

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

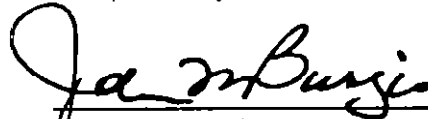
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

POSTAL RATES & FEES, 1997

INTERROGATORIES OF TIME WARNER INC.
TO UNITED STATES POSTAL SERVICE WITNESS MODEN (TW/USPS-T4-1-10)
(July 21, 1997)

Pursuant to sections 25 and 26 of the Rules of Practice, Time Warner Inc. (Time Warner) directs the following interrogatories to United States Postal Service witness Moden (USPS-T-4). If witness Moden is unable to respond to any interrogatory, we request that a response be provided by an appropriate person capable of providing an answer.

Respectfully submitted,



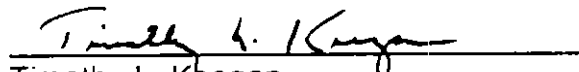
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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Timothy L. Keegan

July 21, 1997

INTERROGATORIES TO WITNESS MODEN (USPS-T-4)TW/USPS-T4-1

- a. Please explain the difference between MODS 1 and MODS 2 facilities and the MODS data collected in the two types of facilities. Additionally, please state whether the MODS facilities referred to by you and other witnesses include (1) only MODS 1 facilities; (2) all MODS 1&2 facilities; or (3) MODS 1 and some MODS 2 facilities.
- b. What are the current numbers of MODS 1 and MODS 2 facilities?
- c. Please provide a list of the MODS facilities referred to by you and other USPS witnesses in this docket. Also, please indicate for each of these facilities:
- (1) if it is an SCF;
 - (2) if it is an ADC;
 - (3) whether it is MODS 1 or MODS 2;
 - (4) the number of MPFSM 881's installed; and
 - (5) the number of MPFSM 1000's installed.
- d. How many SCF's are non-MODS facilities? Please provide a list of all such facilities.
- e. Do the volume and manhour data reported by a MODS facility include data from the stations and branches of that facility?
- f. Are there any MPFSM's in non-MODS facilities? If yes, please state the number of MPFSM 881 and MPFSM 1000 machines in non-MODS facilities and provide a list of those facilities.
- g. How many of the postal facilities in New York city are MODS facilities? Please list them.
- h. Are there plans to extend the MODS system to more facilities? If yes, please describe those plans.

TW/USPS-T4-2 Please answer the following with the best estimates available to the Postal Service.

- a. How many non-carrier route flats did the Postal Service handle in FY96? Please provide a breakdown by class of mail.
- b. How many of the non-carrier route flats in FY96 received incoming

secondary sortation on an MPFSM and how many received manual incoming secondary sortation? If possible, please specify by class of mail.

c. How many manual, MPFSM mechanized and MPFSM automated incoming secondary flats piece handlings are indicated by the FY96 national MODS data?

d. How many non-carrier route flats received incoming secondary sort at the delivery unit in FY96?

e. What proportion of the non-carrier route flats mailstream destines to zones with less than ten carrier routes?

f. What proportion of the non-carrier route flats mailstream destines to zones not served by MODS facilities?

TW/USPS-T4-3 You state at page 11, line 21, of your testimony:

“I have been advised that there are a couple of peculiar outputs from the cost models that do not reflect the aforementioned value of barcoding to operations. In both Periodicals and Standard (A) Nonprofit flats, the cost model outputs do not appear to adequately reflect the inherent differences in processing efficiencies between barcoded and non-barcoded mail. This circumstance is enigmatic, and we are determined to identify the factors that may have led to these results.”

a. Which “cost models” does this statement refer to? Please describe and provide references to all cost models that produce such “peculiar outputs”.

b. Who advised you of the “peculiar outputs” you refer to and when did you first become aware of this problem?

c. Please describe in detail these peculiar outputs, both with numbers and a narrative explaining why they are peculiar.

d. How much are these enigmatic conditions adding to the annual costs of processing (1) Periodicals; and (2) Standard (A) Nonprofit flats?

e. Have you or anyone else in the Postal Service considered the possibility that these peculiar results might occur because many periodicals (and Standard (A) nonprofit) flats are still being sorted manually even though they have been barcoded by the mailers? If yes, please describe your conclusions and what led to those conclusions. Also, please provide any data the Postal Service may have regarding the percentage of periodicals flats that are given automated sorting on flat sorting machines.

TW/USPS-T4-4 At page 12, line 3 through page 13, line 4, you indicate that mailers of non-barcoded periodicals may have a stronger incentive to prepare 5-digit sacks with only a few pieces, and refer to this as a potential explanation for cost models not showing the expected cost difference between barcoded and non-barcoded mail.

a. Are you suggesting that the behavior described (entering 5-digit sacks with only a few pieces) leads to lower overall costs?

b. If the behavior you describe leads to higher costs, would not that have the effect of producing a larger differential between barcoded and non-barcoded mail in your cost models? Please explain your answer.

c. Please confirm that the behavior you describe does not affect palletized mail. If you cannot confirm, please explain.

d. Please provide an estimate of the percentage of periodicals mail that currently is entered by mailers on pallets, and describe the source of this estimate.

e. In your opinion, does the Postal Service receive more or fewer sacks with periodicals mail today than it did in 1986? Please explain your answer.

TW/USPS-T4-5 In recent years the Postal Service has been certifying types of poly wrap materials that when used to enclose periodicals or other flats will not cause operational problems in sorting on the FSM's.

a. Please provide a list of the currently certified materials.

b. In your opinion, will flats enclosed in these certified materials behave satisfactorily when processed on an FSM? If no, please explain why not.

c. In your opinion, do facility managers in facilities with FSM's generally use the FSM's to process flats enclosed in these materials rather than sort them manually? If no, please explain and provide an estimate of how many flats may be sorted manually when they could be sorted by FSM's.

d. If in your opinion extra costs are being incurred because flats that could be sorted by FSM are instead sorted manually, please explain what the Postal Service is currently doing to address this problem.

e. What percentage of flats entered on FSM's are rejected by the machines? If possible, please provide separate estimates by class of mail and by whether the FSM's are used for manual keying or automated sorting.

f. What, if any, types of flats would be rejected by the FSM 1000 machines?

TW/USPS-T4-6 Your testimony refers several times (e.g. page 10 at line 28) to Processing & Distribution plants.

a. How many postal facilities, excluding BMC's, are Processing & Distribution plants, as you use the term?

b. Are all Processing & Distribution plants, excluding BMC's, MODS offices? If no, please list the exceptions.

c. You state at page 10, line 28, that: "Through AP 9, Fiscal Year 1997, Processing & Distribution plants processed 28 percent of their total incoming secondary flat volume using barcode readers on flat sorters, a six point increase over the same period last year (SPLY)." Is the 28 percent relative to all flats destined to zones in the service area of these plants, or just to the flats that these facilities currently process in-house?

TW/USPS-T4-7 At page 21, line 11, in describing manual sorting operations in the automated environment, you state:

"Manual cases become the method-of-last-resort, especially late in the evening as rejects from automated operations appear in quantity. To meet service commitments, manual cases must be staffed to handle these late surges."

a. Does this comment also apply to manual sorting in the early morning, as the postal facility prepares to dispatch sorted mail to its associate offices, stations and branches? Please explain your answer.

b. Does your comment apply both to manual letter and manual flat sorting?

c. Is it not also true that in staffing its manual sorting operations a postal facility needs to prepare for eventualities such as (1) breakdown of the automated sorting equipment; (2) insufficient capacity to meet service standards with the automated equipment due to later than usual mail arrivals (because of traffic, bad weather, etc.); and (3) insufficient capacity to meet service standards with the automated equipment due to heavier than usual mail volume? Please explain your answer.

d. Does your comment imply that in periods between the surges you describe, manual sorting operations are often over-staffed relative to the volume that is available for manual processing? Please explain your answer.

e. In your observation, experience and knowledge, do facility managers

sometimes divert mail that could have been sorted by automation to manual sorting in order to keep the manual sorting clerks occupied in between surges?

f. Are you aware of any national or regional guidelines regarding how much an automated facility needs to "over-staff" its manual sorting operations in order to be prepared for the types of surges you describe? If yes, please describe those guidelines and provide a copy.

g. In your observation, experience and knowledge, to what extent will management in an automated facility staff its manual letter and flats sorting operations with more employees than is normally required in order to be prepared for surges of the type you describe?

h. Do postal facility managers use computerized tools in order to staff and schedule their mail processing operations? If yes, describe all such tools used in postal facilities, the extent to which each tool is used, and provide any available documentation.

TW/USPS-T4-8 At page 18, lines 17-21, you refer to opening units and pouching operations as main support activities.

a. Does the term "pouching operations", as used by you and other witnesses, refer only to the operation of putting mail in hanging sacks or pouches, or could it also include entering mail for dispatch in rolling containers?

b. If a bundle that will be sorted at another facility (e.g. outgoing bundle) is thrown directly from an opening belt into a sack or pouch that later will be dispatched, would that operation be referred to as an opening unit or a pouching operation? Please explain your answer.

c. Please confirm that MODS numbers 110-129 and 180-189 may be used with somewhat different meaning in different facilities. If not confirmed, please explain.

d. According to LR-H-146, preferential opening units are represented by MODS numbers 110-114 and 180-184, nonpreferential (BBM) opening units are represented by MODS numbers 115-117 and 185-189 and pouching operations are represented by MODS numbers 120-129 and 208-209. Are you, as an operations expert, convinced that this is consistent with the use of MODS numbers in all MODS facilities?

e. Please describe the conditions under which the Postal Service today puts mail with a domestic destination in pouches prior to dispatch. Particularly, under what conditions will periodicals mail be pouched prior to dispatch?

f. Please confirm that MODS numbers 110-129 generally refer to outgoing operations, while numbers 180-189 refer to incoming operations.

g. What MODS number(s) are normally used for SCF opening units?

TW/USPS-T4-9 Please describe the instructions given to mail processing employees in MODS facilities regarding the use of time-clocks, and provide a written copy of those instructions. Additionally, please answer the following and explain your answer to each question..

a. Regardless of what may be the actual practice, are mail processing employees supposed to clock out of one operation and into another each time their assignment changes to a different operation? If no, please explain.

b. Please explain, based on your observation, experience and knowledge, to what extent instructions regarding clocking in and out are followed in practice.

c. When an employee goes on a break, is he assumed to clock out of the operation he was assigned to prior to going on the break?

d. Is there a MODS number to be used by employees when they are not assigned to any specific processing operation? If yes, what number?

e. Witness Degen describes a situation where an employee may be clocked into a MODS mail processing operation but is observed by an IOCS clerk as doing something else, e.g. window service or administrative work. In such situations, should the employee have clocked out of the mail processing operation before commencing the other activity?

f. Could it happen that an employee is assigned to a 180 (incoming opening unit) operation at one point and then later in his shift is reassigned to manual letter or flat sorting but forgets to clock out of one operation and into another?

g. Could it happen that an employee is assigned to a manual flats case but later is told to move over to a manual letter case because of an unexpected heavy surge of letters that must be sorted prior to dispatch time? Could it also happen that, given the urgency, the employee in that situation forgets to clock out of one operation and into another?

h. What procedures does management in MODS facilities normally apply in order to assure that employees are always clocked onto the operations where they are actually working?

i. In your observation, experience and knowledge, is assuring that employees are clocked into the correct MODS operation numbers high on the list

of priorities for facility managers and supervisors?

TW/USPS-T4-10 You indicate at page 13, line 7, that the Postal Service eventually will equip all its FSM 881 machines with OCR capability.

- a. Will these OCR's permit automated incoming secondary flat sorting?
- b. Please explain what value mailer-provided barcodes on flats will have once this deployment is completed.