BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268–0001

POSTAL RATE AND FEE CHANGES, 2000	Docket No. R2000–1

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF DOUGLAS CARLSON (DFC/USPS–99-112 and 114)

The United States Postal Service hereby provides its responses to the following interrogatories of Douglas Carlson: DFC/USPS–99 through 102, filed on June 19, 2000; DFC/USPS-103-112 and 114, filed on June 23, 2000.

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

An objection to DFC/USPS-113 was filed on June 29, 2000.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 10, 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.

Michael T. Tidwell

July 10, 2000

DFC/USPS-99.

a. Please refer to the response to DFC/E-STAMP-T1-2(a). Is witness Jones correct in suggesting that presence of fluorescent or phosphorescent ink on an envelope that has a FIM "D" will cause the AFCS to treat the envelope differently than the AFCS would treat the envelope if the envelope had a FIM "D" but no fluorescent or phosphorescent ink? Please explain.

b. b. Please confirm that, in the case of FIM "A", the AFCS detects *both* the FIM "A" and the fluorescent or phosphorescent ink. If you do not confirm, please explain.

RESPONSE:

a. Please refer to USPS LR I-154, pages 27-28. The indicia detectors look for FIM and FIM type. If a mail piece has a FIM "D", it should be sorted to the proper bin, whether there is flourescent/phosphorescent ink on the mail piece or not. There should be no processing difference.

b. Confirmed.

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DFC/USPS-100.

Please refer to the response to DFC/E-STAMP-T1-2(b). Is witness Jones correct in suggesting that FIM "D" signals to "scanning equipment" that a POSTNET bar code is present? If the answer is yes, please reconcile the response with the response to DFC/USPS-66(b).

RESPONSE:

FIM "D" tells the machine to sort the mail piece to a particular bin.

DFC/USPS-101.

Please refer to the response to DFC/USPS-66. Please describe examples of properly prepared FIM "D" letter mail that would not be pre-bar-coded.

RESPONSE:

Presently, all properly prepared FIM "D" mail should be prebarcoded. However, there is likely to be some residual "pre-IBIP" FIM "D" mail which is not prebarcoded.

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DFC/USPS-102.

Please refer to the response to DFC/USPS-66. Is FIM "D" properly used for any mail other than IBI mail? If yes, please explain and provide examples.

RESPONSE:

No. See the response to DFC/USPS-101.

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DFC/USPS-103 Please refer to the response to DFC/STAMPS.COM-T1-1(d), (e), (g), (h), and (i). Is witness Heselton correct in suggesting that some postal facilities sort IBIP (FIM "D") mail to a stacker for pre-bar-coded FIM mail? If so, please identify these postal facilities and reconcile this information with the response to DFC/USPS-66.

Response:

Currently, the AFCS recognizes FIM D and directs the mailpiece to the enriched (OCR) stacker. We are not aware of any postal facilities sorting IBIP (FIM D) mail to a stacker for pre-barcoded FIM A and FIM C mail (Courtesy Reply and Business Reply Mail).

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DFC/USPS-104 Please explain the extent to which the Postal Service agrees with the premise of DFC/STAMPS.COM-T1-2(c), which suggests that omission of a ZIP+4 Code in a typewritten, OCR-readable address is inconsequential for mail processing because the MLOCR will perform a database lookup and spray a correct delivery-point bar code.

Response:

Yes, the MLOCR will perform a data base lookup and spray a barcode if it has a successful match. Addresses with a ZIP+4 have a higher OCR encode rate as supported by the previous ZIP+4 discount that has since been eliminated.

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DFC/USPS-105 Please refer to DFC/STAMPS.COM-T1-5(b) and witness Heselton's response.

a. Please explain whether my ability to print an envelope addressed to a nonexistent street address using Stamps.com software likely was possible only because of an anomaly or error in the AMS database.

b. Is the AMS database designed to identify errors such as the one described in DFC/STAMPS.COM-T1-5(b)? Please explain.

c. Is the AMS database typically capable of identifying nonexistent street numbers that fall within a valid number range on a particular street? Or will it accept invalid street numbers that fall within a valid range? Please explain.

Response:

a) The ZIP+4 file contains street names associated with number ranges. The ZIP+4 matching processes do not validate the existence of individual primary addresses. They validate that a street exists with that name and that range of numbers.

b) No. The only way to validate the existence of individual addresses is to purchase the services of a Delivery Sequence File (DSF) Licensee. The licensee would process a list and be able to validate that the addresses on the list are valid mailing addresses.

c) No. (see (a) above). Yes, the AMS database will accept invalid street numbers that fall within a valid range. There may be valid physical addresses which are not used for mailing addresses. For example, in a rural office, there are three houses on one block. The block is in ZIP+4 because one house on the corner is on the rural carrier's line of travel out of town. He delivers to a box on the side of the road. The other two physical addresses are not in our

addressing database because they are within ¼ mile of the post office and they have Post Office Box service.

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DFC/USPS-106 . Please refer to the response to DFC/STAMPS.COM-T1-6(d).

a. Please confirm that the Postal Service has instructed employees to handle properly bundled IBIP letters as bundled metered mail. If you do not confirm, please explain.

b. Please confirm that the 020 operation that trays bundled metered mail typically does not make a separation for pre-bar-coded mail that should be taken directly to a BCS. If you do not confirm, please explain.

c. Please confirm that witness Heselton's suggestion that "it would be more expeditious" for the Postal Service to take IBIP mail "directly to a barcode reader for processing" would require 020 operations to create an additional separation and an additional mail stream. If you do not confirm, please explain.

d. Does the Postal Service agree with witness Heselton's suggestion that "it would be more expeditious" for the Postal Service to take bundled IBIP mail "directly to a barcode reader for processing"? Please explain.

e. Please discuss the amount of mail-processing costs (per letter) that are avoided in processing bundled metered letters compared to the benchmark of loose, handwritten letters.

Response:

a. Confirmed.

b. Confirmed.

c. Confirmed for IBIP in bundles if quantity justifies a holdout and additional handling. It would not be applicable for single piece IBIP.

d. No. FIM A and FIM C are firms (remittance mail) with different densities on the DBCS. FIM D has different densities and we would not want to mix the two. Additionally, there are no more AFCS holdouts/stackers available.

e. We have not studied the costs avoided differences in processing bundled metered letters compared to loose handwritten letters.

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DFC/USPS-107 Please refer to the response to DFC/STAMPS.COM-T1-7(a). Does improperly dated IBIP and metered mail incur the same per-piece processing costs as properly dated IBIP and metered mail? Please explain. If the answer is yes, please reconcile the response with the response to DFC/USPS-T10-9.

Response:

No studies have been conducted to quantify the costs that might be incurred in order to rectify the problems associated with improperly dated IBIP mail pieces and metered mail pieces. However, after these mail pieces have been isolated and the problems have been resolved, the mail processing costs for the (formerly) improperly dated IBIP mail pieces would be identical to the mail processing costs for the IBIP mail pieces had the original dates been correct. Likewise, the mail processing costs for the (formerly) improperly dated metered mail pieces would be identical to the mail processing costs for the metered mail pieces had the original dates been correct.

However, the mail processing costs for the IBIP mail pieces would not be identical to the mail processing costs for the metered mail pieces. IBIP mail pieces must have machine printed addresses and POSTNET barcodes. Metered mail pieces exhibit more variation in terms of mail piece characteristics because any First-Class single-piece mail type (e.g., CRM, machine printed, handwritten) can be metered. Therefore, the mail processing costs for IBIP mail pieces and metered mail pieces would not be identical.

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DFC/USPS-108 Please refer to the response to DFC/STAMPS.COM-T1-7. Does use of the date in Stamps.com's postage servers as the default date when customers print IBIP indicia likely lead to a larger quantity of stale-dated IBIP mail than the Postal Service would receive if the software required customers to confirm that the date the system proposed to print on the indicia was, in fact, the customer's intended date of mailing? Please explain.

Response:

Since IBIP is still in the early stages, we have not undertaken any studies of the possible increase in stale dated IBIP mail.

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DFC/USPS-109 . Do the Postal Service's published limitations on envelope size, shape, and weight for automation compatibility apply for loose mail that must pass through the culling, facing, and cancelling system? Please provide any citations to the record, postal manuals, or postal regulations that would support an affirmative answer to this question.

Response:

Basic letter dimensions are provided in the Domestic Mail Manual section

C050.2.0.

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DFC/USPS-110 Does the Postal Service believe that #10 envelopes that weigh three ounces typically will be too thick to pass through the culling system and the AFCS?

Response:

As long as the ¼ inch thickness requirement is met, envelopes that weigh three ounces or less would not be too thick.

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DFC/USPS-111 Is it reasonable to assume that most mailers who fold multiple sheets of paper into #10 envelopes fold most of the sheets together, all at once, rather than folding each sheet individually?

Response:

It is reasonable to assume that most mailers would fold multiple sheets of paper together, all at once.

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DFC/USPS-112 Will #10 envelopes weighing two ounces and containing letter-size sheets of paper that are folded together, rather than individually, likely be too thick to pass through the culling system and the AFCS? Please explain.

Response:

See response to DFC/USPS-110.

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DFC/USPS-114 Suppose two letters are correctly addressed to the same address. Both letters have OCR-readable typewritten addresses and 11-digit Postnet bar codes in the address block. Both letters are fully automation-compatible, and they are deposited loose in a collection box in a large city. One envelope is prepared using IBIP and FIM "D", while the other letter has a postage stamp and a mailer-printed FIM "A". Please confirm that the FIM "A" letter likely will avoid more processing costs compared to a handwritten letter than the IBIP letter will avoid. Please explain.

Response:

In most instances, the FIM A letter will avoid more processing than the IBIP with FIM D letter. If the OCR sorts the IBIP letter to the same destination/holdout as the BCS would sort the FIM A letter, then the productivity and the piggyback factors should be the only cost differences. This would be unlikely since the FIM A and FIM C sort plans on the DBCS are sorting usually to firms with different holdouts and densities than other single piece letters and cards.