BEFORE THE RECEIVED POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 15 4 23 PM 97

POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN TO INTERROGATORIES OF UNITED PARCEL SERVICE (UPS/USPS-T4--2-9)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of United Parcel Service: UPS/USPS--T4—2-9, filed on August 1, 1997.

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

Scott L. Reiter

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2999; Fax –5402 August 15, 1997

UPS/USPS-T4-2. On page 4 of your testimony at lines 2-3, you state that Section II of your testimony "provide(s] an overview of [the Postal Service's] operations as they relate to the processing of letters and flats." Please provide a similar overview of the Postal Service's operations as they relate to the processing of:

- (a) Packages carried as part of Parcel Post;
- (b) To the extent the operations differ from those for Parcel Post, packages carried as part of Standard (B) Special;
- (c) To the extent the operations differ from those for Parcel Post, Standard (B) mail carried as Bound Printed Matter; and
- (d) To the extent the operations differ from those for Parcel Post Standard (B) mail carried as Library Rate mail.

Response:

- A discussion of Parcel Post processing operations supporting the Postal Service's rate proposals in this case is found in the testimony of witness Daniel (USPS-T-29) on pages 12 through 20.
- b.-d. Witness Daniel's discussion is also applicable to Special, Bound Printed Matter, and Library Mail.

UPS/USPS-T4-3. (a) To what extent has the volume of barcoded Parcel Post packages increased or decreased for each year from FY 1991 up to and including FY 1996?

(b) To what extent has the volume of prebarcoded Parcel Post packages increased or decreased for each year from FY 1991 up to and including FY 1996?

Response:

a.-b. This information is not available.

UPS/USPS-T4-4. (a) To what extent has the volume of barcoded Priority Mail packages increased or decreased for each year from FY 1991 up to and including FY 1996?

(b) To what extent has the volume of prebarcoded Priority Mail packages increased or decreased for each year from FY 1991 up to and including FY 1996?

Response:

a.-b. This information is not available.

UPS/USPS-T4-5. (a) To what extent has the volume of barcoded Express Mail packages increased or decreased for each year from FY 1991 up to and including FY 1996?

(b) To what extent has the volume of prebarcoded Express Mail packages increased or decreased for each year from FY 1991 up to and including FY 1996?

Response:

a.-b. This information is not available.

UPS/USPS-T4-6. Please describe all differences in the handling and processing, from collection through delivery, and in transportation between (a) Priority Mail Flat Rate Envelopes on the one hand and (b), on the other hand, Priority Mail packages.

Response:

Generally, Priority Mail Flat Rate Envelopes are handled and processed in the same manner as Priority Mail packages as they are both containerized in sacks and/or other transport containers and placed on the same transportation. However, there are some differences that can create differences in handling and processing. Obviously, large packages that cannot fit in sacks are treated as "outsides" and handled as individual pieces. Similarly, large packages that exceed the maximum piece dimensions of the Small Parcel Bundle Sorter (SPBS) would be processed separately from any Priority Flat Rate Mail envelopes that would be processed on the SPBS. Large packages may also receive different handling at delivery. If a package is to large to fit into the recipient's mail receptacle and cannot be left in a secured location, a Delivery/Notice/Reminder/Receipt (Form 3849) will be left for the customer advising them of their options for obtaining the oversized package.

UPS/USPS-T4-7. Please provide an update on the equipment used to apply and/or sort barcodes for Parcel Post packages, similar to the update provided by you on pages 5-7 of your testimony for letters and flats.

Response:

All of the BMCs utilize the Package Bar Code Sorting (PBCS) system to read and sort mailer applied barcodes. The system also applies barcodes to parcels that are not prebarcoded by mailers. Barcodes are also applied to packages by Postage Validation Imprinters at our retail units.

UPS/USPS-T4-8 Please provide an update on the equipment used to apply and/or sort barcodes for Priority Mail packages, similar to the update provided by you on pages 5-7 of your testimony for letters and flats.

Response:

Three sites have had barcode readers placed on their SPBS machines and they are listed in the testimony of Ms. Garvin (USPS-T-3) in Docket MC96-1. Otherwise, the Postal Service has not deployed any processing equipment to apply and/or sort barcodes for Priority Mail packages. As I mentioned in 4-7, barcodes are applied to packages by Postage Validation Imprinters at our retail units.

UPS/USPS-T4-9. (a) Please provide a complete description, similar to that given on page 9, line 9, through page 10, line 2, of your testimony, of the future system or systems for processing and transporting Priority Mail.

- (b) Are the various shapes of Priority Mail (letters, flats, and packages) separated from each other and either processed or transported differently? If so, describe (1) how and at what point in the operation this separation takes place, (2) the cost of performing the separation operation, and (3) all differences in processing and in transportation by shape of mail.
- (c) Are Priority Mail Flat Rate Envelopes separated from Priority Mail packages and either processed or transported differently from each other? If so, please describe (1) how and at what point in the operation this separation takes place, (2) the cost of performing the separation operation, and (3) all differences in processing and in transportation between Priority Mail Flat Rate Envelopes and Priority Mail packages.

Response:

A detailed description of the flow of Priority Mail in the future Priority Mail Processing Center environment is provided by Witness Sharkey in response to interrogatory UPS/USPS-T33-1a.

DECLARATION

I, Ralph J. Moden, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information and belief.

Ragh J. Mode

Dated: August 15, 1597

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.

Scott L. Reiter

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 August 15, 1997