

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. AND
VAL-PAK DEALERS' ASSOCIATION, INC. REDIRECTED FROM
WITNESS KINGSLEY
(VP/USPS-T39-24, 26-30, and 32-37)

The United States Postal Service hereby provides the responses to the following interrogatories of VAL-PAK Direct Marketing System, Inc. and VAL-PAK Dealers' Association, Inc. redirected from witness Kingsley: VP/USPS-T39-24, 26-30, and 32-37, filed on October 12, 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 26, 2001

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

VP/USPS-T-39-24 Detached Address Label (“DAL”) mailings involve the delivery of two mailpieces (one being a flat or parcel, the other being the address card) for a single rate, as though they constituted a single mailpiece.

- a. Does the address card receive different handling by the carrier than the flat/parcel? Please explain how each constituent part of the DAL mailpiece is handled at a Destination Delivery Unit (“DDU”).
- b. Does the address card receive different handling at the Destination Sectional Center Facility (“DSCF”) than the flat/parcel? Please explain how each constituent part of the DAL mailpiece is handled at an DSCF.
- c. Does the address card receive different handling at a Destination Bulk Mail Center (“DBMC”) than the flat/parcel? Please explain how each constituent part of the DAL mailpiece is handled at a DBMC.
- d. If your answers to parts a through c reflect any difference in handling, why does it make sense to treat the address card and flat/parcel as a single mailpiece?
- e. In Docket No. R2000-1, Postal Service witness Moeller (USPS-T-35) observed that “it seems illogical that the Postal Service would be that indifferent between processing and delivering two 4-ounce pieces and one 8-ounce piece.” (USPS-T-35, p. 21 (Revised 4/3/2000), 1. 17 through p. 22, 1. 1.)
 - (i) Do you agree with his analysis? Please explain your answer.
 - (ii) Does it strike you as illogical that the Postal Service would be indifferent between processing and delivering an addressed flat, and processing and delivering a flat with a DAL? Please explain your answer.

Response:

- (a) City carriers case or sort DALs on all non-mounted portions of their routes. DALs would be sorted either in with the letter-shaped or flat-shaped mail in a DPS environment. The accompanying flat or parcel is handled as an additional bundle at time of delivery.
- (b) No. They both are sent to the delivery unit.

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

- (c) Usually no. DALs and accompanying items may be containerized together in a carton or on a pallet and would be handled as one "unit". If the DALs are in letter trays and the accompanying piece is in a carton or sack, then they would be sorted separately.
- (d) The DAL and host mailpiece are considered a single piece for rate and delivery purposes but are considered two pieces for costing purposes. The DAL and host piece go together, and would be incomplete to have one without the other.
- (e) (i) Yes. We would prefer one 8-ounce piece over two otherwise identical (except for weight) 4-ounce pieces.
- (ii) No. Addressed flats and flats with a DAL each has its own advantages. Addresses are necessary for processing and delivery when insufficient volume exists to saturate a carrier route. When volume exists to saturate a route, DALs facilitate the casing and delivery of some flats and parcels.

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

VP/USPS-T-39-26

- a. Does it ever happen that written notification of a DAL mailing is not received at least 10 days before the target delivery date? How is the mailing handled in such instances?
- b. Does it ever happen that the letter providing notice of a DAL mailing is missing some of the required information? How is the mailing handled in such instances?
- c. Does it ever happen that a DAL mailing is received and no copy of the letter has been enclosed with the DALs when presented for delivery, nor do the initial notice and the cartons used for the DALs and items bear a mailing identification number? How is the mailing handled in such instances?
- d. Does it ever happen that a carton of DALs lacks either a mailing identification number or a label showing the required information? How is the mailing handled in such instances?

Response:

- (a) Yes. The appropriate information is noted when the mailing is received and the mail is delivered.
- (b) Yes. The appropriate information is noted when the mailing is received and the mail is delivered.
- (c) Yes. The mailing is delivered within the postal color-coding schedule.
- (d) Yes. The mailing is delivered within the postal color-coding schedule.

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

VP/USPS-T-39-27

How are DALs and accompanying mailpieces delivered in each type of city carrier route:

- a. Curblin?
- b. Dismount?
- c. Park and loop with a composite DPS work method?
- d. Park and loop in a non-DPS environment?
- e. Foot with a composite DPS work method?
- f. Foot in a non-DPS environment?

Response:

(a) – (f) City carriers finger all the mail prior to depositing it into the mailbox. During this process the carrier identifies the DAL and retrieves the accompanying piece for deposit in the customer's mailbox. This process is the same for all types of routes.

Curblin and dismount type routes could have the DAL as an additional bundle separate from the letters or vertically cased flats, but would deliver the mail in the same manner as stated above.

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

VP/USPS-T-39-28

- a. How are DALs and associated mailpieces handled, cased, carried, and delivered on rural carrier routes?
- b. Please describe how rural carriers are compensated for handling and delivering DALs and accompanying flats and parcels. Are they compensated for one or two pieces?
- c. Please describe how rural carriers are compensated for handling and delivering ECR flats without DALs.
- d. Is the compensation that rural carriers receive for handling flats without DALs equal to the compensation they receive for handling flats with DALs? If not, please explain all differences.

Response:

- (a) The handling procedure for DAL mailings on rural routes depends on the addressing of the DAL. If the DAL has a simplified address, the rural carrier has an option as to whether to case the DAL and/or the associated piece. If the carrier cases the pieces, the pieces are delivered with all other mail pieces at the customer receptacle. If the carrier chooses to carry both the DALs and associated pieces separately as second and third bundles, then the carrier "marries" the pieces with the cased mail at the customer receptacle before placing all mail in the receptacle. If the DAL is specifically addressed, the DAL is considered an ordinary letter and it is cased with other ordinary letters. The associated piece is carried as a second bundle and "married" with the cased mail at the customer receptacle.
- (b) The value of each rural carrier route is determined based on a physical count of all mail items received by the carrier during a specified mail count period. All DAL mailings and associated pieces received during the specified period are counted and

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

assigned a time value that is included in the mail count. Changes in the number and frequency of DAL mailings outside the count period do not effect the route compensation until such time the route is recounted. All DAL mailings count as two mail pieces on rural routes.

The DAL can be counted as a letter or a boxholder depending on the addressing. If the DAL is specifically addressed to an individual customer or residence, the piece is given a time value of 0.0625 minutes. Also, this piece is given a pulldown or strapout time credit for withdrawing this mail from the carrier case. That time credit is 0.0166 minutes per piece. If the DAL uses a simplified address, then it is considered a boxholder and the time value for each piece is 0.04 minutes. The DAL associated piece is also considered a boxholder and a time credit of 0.04 minutes is assigned regardless of size. Pieces considered as boxholders receive no pulldown or strapout credit whether or not the carrier chooses to case them.

(c) ECR flats without DALs are considered to be flat mailings and are compensated at 0.125 minutes per piece as determined through the specified mail count period.

Each piece also receives a time credit of 0.0166 minutes for pulldown or strapout.

(d) No. See responses to (b) and (c) above.

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

VP/USPS-T-39-29

- a. Do carriers count the address cards and accompanying mailpieces to ensure that there is a mailpiece for each accompanying card? If not, how do carriers ensure that they have the correct number of both parts of a DAL mailing?
- b. What happens if the carrier does not have enough accompanying mailpieces?
- c. What happens if the DDU does not have enough accompanying mailpieces?
- d. Is there a date after which a mailer's response to rectify a problem with a DAL mailing is no longer timely? What happens in such cases?

Response:

- (a) See response to Docket No. R2000-1, VP/USPS-T10-6a and b.
- (b) See response to Docket No. R2000-1, VP/USPS-T10-6c.
- (c) The DDU could contact the mailer to determine if more associated pieces were in transit.
- (d) There is no set date or number of days for rectifying a problem with a DAL mailing. The parties based on the circumstances of the individual case determine what happens.

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

VP/USPS-T-39-30

Would you agree that it is easier to distinguish a DAL mailing from other ECR mailings than it is to distinguish the average ECR flat mailing from the average ECR parcel mailing? Please explain your answer.

Response:

ECR parcel mailings can only be samples with DALs. Therefore, it would be difficult to determine which scenario would be easier. DAL mailings are easy to identify regardless of whether the associated mail piece is a flat or a parcel.

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

VP/USPS-T-39-32 The following assumptions involve a hypothetical. First, assume that on some particular day a DDU has two Standard ECR Saturation flat mailings to deliver, along with the usual assortment of other mail. Second, the mail for delivery that day is normal, and carriers will have no problem delivering both of the two Saturation mailings. Third, carriers in this DDU can take one of the two Saturation mailings to the street as a third bundle. Fourth, the two mailings are catalogs having the same dimensions (length and height), but differing with respect to weight as follows: one of the two Saturation mailings is a catalog weighing 2.8 ounces, and the other is a catalog weighing 5.5 ounces.

- a. Of the two Saturation flat mailings, is either more likely to be taken to the route as a third bundle, or would each one have an equal probability of being taken?
- b. Has the Postal Service issued any written instructions establishing the order or priority for implementing the third bundle option? If so, please provide a copy of all applicable instructions (i) that were in effect during the Base Year and (ii) that are now in effect.
- c. If the Postal Service has not issued any written instructions establishing the order or priority for implementing the third bundle option, do DDUs have any general instructions or understanding concerning the priority? If so, please provide a copy.

Response:

- (a) This would be purely a local management decision and each one would have an equal probability of being taken as a third bundle.
- (b) No.
- (c) No.

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

VP/USPS-T-39-33

In Base Year 2000, what was the average number of households served by a city carrier (i) in areas where all of the carrier's automatable letter mail was Delivery Point Sequenced (DPS'd) and (ii) in areas where none of the carrier's letter mail was DPS'd; i.e., all mail had to be sequenced?

Response:

There are no data which differentiates routes where all automatable letter mail was DPS'd from those routes where all letter mail was not DPS'd. The average number of deliveries per city route in FY 2000 was 494. No data exists that isolates the number of households per route.

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

VP/USPS-T-39-34

- a. In Base Year 2000, what was the average volume of mail per household served by a city carrier?
- b. In Base Year 2000, what was the average weight of mail per household served by a city carrier?

Response:

- (a) The average mail pieces per possible city delivery in FY 2000 was 5.9. Delivery Operations keeps no separate data on volume per household.
- (b) Delivery Operations has no data on weight of mail per delivery or per household.

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

VP/USPS-T-39-35

- a. What is the maximum weight of mail that a carrier is permitted to carry in a shoulder satchel when walking a route?
- b. What is the maximum weight of mail that a carrier is permitted to load into a caddy when walking urban routes?

Response:

- (a) Carriers are limited to 35 pounds of mail when carrying a shoulder satchel on a walk route.
- (b) There is no such piece of equipment known as a caddy. If the question refers to a satchel cart, there is no weight limit.

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

VP/USPS-T-39-36

- a. On park and loop routes, do carriers sometimes have more mail to deliver on a foot loop than they can load into their satchels? That is, do they sometimes have to return to their vehicle to reload their satchels before delivering to all the points served from one parking spot?
- b. If the answer to preceding part a is anything other than an unqualified negative, please discuss the frequency with which time must be taken to return to the vehicle for reloading the satchel and then returning to the foot portion of the route.

Response:

- (a) Yes. In fact, park and loop routes are specifically and intentionally designed by local management to have more than one carry from a planned vehicle park point to maximize efficiency and minimize vehicle moves. In some cases, mail in excess of that which can be loaded into a satchel causes the carrier to make an additional parking stop.
- (b) There is no standard frequency at which carriers on park and loop routes return to their vehicles to reload the satchel. The frequency with which a carrier returns to the vehicle to reload the satchel on each park and loop route is route specific, locally designed and managed. Local determination of the number of vehicle park points is based upon mail volume and number of deliveries.

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

VP/USPS-T-39-37

- a. On city carrier curb routes, where carriers normally do not dismount except to deliver parcels and accountable mail, on average how often must a carrier stop the vehicle and take time to rearrange the remaining mail in the vehicle for delivery to the rest of the route (e.g., refresh the letter and flat trays next to the driver)?
- b. How would the time required to rearrange the remaining mail in the vehicle for delivery be classified under the existing system for classifying city carrier street time; i.e., as route time, or access time, or load time, etc.?
- c. Please provide a brief description of all recurring activities that take place on a city carrier's route that do not fit naturally into the existing system for classifying city carrier street time; i.e., as route time, or access time, or load time, etc.

Response:

- (a) The number of times carriers on curblin delivery routes need to refresh the letter and flat trays on the vehicle's holding tray next to the driver varies from route to route and from day to day depending on the total daily mail volume. Statistics are not kept on this activity.
- (b) and (c) See response to VP/USPS-T5-5.

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 26, 2001