

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

---

POSTAL RATE AND FEE CHANGES, 2001

---

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY  
(VP/USPS-T39-4-14, 16-17, and 23)

The United States Postal Service hereby provides the responses to the following interrogatories of Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers' Association, Inc. redirected from witness Kingsley: VP/USPS-T39-4-14, 16-17, and 23, filed on October 3, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

---

Joseph K. Moore

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3078, Fax -5402  
October 17, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-4**

- a. To what extent and under what circumstances are DALs sorted with other letter-shaped mail (i.e., whether cased manually or by automation equipment)?
- b. Approximately what percentage of DALs would be sorted with letter-shaped mail?
- c. To what extent and under what circumstances are DALs cased with flat-shaped mail?
- d. Approximately what percentage of DALs would be sorted with flat-shaped mail?
- e. When carriers receive their letter mail DPS'd by the P&DC, and case manually only their flat mail, do they case DALs in their flat cases along with other flat mail? If not, please describe how DALs are handled under these circumstances. Also explain how letter-shaped mail that must be manually into route sequence is handled.

**Response:**

- (a) City carriers sort DALs on all non-curbline delivery portions of their routes. These DALs would be sorted in with the letter-shaped mail on those routes not using vertical flats casing in the DPS environment.
- (b) Unknown, based on the fact that there could be curbline delivery portions on every route.
- (c) City carriers sort DALs on all non-curbline delivery portions of their routes. These DALs would be sorted in with the flat-shaped mail on those routes using vertical flats casing in the DPS environment.
- (d) Unknown, based on the fact that there could be curbline delivery portions on every route.
- (e) No. Non-DPS letters still exist and still must be cased by the carrier in the office into delivery sequence.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-5**

Your testimony at page 12, lines 20-27, indicates that manual sortation has a cost consequence that the mailer currently does not directly bear. At page 33, lines 7-9, you indicate that a clerk standing at a case "will sort a letter every two to four seconds, but a good productivity is [only] about 600 pieces per hour, i.e., 6 seconds per piece."

a. Are your statements generally correct for all letter mail regardless of the level of presortation, and regardless of the scheme being worked (i.e., primary outgoing, secondary outgoing, etc.)? If not, please elaborate and clarify.

b. What is the best estimate of the rate at which carriers manually case ECR saturation letters presorted to carrier route sequence or LOT? If a single point estimate is not available (e.g., number of pieces per hour ("PPH")), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.

c. What is the best estimate of the rate at which carriers case ECR saturation flats? If a single point estimate is not available (e.g., number of pieces per hour), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.

d. What is the best estimate of the rate at which carriers manually case DALs? If a single point estimate is not available (e.g., number of pieces per hour), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.

**Response:**

(a) No. Line of Travel (LOT) or walk sequence (as is required for ECR) would be cased at a much faster rate.

(b) City Letter carriers have a base minimum casing rate of 18 pieces per minute for letter mail. Witness Shipe in R90-1, USPS-T-10, exhibit F, page 1, presented a city carrier casing rate for walk sequence letters of 41.2 pieces per minute.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

- (c) City Letter carriers have a base minimum casing rate of 8 pieces per minute for flat mail. Witness Shipe in R90-1, USPS-T-10, exhibit F, page 1, presented a city carrier casing rate for walk sequence flats of 27.4 pieces per minute.
- (d) The minimum to case DALs is the same as for letters.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-6**

- a. Do carriers always leave the DDU with DALs sorted with either their letter mail or their flat mail?
- b. Unless your answer to preceding part a is an unqualified affirmative, under what circumstances would carriers take DALs to their route separately (i.e., along with the accompanying mailpieces), without any sortation whatsoever?

**Response:**

- (a) As described in issue VP/USPS-T-39-4(a,c,and e), city carriers case or sort DALs on all non-curbline delivery portions of their routes, either in with the letter-shaped or flat-shaped mail. On mounted routes the carrier can take the tray of walk sequenced DALs directly to the vehicle without casing.
- (b) City carriers would take the DALs directly to the street on all curbline delivery portions of their routes.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-7**

a. Regardless of whether DALs are sorted with other letter-shaped mail or other flat-shaped mail, explain how carriers locate or identify the presence of a DAL after they arrive at a stop and before they load mail into the addressee's mailbox.

b. Are carriers supposed to position the DAL next to or with the accompanying mailpiece when they insert the two items into the addressee's mailbox?

**Response:**

(a) City carriers finger (validate) the mail prior to depositing it in the customers mailbox.

During this process the carrier identifies the DAL and retrieves the accompanying piece for deposit in the customer's mailbox.

(b) No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-8**

As a hypothetical, assume that on one particular day (e.g., Monday) a DDU receives from various mailers four saturation ECR mailings as follows: (i) letters; (ii) flats, (iii) catalogs, and (iv) flat-shaped unaddressed pieces with DALs. Assume further that none of these mailings has a requested date for delivery and that the volume of other classes of mail for delivery that day is normal.

- a. What is the probability that one or more of the four saturation mailings will be deferred for a day?
- b. If one or more of the above four saturation ECR mailings should need to be deferred in order to meet service standards, with respect to the decision as to which mailing(s) to defer, is the determination essentially random? I.e., do each of the four mailings have an equal chance of being deferred?
- c. Unless the answer to preceding part b is an unqualified affirmative, please describe the procedure for determining which mailings will be delivered on the first delivery day after being received at the DDU, and which will be deferred.
- d. Provide copies of all Postal Service orders, letters, directives, etc., that (i) supplement or supersede the Domestic Mail Manual ("DMM"), and (ii) pertain to the priority of delivery of all or any portion of Standard Mail when all such mail that is available for delivery on a particular day cannot be delivered on that day.
- e. Which of the above mailing(s) is (are) most likely to be taken directly to the route as a third bundle? Please explain the rationale for the decision as to which mailings are to be taken as a third bundle where permitted.
- f. As between four different saturation ECR mailings of the type described above, is the Postal Service indifferent as to which one is taken directly to the route as a third bundle? Please explain the basis for your answer.

**Response:**

(a) The response to this question would depend on local circumstances. A delivery unit manager would check for anticipated next day volume before deciding to defer any of these mailings or use available auxiliary assistance and/or overtime to deliver all four mailings on day of arrival. This also assumes the mail arrives at the delivery unit in time to be distributed to the carriers for delivery that day. It would also depend on the type of

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

routes in the delivery unit. Foot/Park and Loop routes are limited to carrying three bundles, so the time to case at least three of these mailings would have to be considered. Also, the DPS procedures that the carriers use would also be a consideration since they are limited to carrying three bundles and one of the bundles will always be DPS letters. In the two work methods described above, residual letters may be cased together with flats as one bundle or separately from the flats which would constitute two separate bundles. If carriers were casing letters with flats, then the enveloped flats and catalogs would be cased with residual letters along with the DAL cards, and the unaddressed flat pieces would be carried as a third bundle. ECR letters would also be cased along with other residual letters and flats. If carriers used the Composite bundle work method (casing residual letters separately from flats) then DPS letters would constitute one bundle, residual letters another and flats another. In this case the carrier would have to case either the unaddressed flat pieces or the DPS letters to avoid a fourth bundle. This is a local decision. There is no limitation on the number of bundles a mounted carrier can handle, therefore, at management's discretion, some or all of these mailings may be simply placed in a tray in the vehicle or they may be cased.

(b) and (c) Yes, however, prudent managers will send saturation ECR letters to the plant to be run on the DBCS and placed in DPS order for next day delivery avoiding carrier office time for this mailing.

(d) None.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

(e) and (f) The unaddressed flat piece bundle is most likely to be taken directly to the route. Since it has no address, the carrier does not have to look at an address on the piece to verify that it is the correct piece for delivery at each particular delivery, but simply pulls unaddressed flat piece from the back of the addressed flat or flat and letter bundle combined. Also see answer to a above.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-9**

As a hypothetical, please assume that for five consecutive days a DDU received two mailings of saturation ECR unaddressed flats (consisting of host pieces with untabbed inserts) with DALs each day, Monday through Friday; i.e., a total of 10 saturation DAL mailings are received within five calendar days. Call these saturation DAL mailings SM<sub>1</sub>, SM<sub>2</sub>, SM<sub>3</sub>, where SM<sub>1</sub> and SM<sub>2</sub> are the mailings that arrive on Monday, SM<sub>3</sub> and SM<sub>4</sub> are the mailings that arrive on Tuesday, etc. Assume further that (i) all mailings are entered at the DDU between the hours of 8:00 a.m. and 5:00 p.m., (ii) none of the mailings have any special requested day of delivery, and (iii) the total mail for delivery each day that week (including the saturation DAL mailings) is within the range that can be described as "moderate to normal." The two mailings entered on Monday will thus be for delivery the following day, Tuesday, or later (if deferred). Starting with Tuesday, please describe how these 10 DAL mailings likely would be handled, including (i) the likely day of delivery for each (i.e., the day after arrival or deferred for a day), and (ii) whether the flats in each mailing would be cased manually or taken on the route by the carrier as a third bundle. Please feel free to make whatever further assumptions are necessary to provide a responsive answer to this interrogatory, stating explicitly each such further assumption that you deem necessary and appropriate. If the response differs depending on route type, please so indicate.

**Response:**

Mounted route carriers are not limited to any specific number of bundles, therefore, both of these mailings would be simply placed in trays in the vehicle for delivery each day.

The DAL for these mailings may be cased or handled separately at management's discretion. On foot/park and loop routes, the two unaddressed flat mailings would be collated and handled as a third bundle and the corresponding DALs would be cased with the residual letter mail. Also see answer to VP/USPS-39-8a. In this hypothetical scenario, both saturation ECR unaddressed flat mailings arriving on Monday would be delivered on Tuesday, Tuesdays arriving mail delivered on Wednesday and so on through Fridays arrival delivered on Saturday.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-10**

As a hypothetical, please assume that (i) four saturation mailings of Standard ECR unaddressed flats (consisting of host pieces with untabbed inserts) with DALs are entered at a DDU during the day on a Monday, (ii) none of these mailings have any requested day of delivery, and the volume of mail in tire DDU for delivery on the next day (Tuesday) is considered "light. "

a. Will one of the DAL mailings be taken on Tuesday as a third bundle and the flat-shaped pieces in the three other DAL mailings be cased manually and also delivered on Tuesday?

b. Unless the answer to preceding part a is an unqualified affirmative, please describe the most likely procedure for handling these four mailings in terms of (i) day of delivery, and (ii) whether the mailings will be cased manually or taken directly to the route as bundles without being cased. Please feel free to make whatever further assumptions are necessary to provide a responsive answer to this interrogatory, stating explicitly each such further assumption that you deem necessary and appropriate.

**Response:**

(a) Most likely not.

(b) The most likely scenario on mounted routes would be to case the DALs and collate the unaddressed flat pieces and place these collated flat pieces into trays to be placed in the vehicle for delivery on Tuesday. On foot/park and loop routes, two of the four DALs would be cased and the two associated unaddressed flat pieces would be collated and would be carried as a third bundle on Tuesday. The remaining two unaddressed flat pieces would be deferred until Wednesday using the same delivery process. Also see answer to VP/USPS-T39-8a.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-11**

a. For the purpose of answering this question, please assume that an unaddressed flat with an accompanying DAL consists of a host piece, sometimes referred to as an "outer piece," or "wrap," plus several accompanying loose inserts within the host piece. Assume further that in the process of handling the mailpiece e.g., loading it into a "vertical" mailbox, such as an apartment-house type of mailbox where the carrier opens an entire bank of boxes), some or all of the loose inserts fall out of the host piece. Is the carrier supposed to restore the integrity of the loose pieces and the host piece to their original condition, or can the carrier simply pick up the loose pieces and insert them into the mailbox in any sequence or order?

b. If any standard procedure is to be followed when the event described in part a occurs with a mailpiece, please provide a full description, or reference to where the description can be found.

**Response:**

(a) and (b) The answer to this question would be grounded in common sense and institutional knowledge of the situation. Yes, the carrier would put the unaddressed flat with inserts back together if he or she were to drop them. We can say this based on our knowledge that apartment-house type mailboxes are in units of no more than ten boxes and that would make the operation relatively simple and quick.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-12**

- a. Under what circumstances would carriers case unaddressed flats consisting of a host piece, sometime referred to as an "outer piece," or "wrap," plus several accompanying loose inserts within the host piece.
- b. If (or when) carriers were to case unaddressed flats, would they also case the accompanying DAL, or would that be redundant?

**Response:**

- (a) Unaddressed flats are very rarely cased. On those rare occasions, when it does happen, it usually involves park and loop and foot routes, and managing the third bundle issue.
- (b) Yes. Otherwise the carrier would not know what address is to receive the unaddressed flat.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-13**

As a hypothetical, please assume that while still in the DDU a carrier drops on the floor a number of flat-shaped Standard ECR pieces that are to accompany DALs; e.g., a bundle breaks accidentally. Specifically, assume that each flat-shaped piece in the bundle consists of a host piece with five inserts inside the host piece. Assume further that as a result of being dropped on the floor, some of the inserts become separated from their host pieces.

- a. When retrieving all the host pieces and inserts that have fallen on the floor, is the carrier supposed to try and reassemble each piece into its original condition? That is, should the carrier try to make certain that each host piece has within it the five inserts that were there prior to spilling onto the floor?
- b. If not, what is the proper procedure under conditions such as those described here?

**Response:**

According to section 691.44, Articles Separated From Envelopes, of the Postal Operations Manual (POM), "The USPS tries to match articles found loose in the mail with their envelopes or wrappers...." This may be a loose interpretation, but it is always our policy to deliver a mailpiece in the same condition as it was given to us.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-14**

Please identify the current limitations on the number and type of saturation mailings that carriers can take on their routes without any casing or sortation; i.e., as “extra” or “third” bundles? If the limitations differ by type of route, please explain.

**Response:**

City carriers on foot or Park & Loop routes are limited to three working bundles. The content of the bundles is really immaterial, however normally one bundle consists of flats and residual letters combined; another bundle is the Delivery Point Sequence or DPS letters; and the third bundle could consist of a saturation mailing.

On Curblin city delivery routes, there is no limitation on the number of bundles that can be taken on any one day.

In rural delivery, there is no limit to the number of bundles of mail, including saturation coverage mailings, that a rural carrier can carry in any one day.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-16**

- a. Please describe all circumstances under which carriers would case Standard ECR "wraps," rather than (or in addition to) the accompanying DAL.
- b. To your knowledge, how often does it occur that carriers actually case the "wraps" instead of (or in addition to) the DAL?

**Response:**

(a) The circumstances under which a city carrier would actually case the "wraps" would be very rare. Only in cases where there existed multiple saturation mailings for the same day delivery and where curtailing a saturation mailing would result in a delayed mail status would both the DAL and accompanying mail piece be cased together. In these cases, more often than not, the saturation mailing not involving a DAL would be cased instead of the shared mailing.

In rural delivery, it is the carrier choice to either case all pieces of a shared mailing or to case the DAL and carry the accompanying piece as an extra bundle.

(b) In only the most extreme delayed mail situations would a city carrier be allowed or instructed to case the accompanying pieces along with the DAL.

In rural delivery, it is the carrier choice to either case all pieces of a shared mailing or to case the DAL and carry the accompanying piece as an extra bundle. This decision can be made by the carrier on a on day to day basis.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-17**

- a. On average, at what rate per hour, or at what average cost per thousand, can carriers case "wraps"? If you provide cost per thousand data, please state whether such data are comparable to the data provided in the table at page 35 of your testimony.
- b. Can carriers case "wraps" at the same rate, or the same average cost, as Standard ECR catalogs of the same weight and with the same maximum dimensions?
- c. Can carriers case "wraps" at the same rate, or the same average cost, as Periodicals of the same weight and with the same maximum dimensions?
- d. Can carriers case "wraps" at the same rate, or the same average cost, as Bound Printed Matter ("BPM") pieces of the same weight and with the same maximum dimensions?

**Response:**

(a) There is no average casing rate for "wraps", however the minimum casing rate for 'mail of all other sizes' (the operative category into which a "wrap" would fall) is 8 pieces per minute.

(b) through (d) There is no apparent comparative analysis that lists the different casing rates and or costs for casing of specific pieces of mail of the same type (mail of all other sizes).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS  
TO INTERROGATORIES OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.  
REDIRECTED FROM WITNESS KINGSLEY

**VP/USPS-T39-23**

Please refer to your testimony at page 12, lines 14-17.

- a. On average, what is the daily change in route assignments as between carriers (in terms of the amount of mail that needs to be re-routed to a different carrier)?
- b. On average, what would be the change in route assignments every 90 days (in terms of the amount of mail that needs to be re-routed to a different carrier)?

**Response:**

- (a) Witness Kingsley's testimony is a reference to a change in delivery sequence and could, in some cases, involve the transfer of delivery territory, which is completed when necessary. By daily, it means that when changes do occur to the delivery sequence or territory is transferred, the delivery unit can temporarily change the sort plan in the automated processing to assure accuracy in the DPS process. There are no statistics on the number of delivery sequence or scheme changes occurring daily. The frequency of the scheme changes are circumstantial to each locale.
- (b) Since there are no national statistics kept on the number or frequency of daily scheme changes or territory transfer, it is not possible to compute the amount of mail relative to the changes.

## **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.

---

Joseph K. Moore

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
October 17, 2001