGED MAIL
144	MPFSM-SCF
145	MPFSM-INCOMING PRIMARY
146	MPFSM-INCOMING SECONDARY
147	MPFSM-BOX SECTION
148	MPFSM-INCOMING NON-SCHEME

The operation numbers to be used on an FSMOCR, including FSM 881, when utilizing other than the manual (keying) mode are:

Operation Number	Description in MODS
420C	Composite FSMOCR
421	FSMOCR - Outgoing Primary
422	FSMOCR - Outgoing Secondary
423	FSMOCR - Managed Mail
424	FSMOCR - Incoming SCF
425	FSMOCR - Incoming Primary
426	FSMOCR - Incoming Secondary
427	FSMOCR - Box Mail

c). The MODS numbers listed in subpart (b) can be used. In addition, operations series 960 is available for BCR mode; specific operation numbers are indicated below. Currently, Headquarters instructions require that FSMs

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processing mail which is all bar coded be run in BCR-OCR mode, using operations series 420.

Operation Number	Description in MODS
960C	Composite for the FMBCR
961	FMBCR-OUTGOING PRIMARY
962	FMBCR-OUTGOING SECONDARY
963	FMBCR-MANAGED MAIL
964	FMBCR-INCOMING SCF
965	FMBCR-INCOMING PRIMARY
966	FMBCR-INCOMING SECONDARY
967	FMBCR-BOX SECTION

- d). The distinction is whether the flats are keyed manually. If so, the data are reported under operations series 140. If the flats are processed using OCR mode, OCR-BCR mode, or BCR-OCR mode, the data are reported under operation series 420.
- e). I have been told that data are not available and that separate operation numbers for the AFSM100 were just recently established.

DECLARATION

I, Dennis R. Unger, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Dennis R. Unger
Date: 5-5-00

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.



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