

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, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS KINGSLEY TO INTERROGATORIES OF THE ASSOCIATION FOR  
POSTAL COMMERCE  
(POSTCOM/USPS-T-39-1(a), 3, 5, 7-9 and 11)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of the Association for Postal Commerce: POSTCOM/USPS-T-39-1(a), 3, 5, 7-9, and 11, filed on October 10, 2001. The following interrogatory responses will be filed separately: POSTCOM/USPS-T-39-1(b)-(c), 4, and 10, redirected to the Postal Service; POSTCOM/USPS-T-39-2, 6, redirected to witness Miller.

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

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**POSTCOM/USPS-T39-1.** Please confirm that there is a difference in address quality between automation mail and nonautomation mail. If you do not confirm, please explain.

- (a) Please describe why there is a difference in address quality between automation flats and nonautomation flats.
- (b) Please provide any studies, reports, or analyses addressing address quality issues including, but not limited to, the Undeliverable as Addressed report and Address Quality Study.
- (c) Please provide the underlying data used to produce the studies, reports, and analyses in subpart (b) of this interrogatory and provide documentation of the methodology used by the Postal Service to analyze the data.

**Response:**

In most instances I would expect there to be a difference in address quality.

- (a) It is my understanding that the software used to match customer address lists with ZIP+4 and delivery point barcodes typically results in improved overall address quality. In addition, complete addresses on Automation flats are required to be matched using certified software within 180 days prior to the mailing date, while Presorted flats are only required to be matched once a year simply to ensure accurate 5-digit ZIP Codes.
- (b) and (c) Redirected to USPS.

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**POSTCOM/USPS-T39-3.** Please list and describe the level of clerks by flats mail processing operations including, but not limited to, mechanized package handling, manual package handling, AFSM 100 automated, AFSM 100 VCS keying, FSM 881 automated, FSM 1000 automated, FSM 1000 keying, and manual flats casing operations.

**Response:**

<u>Activity</u>	<u>Clerk/MH Level</u>
Mechanized package handling SPBS keyer/sweeper	5
Mechanized package handling SPBS feeder-Mailhandler	4
Manual package handling – Mailhandler	4
AFSM 100 feeder/sweeper	4
AFSM 100 DCO (keyer)	4
FSM 881/1000 automated (BCR/OCR)	4
FSM 881/1000 keyer (non-scheme incoming secondary)	5
FSM 881/1000 keyer (incoming secondary scheme)	6
Manual (scheme and non-scheme)	5
Expeditor	6

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**POSTCOM/USPS-T39-5.** Please refer to page 18 at 16-28 of your testimony where you discuss the significant processing concern related to the OCR on the FSMs.

- (a) Please provide any reports, studies, field instructions, analyses, or data that address or quantify this concern. If reports, studies, field instructions, analyses, or data do not exist, please discuss the incidence of this significant processing concern.
- (b) Please describe the typical mailflows and list the typical mail processing, allied, and delivery operations for a nonbarcoded, machinable 3-digit flat where an OCR interprets the return address as the delivery address during incoming primary processing and for a barcoded, machinable 3-digit flat where the BCR successfully interprets the delivery address.

**Response:**

- (a) Plants send copies of the mailpieces that they have found, where the FSM OCR reads the return address, to Headquarters, Processing Operations for review of potential causes. These are reviewed and shared with Engineering to work on potential enhancements to the software to address specific problems (e.g., when the machine printed return address is directly above the hand written destination address). No summary exists for this constant and continuing flow of examples.
- (b) 1. If the FSM OCR reads the return address during incoming primary processing of a non-barcoded flat, and:
  - (i) the return address is outside of the incoming primary service area it would go to an "out of sort scheme" bin which is sent to be keyed on an FSM 881 or 1000 or to a manual unit where it would be correctly sorted. Or,

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- (ii) the return address is within the service area and it is part of a larger mailing, then a clerk sweeping the machine most likely will catch the error since multiple pieces that look alike would quickly fill a bin with all of the same mail. Then these pieces would either be keyed on an FSM 881 or 1000 along with the other AFSM 100 rejects. Or,
  - (iii) the return address is within the service area and there are very few pieces (i.e., not part of a larger mailing), then the piece will be sorted to the wrong 5-digit bin. If the 5-digit zone is automated, it will be caught as out of scheme during incoming secondary and be sent back to incoming primary processing to either be keyed on an FSM 881 or 1000 or sent to manual and sorted to the correct 5-digit. If the 5-digit zone is non-automated, then the piece will go to the delivery unit where a clerk sorting to carrier route will find the mis-sort and will send it back to the plant for resort. Missorts from delivery units are usually reprocessed manually at the plant.
2. Barcoded machinable flats successfully interpreted by a BCR and processed on incoming primary will be sorted to 5-digits.

For automated zones, the 5-digit volumes in flat trays will be separated by incoming secondary scheme for subsequent FSM processing to carrier route before being sent to the delivery unit.

For non-automated zones, the 5-digit volumes in flat trays will be separated by delivery unit before being sent to the delivery unit to sort to carrier route.

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Regardless of whether the piece has a barcode or if the zone is automated, carriers then case flats into walk sequence and pull them down from the case to take to the street for delivery.

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**POSTCOM/USPS-T39-7.** Please identify and discuss the mailflow of missorted flats including, but not limited to, mail processing, allied, and delivery operations. Please identify and describe the scheme and operation where missorted flats can be noticed and the rework required for accurate distribution.

**Response:**

Flats could be missorted due to one of many reasons; it could be due to an inaccurate barcode, inaccurate ZIP Code, inaccurate address, mis-keyed result by a DCO, wrong tray label, OCR read error, etc. Each one of these has different degrees of impact. A missort could be as small as to the wrong carrier within the same delivery unit, which can be corrected by the carrier and delivered without service implications, or as great as being sent across the country incurring significant costs and service delays. Missorted flats are noticed and reworked anywhere in the system.

In outgoing processing, whether manual, mechanized or automated, the "out of scheme" holdout and diligent quality checks by all employees are the primary methods of identifying missorts.

See response to POSTCOM/USPS-T39-5(b) for how different incoming missorted flats would be handled.

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**POSTCOM/USPS-T39-8.** Please refer to your discussion on sorting flats to DPS on page 20 at 2-20 of your testimony.

- (a) Please confirm that the Postal Service generally sorts 5D automation letters to DPS in two passes on automated sorting equipment. If not confirmed, please explain. Does the Postal Service expect to implement a similar approach to DPSing flats? If no, please explain fully.
- (b) Please confirm that the Postal Service does not expect to sort nonbarcoded flats to DPS. If you confirm, please explain why. If you do not confirm, please explain.
- (c) How does the Postal Service sort nonmachinable letters to DPS? Does the Postal Service expect to implement a similar approach to sorting nonbarcoded flats to DPS?
- (d) Please identify the expected mail processing, allied, and delivery operations incurred or avoided due to sorting flats to DPS.

**Response:**

- (a) Confirmed. To a lesser extent, we also use CSBCSs, which require three passes to sort to DPS. As stated on page 20 of my testimony, many specifics related to delivery point sequencing flat-shaped mail have not yet been resolved. The current view is that an approach similar to letters would be the most likely method to DPS flats.
- (b) Not confirmed. As explained on pages 15 and 16 of my testimony, non-barcode flat-shaped mail is currently sorted to the carrier-route level when an address match can be achieved through either the OCR or on-line video coding. A similar concept could be envisioned in a delivery point sequencing environment. Engineering is also looking at various alternatives of placing a barcoded ID code on non-prebarcoded flats in order to use an OCR or keying result more than once.



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- (c) If appropriate, operations will attempt to process otherwise non-machinable letters to DPS by first processing the letters through the LMLM or tabbing equipment described on pages 7 and 8 of my testimony. Letters that cannot be made machinable using this equipment are not candidates for DPS.

See response to subpart (b) regarding the DPS approach to non-barcoded flats.

- (d) As stated in my testimony, DPSing flats is still being evaluated, including what process and type of equipment would be used. Therefore, we do not know what mail processing, allied, and delivery operations may be incurred. Carrier-in-office casing would expect to be avoided for DPS flats.

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**POSTCOM/USPS-T-39-9.** Please refer to the operations estimates of the incoming secondary machinable flats coverage factors in USPS-LR-J-61.

- (a) Please provide the data, analyses, and assumptions underlying these estimates.
- (b) Please explain if and how these estimates vary by mail piece characteristics (including, but not limited to, class, piece weight within machinability requirements, piece size within machinability requirements, uniformity of mail to be processed, and presence of a barcode), plant, tour, operating window, flats volume, and other factors you deem appropriate.

**Response:**

- (a) Operations estimated 65 percent of incoming secondary machinable flats would be sorted on automation and 35 percent would continue to be sorted in manual operations. These values were based on processing automated incoming secondary for zones with 10 or more carrier routes (page 17 at 11-13 of my testimony). The amount of FSM incoming secondary volume before AFSM deployment (approximately 3 billion pieces) was added to the additional incoming secondary volumes plants were to achieve with full AFSM deployment (approximately 14 billion). The total was then divided by the total non-carrier route presorted volume (approximately 26 billion) for a value of 65 percent. This includes an approximate 10 percent incoming secondary reject rate (e.g., missing directional, suffix, unreadable by the keyer) that must be sorted to carrier manually.

These values appear valid given other considerations, such as those mentioned in subpart b, which also impact the percentage.

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(b) These estimates would be expected to vary by:

*Class/Tour/Operating Window* – Yes. These three are intertwined.

If volume arrived after Critical Entry Time for the tour 1 FSM incoming secondary operating window for that zone and the volume for that day's delivery missed automated processing, it would be sent to the delivery unit to be manually sorted. This usually would only affect First-Class Mail and Periodicals Mail. Standard Mail is often sorted to incoming secondary on tours 2 and 3. However, data are unable to be disaggregated to provide separate incoming secondary coverage factors by class.

*Plant* – Yes. Some plants are more urban and all of their zones have 10 or more carriers per zone and are located fairly close by. Other facilities serve more rural areas and will have fewer zones with 10 or more carriers that are located farther away, thereby reducing the operating window to run an incoming secondary program. Therefore, one plant may process 75 percent on automation and another 55 percent.

*Flats volume* – Yes. If volumes were exceptionally heavy, some volumes would likely be sent to manual sortation to carrier route.

*Piece weight or size within machinability, uniformity of mail, presence of a barcode* – No.

It is my understanding that even if the automated incoming secondary percentage increased 5-10 percent in the cost models, that given the CRA adjustment factors and the greater than 100 percent pass-

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throughs for the discount, the cost difference would still be much less than the proposed flats automation discounts.

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**POSTCOM/USPS-T-39-11.** Please refer to the Federal Register proposed rule on August 28, 2001 concerning Domestic Mail Manual Changes to Allow Co-Packaging of Automation Rate and Presorted Rate Flats. Please provide and describe the "Postal statistics [that] show that barcoded flats sort at a higher rate than nonbarcoded flats in primary processing operations."

**Response:** Please refer to POSTCOM/USPS-T-39-2a which was redirected to witness Miller.

## 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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