

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HATFIELD TO INTERROGATORIES OF
DOUGLAS F. CARLSON
(DFC/USPS-T25-1-2)

The United States Postal Service hereby provides responses of witness Hatfield to the following interrogatories of Douglas F. Carlson: DFC/USPS-T25-1-2, filed on August 4, 1997. These discovery requests were originally directed to USPS-T-16, but a request that they be renumbered and directed to USPS-T-25 was filed by Mr. Carlson on August 8, 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.
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August 18, 1997

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DFC/USPS-T25-1. Please refer to the four types of mail described in (I) through (IV) below. (For this interrogatory, the term "standard-sized" mail refers to mail that is not subject to a nonstandard surcharge under DMM § C100.3.0.)

I. *Typewritten, one-ounce, standard-sized, first-class letters whose address information (1) can be read completely by an Optical Character Reader (OCR) without assistance from the Remote Bar Code System (RBCS) and (2) is sufficiently accurate and complete to allow the highest level of bar code (i.e., 5-digit, 9-digit, or delivery-point) desired for that address to be applied to the envelope?*

II. *Typewritten, one-ounce, standard-sized, first-class letters whose address information (1) can be read completely by an Optical Character Reader (OCR) without assistance from the Remote Bar Code System (RBCS) but (2) is sufficiently accurate and complete to allow only a bar code that is inferior to the highest level of bar code (i.e., 9-digit, or delivery-point) desired for that address to be applied to the envelope?*

III. *One-ounce, standard-sized, First-class letters whose address information (1) can be read completely by an Optical Character Reader (OCR) with assistance only from the Remote Computer Reader (RCR) portion of the Remote Bar Code System (RBCS) and (2) is sufficiently accurate and complete to allow the highest level of bar code (i.e., 5-digit, 9-digit, or delivery-point) desired for that address to be applied to the envelope?*

IV. *One-ounce, standard-sized, first-class letters whose address information cannot be read completely by an Optical Character Reader (OCR) and, therefore, requires assistance from a Data Conversion Operator via the Remote Bar Code System (RBCS) in order to allow the highest level of bar code (i.e., 5-digit, 9-digit, or delivery-point) desired for that address to be applied to the envelope?*

a. Please confirm that the types of mail described in (I) through (IV) are identical to the four types of mail described in DFC/USPS-T32-2(a)–(d).

b. Please confirm that the following ranking accurately reflects the ranking from least costly to most costly of the processing costs of each type of mail, all else being equal, at a fully automated P&DC. If you do not confirm, please explain in detail and provide the correct ranking whenever you can compare at least two types of mail.

1. Type I
2. Type II
3. Type III
4. Type IV

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RESPONSE:

(a) Confirmed.

(b) Not confirmed. First, as a general comment on the mail described in types I through IV, it is not entirely accurate to strictly categorized "address information" into the four categories as described above. In certain circumstances, the same address information may yield different results in OCR or RBCS processing. For example, the mail described in type II is rather unlikely. Often times, if the OCR is unable to apply the a barcode representing the finest depth of sort, it will automatically send the image through RBCS. In addition, the type of processing received may also vary from machine to machine. Therefore, the descriptions of the four mail types would be more accurate if they described a letter that happened to receive one type of processing or another, as opposed to assume the processing based only on address information.

Despite the above general comment, I still cannot confirm the ranking of mail types by cost presented in this question. In comparing type I mail with type II mail, there are instances when the mail processing costs for the two may be equal. For example, if both pieces of mail are to be delivered in zones that do not receive delivery point sequencing, the level of barcode beyond five digits will not affect the amount of mail processing incurred in down-stream operations. In addition, as stated in my response to DFC/USPS-T32-3, I do not have specific cost information that allows me to distinguish the cost of RCR from the costs of involving a Data Conversion Operator.

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After considering the above comments, I can confirm the following. In general, mail that is resolved on the OCR will have volume variable mail processing costs that are lower than mail that requires RBCS processing. In addition, it is likely that mail resolved by the RCR will have volume variable mail processing costs that are lower than mail that requires involvement by a Data Conversion Operator.

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DFC/USPS-T25-2.

a. Please confirm that a cost is associated with involving an RBCS Data Conversion Operator in the sortation of a piece of mail. If you do not confirm, please explain fully.

b. All else being equal, please confirm that the cost of processing a piece of mail with the involvement of a Data Conversion Operator is higher than the cost of processing a similar piece of mail without the involvement of a Data Conversion Operator. If you do not confirm, please explain fully.

c. Please explain how, in your response to DFC/USPS-T32-3(a), the mail-processing costs associated with the mail described in part (a) of DFC/USPS-T32-2 could be the same as the mail-processing costs associated with the mail described in part (d) of DFC/USPS-T32-2.

d. In your response to DFC/USPS-T32-3(a), you noted that "Because the type (a) mail is never sent through the RBCS, it may avoid certain mail processing costs that are incurred by the type (d) mail." Please confirm that because the type (a) mail is not sent through RBCS, it will avoid certain mail-processing costs that are incurred by the type (d) mail.

e. If you confirm in part (d), please provide examples of the types of costs that the type (a) mail would avoid.

f. If you do not confirm in part (d), please explain your answer fully.

g. In general, does the Postal Service prefer typewritten mail over handwritten ("script") mail? If so, is this preference related to the generally lower processing costs of typewritten mail over handwritten mail?

RESPONSE:

(a) Confirmed.

(b) Confirmed.

(c) If both pieces of mail are processed at non-automated facilities, they will have comparable mail processing costs.

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(d) In the situations where type (a) mail is not sent through RBCS, it will avoid certain mail processing costs that are incurred by type (d) mail.

(e) Some examples of the types of costs avoided by mail that is sent through RBCS when compared to mail that is fully resolved on an OCR are:

- The costs associated with processing an image through the RCR and/or the costs of keying at a Remote Encoding Center (REC)
- Some portion of the costs associated with processing through the output sub-system (OSS)

(f) N/A

(g) I am not in a position to comment on what the Postal Service prefers or does not prefer, and I believe that the Postal Service values all of its customers whether they tender typewritten or handwritten letters.

DECLARATION

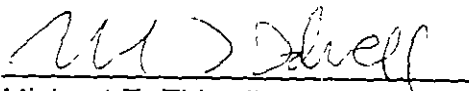
I, Philip A. Hatfield, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Philip C. Hatfield

Dated: 5-18-97

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.


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