

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

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OFFICE OF THE SECRETARY


) POSTAL RATE AND FEE CHANGES, 1997)
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Docket No. R97-1

**THE DIRECT MARKETING ASSOCIATION, INC.'S SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
DIRECTED TO USPS WITNESS MODEN (DMA/USPS-T4-14-26)**

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the Direct Marketing Association, Inc. hereby submits the attached second set of interrogatories and requests for production of documents to USPS witness Moden (DMA/USPS-T4-14-26). If the designated witness is unable to respond to any interrogatory, we request a response by some other qualified witness.

Respectfully submitted,



Dana T. Ackerly II, Esq.
David L. Meyer
Michael D. Bergman
COVINGTON & BURLING
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 662-5296

Counsel for the Direct Marketing
Association, Inc.

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Witness Moden (USPS-T-4)

DMA/USPS-T4-14. Please refer to your response to DMA/USPS-T4-3(a) in which you state that "It is expected that the number of city carriers will continue to decrease as additional zones are put on DPS, but I am unable to give you a projection on how many fewer city carriers will be employed."

- a. Please define "zone".
- b. Please describe in detail the places where the cost implications of the future reductions in the number of city carriers are reflected in the Postal Service's Test Year cost estimates.

DMA/USPS-T4-15. Please refer to your response to DMA/USPS-T4-3(a) in which you state that "workhour savings from letter mail automation do not necessarily translate directly into equivalent complement reductions. Complement is driven by the total workload, not just workload associated with preparing letters for delivery. The total workload is affected by the mail volume and mail mix for a route, the number of possible deliveries on a route, and/or the services that are provided. The actual complement required to deliver the mail is a function of the overall workload including, but not limited to, the functions previously mentioned."

- a. How often does the Postal Service examine whether the complement is appropriately sized for the workload within a single zone?
- b. Please explain the process by which the Postal Service decides whether the complement is appropriately sized for the total workload and the factors that are taken into account in this process. Please provide any manuals, policy directives or other documents which explain this process.
- c. Please provide any other factors, other than the ones you listed in your response, that determine the overall workload.

DMA/USPS-T4-16. Please refer to your response to DMA/USPS-T4-4 and to DMA/USPS-T4-12(c).

- a. Please explain what you meant by the term "capturable savings."
- b. Your response seems to imply that some savings are not "capturable". Please provide other examples of savings that are not "capturable" related to city carrier functions.
- c. Please confirm that there should be measurable cost savings from the

delivery point sequencing of mail in zones with fewer than ten carrier routes, because "DPS letters require no in-office preparation," thereby allowing the carrier to conduct other delivery preparation activities or to complete mail delivery sooner. If you cannot so confirm, please explain fully.

DMA/USPS-T4-17. Please refer to your response to DMA/USPS-T4-12(e).

- a. Please provide the Office Efficiency Indicator (OEI) for FY 1995 and FY 1996.
- b. Is the OEI calculated at each carrier station? If not, what is the lowest organizational level where it is calculated?

DMA/USPS-T4-18. Please refer to your response to DMA/USPS-T4-11(b).

- a. Please define the terms "Tour 1," "Tour 2," and "Tour 3."
- b. If, on Tour 1, an office is unable to sort all the mail in the late surge period, will First Class letters and flats be sorted before Standard (A) letters?
- c. If, on Tour 1, an office is unable to sort all the mail in the late surge period, will Standard (A) letters be deferred before First Class letters and flats are deferred?
- d. Please describe how these "late surges" are staffed as compared to ordinary mail processing periods. For example, are part-time or casual employees used, or do full time employees work overtime?
- e. During which Tour are the majority of Standard (A) flats and parcels sorted?
- f. What percentage of mail sorted during these "late surges" are made up of Standard Mail letters, flats and parcels ?

DMA/USPS-T4-19. Please refer to your response to DMA/USPS-T4-6(a).

- a. Although there may be "numerous layouts and designs of flat sized mailpieces," has the Postal Service ever tested spraying barcodes on flats of a standard size (e.g, 10" x 12" or 10" x 15")? If yes, please describe the results of such tests. If not, please explain why the Postal Service has not considered the application of barcodes to standard-sized flats.
- b. Please explain the term "barcode clear zone."

- c. Please explain whether the increase in the application of barcodes on flats by mailers indicates that, if it is practical for mailers to apply barcodes, then it should be practical similarly for the Postal Service to spray barcodes on flats, at least for standard-sized flats ?
- d. Please explain why the Postal Service believes it is impractical to apply barcodes to flats when it already applies barcodes to parcels using parcel sorting machines and postage validation imprinters?
- e. Please describe the number of flats that are presorted to the 5-digit level both in absolute numbers and as a percentage of all flats.

DMA/USPS-T4-20. Please refer to your response to DMA/USPS-T4-8(e) and page 10, lines 21, of your direct testimony (USPS-T-4). Why are there no plans to place an FMOCR on the FSM 1000, particularly where the FSM 1000 "is intended to process nearly all of the flats that are non-machinable on the FSM 881"?

DMA/USPS-T4-21. Please refer to your response to DMA/USPS-T4-12(d).

- a. Please describe and quantify (for example, by mail volume over a given time period) the extent to which non-preferential mail is curtailed when mail is unable to be prepared within the scheduled office time by carriers.
- b. Please explain what portion of this non-preferential mail was Standard (A).
- c. Please estimate the cost savings due to supervisors' decisions not to authorize "assistance" or "overtime" to process non-preferential mail due to the deferrable nature of such mail. Please include such estimates specifically for Standard (A).

DMA/USPS-T4-22. Please refer to your response to DMA/USPS-T4-12(f). Please describe any reports or studies conducted by the Postal Service measuring the amount of "assistance" or "overtime" costs saved due to the decrease in mail that needs to be processed in-office because of DPS.

DMA/USPS-T4-23. Please refer to your response to DMA/USPS-T4-13.

- a. Are barcodes applied to parcels in all mail classes (including Standard (A)) by parcel sorting machines or by postage validation imprinters? If yes, please describe the number and types of parcels sprayed with barcodes by mail class.
- b. Has the Postal Service considered any proposal to apply a parcel barcoding discount to Standard (A)? If "yes," please provide details of

such a proposal and explain why such a proposal was not introduced in R97-1. If "no," please explain why such a discount is being considered for Standard (B), but not Standard (A).

- c. Does the Postal Service have any plans to apply barcodes to parcels at mail processing facilities other than BMCs and at retail windows? If "yes," please provide details of such plans. If "no," please explain why the Postal Service is not considering expanding the application of barcodes to parcels.

DMA/USPS-T4-24. Please refer to your response to DMA/USPS-T14-1(a) and (d) (redirected from witness Bradley).

- a. Please define "Full Time Regular," "Casual" and "Part Time Flexible" employee categories. Please identify and define any other employee categories within the Postal Service. Please include within your definitions any special parameters or limitations concerning when such employees can work, such as the number of consecutive days of employment for employees of a given category, or whether there are limitations on the number of employees of a given category that can work at one time.
- b. Please provide the compensation and benefits levels of Full Time Regular, Casual, and Part Time Flexible employees and any other employee category listed in your response to subpart a.
- c. Please provide the percentage of total mail processing direct labor work hours in 1996 performed by Casual and Part Time workers. Please also provide such information by A/P.
- d. Please provide the average number of hours that a Casual worker works per week. Please also provide such information by A/P.
- e. Please provide the average number of hours that a Part Time worker works per week. Please also provide such information by A/P.
- f. Please describe the staffing used to process non-preferential mail. For example, do Full Time Regular, Casual and Part Time Flexible employees all process such mail ?
- g. If your response to subpart f. is "yes," please provide the proportion of non-preferential mail processed by Full Time Regular employees, by Casual employees and by Part Time Flexible employees. Please also provide such information specifically for Standard (A).

- h. Please confirm that, given the deferable nature of non-preferential mail and staffing procedures, no employee overtime work costs will be accrued by the Postal Service in processing non-preferential mail.

DMA/USPS-T4-25. Please refer to your response to DMA/USPS-T14-1(c) (redirected from witness Bradley). Please provide data on the number and types of employees reassigned or terminated in FY95 and FY96 due to the need to eliminate extra labor in the work force.

DMA/USPS-T4-26. Please refer to your response to DMA/USPS-T14-7 (redirected from witness Bradley).

- a. Please describe the study underlying the TEP conversion factors, including when and in what facilities the study was conducted.
- b. Please confirm that the TEP conversion factors have not been updated or revised since 1985-86.
- c. Please explain whether the Postal Service has any plans to conduct an updated study to calculate TEP conversion factors to determine workload at BMCs.
- d. Please provide the average weight, density, and volume by shape for all pieces for all years from FY 1988 to FY 1996 and for the year that the conversion factor study was performed.
- e. For each operation, please estimate, as quantitatively as possible, the percentage of FHP which were counted and the percentage that were determined through the use of the national conversion factors implemented in 1985-1986.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Rule 12 (section 3001.12) of the Postal Rate Commission's Rules of Practice and Procedure and Rule 3 of the Commission's Special Rules of Practice in this proceeding.


Michael D. Bergman

August 15, 1997