

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)
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) Docket No. R97-1

THE DIRECT MARKETING ASSOCIATION, INC.'S THIRD SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
DIRECTED TO USPS WITNESS MODEN (DMA/USPS-T4-27-38)

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the Direct Marketing Association, Inc. hereby submits the attached third set of interrogatories and requests for production of documents to USPS witness Moden (DMA/USPS-T4-27-38). If the designated witness is unable to respond to any interrogatory, we request a response by some other qualified witness.

Respectfully submitted,



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Witness Moden (USPS-T-4)

DMA/USPS-T4-27. Please describe the peak load cost adjustment in Cost Segment 3 and explain which mail categories and classes are affected by this adjustment. If the affected mail categories include "pref [preferential] mail" and "nonpref [nonpreferential] mail," please describe those terms and which mail classes are included in these categories.

DMA/USPS-T4-28. Please identify, describe and produce all studies or reports conducted since 1988 by the USPS concerning:

- a. the general nature and quantification of mail processing peak load and premium pay costs and the attribution of such costs to mail classes, including:
 - i) whether specific amounts of premium pay costs can be causally related to particular classes of mail.
 - ii) whether specific amounts of overtime costs are causally related to particular classes of mail.
 - iii) whether mail processing capacity is less or greater than demand at particular time intervals, both for total demand and pref mail demand.
- b. the flexibility of mail processing labor capacity, including the use and flexibility of both regular and supplemental staff (including Part Time Flexible employees) and limitations on labor flexibility such as advance notice requirements, restrictions on the use of supplemental labor and limits on overtime (whether due to collective bargaining agreements or otherwise).
- c. mail deferral patterns, including the frequency, length and extent of mail deferral by class and the reasons for such deferral.
- d. mail arrival patterns, including fluctuations in arriving mail volumes by sub-class, by hour, Tour, day, week and AP.
- e. the relationship between mail arrival rates, peak processing requirements and staffing patterns (including staff levels and composition).

- f. the relative productivities of manual, mechanized and automated processing and how such productivity varies with fluctuating mail volumes.

DMA/USPS-T4-29. Please explain whether the Postal Service is satisfied that the current peak load cost adjustment methodology is an accurate measure of the mail processing cost differential between pref and nonpref mail.

DMA/USPS-T4-30. Please respond to the following by providing separate answers for (1) nonpref mail in general and (2) Standard (A) in particular:

- a. Please describe the Postal Service's current service standards including when such standards require this mail to be processed.
- b. Please identify, describe, and produce any reports or studies concerning the overall service performance of nonpref mail including the percentage of nonpref mail that meets its service standards and the number of days by which various classes within nonpref mail are delayed beyond their service standards.
- c. Please describe the consequences when nonpref mail does not meet its service standards.
- d. Please confirm that service standards do not require that USPS process nonpref mail during premium pay hours. If not confirmed, please explain fully.
- e. Please confirm that the deferrability of nonpref mail lowers peak load costs. If not confirmed, please explain fully.
- f. Please provide a profile of mail processing of nonpref mail by hour, Tour, day, week and AP.
- g. Please explain whether nonpref is routinely deferred to level workloads, including the degree to which it is deferred beyond the peak period in which First Class mail must be processed to meet its service standards.
- h. Please describe, identify, and produce all studies and reports analyzing the extent to which nonpref mail processed during premium pay periods reflects processing voluntarily deferred to those periods.
- i. Please describe, identify, and produce all studies and reports analyzing the extent to which nonpref mail is not responsible for mail processing overtime costs and

premium costs related to non-processing functions (such as delivery unit costs).

DMA/USPS-T4-31. Please respond to the following interrogatories with respect to pref mail in general:

- a. Please describe the Postal Service's current service standards including when such standards require this mail to be processed.
- b. Please identify, describe, and produce any reports or studies concerning the overall service performance of pref mail including the percentage of pref mail that meets its service standards and the number of days by which various classes within pref mail are delayed beyond their service standards.
- c. Please describe the consequences when pref mail does not meet its service standards.
- d. Please confirm that service standards require pref mail to be processed at night and on Sundays.
- e. Please provide a profile of mail processing of pref mail by hour, Tour, day, week and AP.

DMA/USPS-T4-32. Please describe, identify and produce any reports or studies conducted by the USPS concerning (i) the relative percentages of pref and nonpref mail being processed during a lull in a Tour when peak capacity is not being reached and (ii) the relative percentages of pref and nonpref mail processed during the peak period of mail processing.

DMA/USPS-T4-33. Please describe the marginal cost differential between processing pref mail and nonpref mail. Please explain whether the service standard differences between pref and nonpref mail (including the facts that pref mail must be processed during premium pay periods and that nonpref mail is deferrable) cause marginal costs for pref mail to be higher than for nonpref mail. If you cannot confirm, please explain fully.

DMA/USPS-T4-34. Please describe:

- a. The maximum percentage of the regular work force that may consist of part time workers at any given time.
- b. The minimum daily tour for both full time and part time workers.
- c. The premium that must be paid for processing mail between 6 p.m. and 6 a.m.

- d. The premium that must be paid for processing mail on Sunday.

DMA/USPS-T4-35. Please describe, identify and produce any studies or reports conducted by the USPS concerning the causation of premium pay costs outside of mail processing functions (including, but not limited to, delivery units).

DMA/USPS-T4-36. Does the USPS, either at the national, regional or local levels, schedule deliveries of Standard (A) mail in order to level mail processing volumes? If "yes," please explain the extent of such scheduling.

DMA/USPS-T4-37. Please explain any changes in the Postal Service's proposed cost methodology concerning the mail processing peak load adjustment in R97-1 as compared to the Commission's R94-1 methodology. Please confirm that the base year peak load adjustment conforming to the Commission's R94-1 methodology is reflected in Attachment 1 to the Presiding Officer's Ruling No. R97-1/7.

DMA/USPS-T4-38. Please provide the relative percentages of mail processed, by sub-class, on (i) automated machines, (ii) mechanized machines, and (iii) manually.

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 26, 1997