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 WITNESS KNGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC. (AOL-TW/USPS–T39–1-14)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of AOL Time Warner, Inc.: AOL_TW/USPS–T39–1-14, filed on October 18, 2001.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 2, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-1 Can one infer from the container label, without looking inside a container with flat mail, whether it contains machinable (on AFSM-100/FSM-881) or non-machinable flats, or a combination of both? Please provide separate answers for each of the following types of containers. In those cases where you indicate that it can be inferred, please explain how.

a. A "flat tray" (tub) dispatched from a flat sorting operation in another facility?

b. A mailer prepared 5-digit sack with automation flats?

c. A mailer prepared 5-digit sack with non-automation flats?

d. A mailer prepared pallet?

e. An APC full of flats trays?

RESPONSE:

a. The tray labels placed in flat trays dispatched from AFSM 100 and FSM 1000 operations include "AFSM 100" or "FSM 1000", respectively, to indicate the operation from which the tray was generated. The operation designation is not included on trays dispatched from FSM 881 or manual operations, consequently, these trays would likely require a visual inspection of the contents to determine the specific machinability.

b. The mailer prepared sack label will indicate whether the contents are barcoded, nonbarcoded, or a combination of both. However, it will not indicate whether the flats are compatible with the AFSM 100/FSM 881 or the FSM1000 (since flats of different "machinabilities" can not be co-sacked). The machine compatibility will not be known prior to opening the sack unless the mailhandler is familiar with the mailer's pieces.

c. See response to part (b).

d. Similar to the sack label, the pallet placard will indicate whether the contents are barcoded, nonbarcoded, or a combination of both. In addition, the machine compatibility (e.g. AFSM 100/FSM 881 vs. FSM1000) can usually be determined with a visual inspection of the contents without opening the pallet.

e. It depends on the source of the rolling container. If the container arrived from a processing operation within another postal facility, the machinability of the contents for each tray could be determined consistent with the response to part (a). If the container was prepared by a First-Class Mail bulk customer, the contents for each tray could be determined consistent with the response to part (b), due to the fact that the tray labels would have similar information as the sack labels. Finally, if the rolling container was generated in an upstream flats operation within the same facility, the container would likely be labeled to indicate the source operation and destinating operation, consequently, indicating the machine compatibility.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-2 When a postal facility receives a "flat tray" containing flats from a flats sorting operation performed in another facility, can one infer from the tray label, without looking inside the tray, whether it was made up at an AFSM-100, FSM- 881, FSM-1000 or manual flat sorting operation? If yes, how would one make such an inference?

RESPONSE:

See response to AOL-TW/USPS-T39-1, part (a).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-3 Please consider flats that are sorted on an ongoing primary AFSM-100 sorting scheme and end up in a "flat tray" (tub) destined for a remote ADC. The tray arrives at the destinating ADC, which also has an AFSM-100, on which the flats will receive additional sorting. Please describe the treatment at the destinating ADC of this tray, and the flats in it, before the flats are loaded into the AFSM-100. Specifically, what is the approximate likelihood of each of the following?

(1) The tray is taken to the AFSM-100, where one of the crew opens it, removes the lid, extracts the flats from inside the tray, orients them and loads them into the automatic flats feeder.

(2) As above, except the AFSM-100 clerk loads the flats onto a flat mail cart (FMC), from which they will later be removed and loaded into the machine's automatic feeder.

(3) The tray is opened, its lid removed and the flats oriented and loaded onto an FMC or similar rolling stock at a separate operation, away from the AFSM-100. When full, the FMC is taken to the AFSM-100.

(4) The tray is opened and its lid removed, then it is placed on a container that is taken to the AFSM-100. An AFSM-100 employee eventually extracts the flats from the tray and loads them into the automatic feeder,

(5) Any other treatment (please explain).

RESPONSE:

Also, refer to the response to AOL-TW/USPS-6, part (a), which describes the proper procedures for handling these trays targeted for AFSM 100 processing.

(1) – (3) These are not likely scenarios since they are inconsistent with proper procedures.

(4) Very likely and consistent with proper procedures.

(5) N/A

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-4 Please consider the case of a carrier route sack containing one or more carrier route flats packages, all to the same carrier route. Is opening the sack, extracting the packages and disposing of the sack normally the duty of the carrier or a mail-processing employee at the DDU? If it is a shared responsibility, how frequently is each of these tasks performed by the carrier and by mail processing employees?

RESPONSE:

See response to AOL-TW/USPS-T24-5d and e.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-5

a. How many valid 5-digit ZIP codes are there in the US?

b. How many 5-digit schemes are there for sortation of flats to carrier route, counting as one a scheme that serves more than one 5-digit ZIP code?

c. How many 5-digit schemes are there that serve ten or more carrier routes?

d. How many schemes serve fifteen or more carrier routes?

e. How many 5-digit schemes can be performed on one AFSM-100 at the same time? If more than one, please describe any restrictions that apply (e.g., limit on total number of carrier routes, etc.)

f. How much time does it normally take to switch from one incoming secondary scheme to another on the AFSM-l00?

g. How many incoming secondary schemes are performed on AFSM-100 or FSM-881 machines today and how many will be performed on these machines in the test year?

RESPONSE:

(a) There are currently 42,735 active ZIP Codes of which approximately 250 are uniques.

(b) Assuming the question is asking specifically about sort schemes or plans used on FSM equipment to process flats to carrier-route, this information is not known at the national level.

(c) – (d) Assuming this question relates to the FSM sort schemes or plans used to process flats to carrier-route, this information is not known at the national level. However, please note that currently, 8800 zones are targeted for incoming secondary (carrier route) distribution on FSMs, and approximately 8100 of those zones have 10 or more routes.

(e) The AFSM 100 has 120 stackers. Allowing for a limited number of stackers used for rejects and firm holdouts, the remaining stackers can accommodate as many 5-digit zones as can fit in the remaining stackers, assuming one route per stacker. For example, as many as 11 zones averaging 10 routes each could fit on an AFSM 100 secondary sort program. However, it is my understanding that the current carrier route sort plans typically average around 3 to 4 5-digit zones.

(f) According to the AFSM 100 National Standardization Guide, "AFSM 100 supervisor and craft go through a well planned and almost choreographed 30 minutes prepping, prior to sort program changeover, followed by 20 minutes of sweeping, dispatching and tub labeling to minimize the time when the AFSM 100 is not operating." The planning objective for the Program Changeover, when the AFSM 100 is not feeding mail, is 9 minutes. Workhours caused by the scheme change and occurring during the 50 minutes surrounding the Program Changeover are also part of the time required to change a scheme. It would understate the impact of scheme changes to say that the time required is only the Program Changeover time.

(g) The number of incoming secondary schemes employed is not known at the national level. However, please note that approximately 7000 zones are currently receiving incoming secondary processing on AFSM 100s and/or FSM 881s, and approximately 8800 zones are targeted to receive incoming secondary processing by the test year.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-6 Consider a 5-digit sack containing one or more 5-digit flats packages that arrives at the destinating SCF. Please explain who would normally be charged with: (1) opening the sack; (2) extracting the contents from the sack; (3) disposing of the sack; (4) deciding on which equipment and when and where the flats will receive incoming secondary sorting; (5) cutting the packages and removing the packaging material; and (6) orienting the flats and placing them in a way that facilitates piece sorting. In particular, explain for each of the above work-items whether it is performed at the piece sorting operation or in some preceding operation. Please answer assuming in turn each of the following:

a. The flats are machinable and will receive incoming secondary sorting at an AFSM-100.

b. The flats are machinable and pre-barcoded but the incoming secondary for the given 5-digit zone is performed manually in an associate office.

c. The flats will be given manual incoming secondary sort at the destinating SCF.

RESPONSE:

(a) (1) – (6) A mailhandler in an operation preceding a piece distribution operation.

(b) (1)–(3), (5), (6) Usually a clerk at the destinating delivery unit. Depending on the delivery unit, it may be performed in a piece distribution operation or in some preceding operation.

(4) Not applicable.

(c) (1) – (3) A mailhandler in a preceding operation.

(4) Not applicable.

(5), (6) It most likely would be a clerk in the piece sorting operation. It could be a mailhandler in a preceding operation depending on local policy.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-7 Your testimony describes the current and intended future use of the 351 FSM-1000 machines deployed in mail processing plants,

a. Confirm that in the current configuration, with four keying consoles, the last console can be used only for keying because it is placed so that flats entered through it will not be seen by the barcode reader.

b. In the test-year FSM-1000 configuration, will there remain one console where flats entered through it must be keyed? If yes, explain how this fourth console will be used.

c. What is the expected throughput on the automatic flats feeder that will be installed on the FSM-1000?

d. You state that the FSM-1000 is intended for "the vast majority" of those flats that are non-machinable on the FSM 881. Please quantify the term "vast majority." If no precise estimate is available, please provide at least a rough estimate of the percentage of flats expected to be non-machinable even on the FSM-1000.

e. Will all flats that are machinable on the FSM-1000 today be machinable on the automatic flats feeder with which the machines will be equipped in the test year? If no, please indicate the percentage that will not be machinable on these flats feeders.

f. Please list the requirements that flats must meet in order to be machinable on the FSM-1000 and the criteria FSM-1000 employees are told to follow to recognize flats that can only be sorted manually.

RESPONSE:

a) Confirmed.

b) Machine configuration in 2003 will be one automated feeder and three manual keying consoles. The keying consoles will operate the same as the existing fourth keying console.

c) See page 15, line 16 of my testimony.

d) A rough estimate would be 5 percent.

e) It is my understanding, yes.

f) See DMM C820.3.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-8 In its response to AOL-TW/USPS-5, the Postal Service has listed the main tasks associated with preparing ("prepping") flats that have arrived in mailer-prepared packages for the AFSM-100.

a. What are the corresponding "prepping" tasks for flats that arrive in flats trays that have been prepared at flats sorting operations in other facilities?

b. What are the per-piece manhours (sic) and costs associated with the tasks involved in "prepping" flats for AFSM-100 sorting? Please provide any estimates known to the Postal Service that could help identify these costs.

RESPONSE:

a. Flat trays from other processing facilities often require removal of the straps and lids. Then flat trays are either put into TMS at TMS sites, or sorted manually at non-TMS sites. If manually sorted, the label is read and the tray is sorted onto rolling stock based on the contents. For example, a 5-digit tray would be sorted to the zone for carrier route sortation where an SCF or 3-digit tray would need incoming primary processing. This manual tray sortation method will also make a split based on machinability characteristics (the contents and/or the label).

b. Volume is not tracked for MODS operation 035. Therefore productivity, pieces per workhour, for prepping flats on 035 is not available. The amount of workhours used in FY 2001 for 035 were 4,344,164.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-9 Your testimony describes the uses of the SPBS and the LIPS machines to sort packages (bundles) in mail processing plants. While the questions below refer to the SPBS, please indicate in each case if your answer would be any different with respect to the LIPS or any other similar system that might be used for the mechanized sortation of flats packages.

Please assume that a package breaks on an SPBS feeder belt (or that it already was broken before being dumped on the belt.) Assume further that the breakage is too severe for the package to be restored, but that the package's presort, before breaking, was the same as that of the SPBS sort scheme (e.g., a 3-digit package breaking during a 3-digit package sorting operation), so that the package would have had to be broken anyway and no piece sortation is lost. Finally, assume that the individual pieces from the broken package are recovered from the SPBS belt and eventually "prepped" for piece sorting on an automated machine. Please identify how the handling steps of these pieces, from the point when the package is dumped on the SPBS belt until the flats are "prepped" and ready for the automated flat sorter, differ from the corresponding pieces from packages that did not experience premature breakage. Please also provide the best possible estimate of the per-piece difference in handling costs between the two sets of pieces. Please include in your analysis the fact that the broken package in this example does not need to be keyed on the SPBS, whereas packages that maintain their integrity do.

If you cannot precisely specify the cost difference between pieces from packages that break prematurely and those from packages that do not, please indicate whether, under the assumptions spelled out above, you believe that the pieces in the broken package incur more costs than those from other packages. If possible, please indicate also the approximate magnitude of the cost differential.

RESPONSE:

The package described in your interrogatory above which remains intact would travel from the feeder belt to the keying station, be keyed, sorted to the proper run-out into a container, then transported to the operation where the package would be broken open and prepped for subsequent piece sortation. If the package breaks on the feeder belt, the pieces would be either: 1) removed by hand from the belt, reoriented, placed into a container, and then transported to the distribution operation where the pieces would be sorted; or 2) if the pieces in

the broken bundle are easy to identify, it can be put back together for further bundle sortation without losing the presort.

Witness Miller in USPS-T-24 sponsors cost data related to flat mail processing. It is my understanding, however, that the additional costs associated with broken bundles specific to the SPBS operation are "baked in" and reflected in the productivities used in Witness Miller's models. It is my further understanding that the costs associated with the additional piece distribution required for broken bundles is explicitly accounted for in his model.

Based on the assumptions above, I believe that the broken bundle, to the same presort level as the sort scheme, would incur a small amount of additional costs based on the time required to collect and orient the pieces, as well as the potential negative impact on the productivity of SPBS operation than if the bundle had remained intact.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-10 In Docket No R2000-1 you provided, in response to MPA interrogatory MPA/USPS-T10-4 (Tr. 5/1705), a copy of a letter from USPS management dated December 30, 1999 and signed by Mr. Walter O'Tormey. The letter discusses Periodicals package breakage recovery methods. It characterizes the practice of keying, on the SPBS machines, individual pieces from broken packages as the least economic method and states that it should not be used under any circumstance.

a. Is it your impression that, after the management letter referred to above was circulated to the field, there occurred a significant reduction in the practice of keying individual pieces from broken packages on the SPBS machines? If yes, approximately what percentage of the previous incidences of keying individual pieces do you believe has now been eliminated?

b. The letter referred to above also states:

> "Clearly, the most economical method of package breakage recovery is to recover the broken packages as originally secured by the mailers at induction and re-band them using rubber bands and/or strapping machines and re-induct them into the system. This is the preferred method and should be utilized whenever the package integrity is sufficient to identify the contents because it retains the correct presort level."

Based on your knowledge of the mail processing system, roughly what percentage of broken packages on feeder belts do you believe is recovered in the prescribed manner? If no precise measure is known, please indicate at least whether you believe the packages so recovered represent a large or a small percentage of all broken packages.

c. When a broken package observed on an SPBS feeder belt is "recovered" in the manner described in part b of this interrogatory, approximately what are the extra handling costs, per-piece or per-package? In your answer, please include a consideration of how the need to recover broken packages impacts staffing requirements and overall productivity in SPBS operations.

d. The letter referred to above also states:

> "If the packages have broken and lost their integrity, they should be recovered and, whenever possible, faced and put directly into the proper container. i.e., flat tub, u-cart etc., for further processing on the appropriate Flat Sorter Machine (FSM) sort program."

Roughly what percentage of broken packages on SPBS feeder belts do you believe lead to the recovery of individual pieces in the manner indicated above?

e. When individual pieces are recovered from an-SPBS feeder belt as described in part d of this interrogatory, what approximately are the extra per-piece or per-package costs imposed by the premature breakage? In your answer, please assume that the package's original sort level was the same as that of the SPBS sort scheme.

f. Please address the questions posed in parts b-e of this interrogatory for the case when broken packages are observed on a manual opening belt. That is, what are the relative frequencies of recovering (1) the entire package and (2) individual pieces from broken packages, and what are the extra per-piece or per-package handling costs in each case?

RESPONSE:

a. Based on general observations at some plants, it is my impression that there was some reduction in the keying of individual pieces from broken packages on SPBS machines as a result of the instructions in the December 30, 1999, letter. However, there is no data that quantifies any reductions because the Postal Service does not collect data that identifies how many flats from broken packages are removed from SPBS machines prior to keying. It should also be noted that observations by members of Mr. O'Tormey's staff subsequent to issuance of the subject letter revealed that several processing plants were not following the recommended procedures for package recovery and were continuing to key individual pieces from broken packages. Based on these observations, the Postal Service reiterated and reinforced the initial instructions on April 3, 2001, in a follow-up letter signed by Mr. O'Tormey. A copy of this letter is attached.

b. The Postal Service does not have data that identifies the percentage of broken packages on feeder belts recovered in accordance with the

instructions in the December 30, 1999, letter. Based on anecdotal feedback from various plants, I could only surmise that packages so recovered represent a fairly large percent of all broken packages.

c. I do not know the costs of recovering a broken package. I would expect the costs to be much less than if the package was not recovered.

d. As noted in the response to subparts a and b, the Postal Service does not have data that quantifies either the number of pieces from broken packages or the number of broken packages recovered from SPBS feeder belts.

e. I do not know the extent of the costs incurred to individual pieces due to premature breakage. It would depend, at a minimum, on the sort level (i.e. ADC or incoming primary), machinability of the pieces, and type of piece distribution used (i.e. equipment mix).

f. See response to subparts a – e.

Attachment to AOL-TW/USPS-T39-10 1 of 2

April 3, 2001

MANAGERS, IN-PLANT SUPPORT (AREA)

SUBJECT: Package Breakage Recovery Methods

Please reference my letter of December 30, 1999 on the subject above. In that letter, I disseminated information that identified some of the methods of package recovery and the costs associated with each of the different methods.

Observations by members of my staff during recent site visits to numerous processing plants have revealed that several of the plants are not following the recommended procedures for package recovery. Many plants have no recovery plan in place and continue to key individual pieces on the Small Parcel Bundle Sorters (SPBS). In an effort to reduce postal processing costs and improve productivities, especially with the deployment of the Automated Flats Sorting Machine (AFSM 100), it is critical that these procedures be followed.

Recovery of broken packages should occur at their induction. Whenever the package integrity is sufficient to identify the contents as originally secured by the mailers, the packages should be re-banded using strapping machines and/or rubber bands, and re-inducted into the processing system. This is still the most economical method of package breakage recovery and should be utilized whenever possible.

However, if the packages have broken and lost their presort integrity, they should not be recovered (i.e., secured as a package). Instead, the individual pieces should be faced and put directly into the proper container, (i.e., flat tub, u-cart, etc.), for further processing on the appropriate Flat Sorter Machine (FSM) sort program. Whenever possible, this should be completed on the SPBS feed system; if this can not be done, the keyers should perform this task at the individual keying stations.

Attachment to AOC - TW/USPS-T39-10 2 of 2

The least economical processing method is keying the broken package as individual pieces on the SPBS. Productivities are considerably lower on the SPBS as compared to the FSM and the potential for errors is greater. Efforts should be taken to ensure that this processing method is not being utilized in your processing plants.

When large volumes of broken packages are received from the same mailer, it is imperative that a mail preparation irregularity report (PS Form 3749) is filled out and the mail preparer and publisher/advertiser are notified. This form has been recently updated in an effort to modernize it and make it more responsive (see Postal Bulletin 22043, 02/08/01, Page 33).

Please disseminate this information to all Plant Managers for their action. If you have any questions as it relates to this request, please contact Patrick Killeen of my staff at (202) 268-2473.

Walter O'Tormey
Manager

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-11 Please consider the case where packages on a 3-digit pallet are sorted manually, from the pallet into various containers. Assume that a carrier route package lands in a 5-digit container, appropriate for that carrier route, but that on impact in the receiving container the package breaks.

a. Please confirm that the further disposition of this package and the pieces in it will normally be one of the following:

> (1) the package is recovered and distributed, in a subsequent manual package sort, to the appropriate carrier; or
>
> (2) the individual pieces from the package are recovered and "prepped" for incoming secondary flat sorting to the given 5-digit zone.

If you believe the package might be handled in a manner different from the two alternatives listed, please explain and indicate the approximate likelihood of the alternative treatment.

b. Approximately what is the likelihood of the first alternative, i.e., that the "broken" package can be recovered, thereby avoiding the need for incoming secondary piece sorting?

c. Approximately what are the extra costs due to the premature breakage under the first alternative?

d. Excluding the actual incoming secondary costs, what additional costs are incurred under the second alternative indicated above?

RESPONSE:

a. For the most part, confirmed. Normally, if a carrier route package breaks on impact after being sorted manually from a 3-digit pallet into a 5-digit container appropriate for the carrier route, the pieces from the package will be distributed manually at the deliver unit as described in (1). The 5-digit container will be directed to the facility where carrier route packages are distributed to the appropriate carrier. When the container is unloaded, the contents will be distributed manually to the carrier. If the contents of the broken package retain their presort integrity, they can be distributed together

to the appropriate carrier. Loose pieces will be distributed individually to the appropriate carrier.

It is unlikely that the Postal Service would prep individual carrier route sorted pieces from a package that breaks open as it falls into a 5-digit container for incoming secondary processing on an FSM, as could be included in scenario (2). This is because carrier route packages would be sorted into a 5-digit container that can be sent directly to the delivery unit.

b. The Postal Service does not have data to quantify the number of broken carrier route packages that can be recovered to avoid incoming secondary piece processing to carriers.

c. The extra costs would be associated with collecting the loose pieces from the container, orienting the pieces, and repackaging the pieces. Witness Miller in USPS-T-24 sponsors cost data associated with flat mail processing. However, It is my understanding that these costs are "baked in" and reflected in the productivities used in Witness Miller's models for the bundle distribution operations.

d. The extra costs would be associated with collecting the loose pieces from the container, orienting the pieces, placing the pieces into a container, and moving the container to the appropriate incoming secondary operation. Also, see response to subpart (c).

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AOL-TW/USPS-T-39-12 Please consider a scenario similar to that described in the preceding interrogatory (AOL-TW/USPS-T39-11), except that instead of a 3-digit pallet, the manual package sorting is performed from a 3-digit hamper that has been filled with packages in a preceding SPBS sort operation. Do your answers to that interrogatory apply also in this case? If not, please explain.

RESPONSE:

Yes. Assuming that the scenario is similar to AOL-TW/USPS-T39-11 where carrier route packages break upon impact when landing in a 5-digit container.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-13 Please consider a clerk performing a manual package sort, from a hamper filled in a preceding SPBS sorting operation. Assume that he finds a package that, although still together, has been damaged so that it is at risk of breaking in the subsequent sort. Please explain what the clerk is supposed to do in that case, and if possible the extra costs incurred by the damaged package.

RESPONSE:

The clerk should re-band the package and place it in the appropriate container (e.g., a carrier route package from a 3-digit or SCF hamper that will be placed in a 5-digit container).

The extra costs would be associated with re-banding the package using rubber bands and/or strapping machine. Witness Miller USPS-T-24 sponsors cost data associated with flat mail processing. It is my understanding that these costs are "baked in" and reflected in the productivities used in his models for bundle distribution operations.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF AOL TIME WARNER, INC.

AOL-TW/USPS-T-39-14 Please consider the case where carrier route flats packages are being sorted either from a 5-digit mailer-prepared pallet, or from a 5-digit hamper that has been filled in a preceding SPBS sorting operation. Assume that packages are manually thrown into individual hampers or U-carts, one for each carrier route. Assume that a package, upon landing in the appropriate hamper or U-cart, breaks.

a. Please confirm that the pieces in this package will have made it to the carrier level and therefore do not need to go back to an incoming secondary operation, regardless of the degree of damage sustained by the package.

b. Please confirm that this package would have to be broken by the carrier anyway.

c. Who would normally recover individual pieces in this bundle from the hamper? Would it be the carrier or the mail processing employee who brings mail to the carrier?

d. What are the extra handlings and associated costs of package breakage in this case?

e. Please confirm that in many DDUs the sortation of flats packages to the carriers is performed, not by throwing but by placing the package on the carrier's ledge, or on a shelf or in a cubby hole designated for that carrier so that the possibility of package breakage does not occur.

RESPONSE:

Packages are typically not thrown into a hamper or U-cart for each carrier route.

The packages are typically placed into flat tubs or other containers where

breakage should not be an issue at this point.

(a) Confirmed.

(b) Confirmed in virtually all instances. Firm packages would not be opened.

(c) It is my understanding that if hampers are used, then a mail processing

employee would be most likely to recover individual pieces since volume has

to be measured prior to being cased by the carrier.

(d) The carrier may have to re-orient the pieces and the Line of Travel or walk sequence may be lost. Both would result in additional casing time.

(e) Confirmed.

DECLARATION

I, Linda A. Kingsley, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Linda A Kingsley
LINDA A. KINGSLEY

Dated: 11/2/01

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

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November 2, 2001