

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 RATE AND FEE CHANGES, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS MODEN TO INTERROGATORY OF  
THE DIRECT MARKETING ASSOCIATION, INC.  
REDIRECTED FROM WITNESS BRADLEY  
(DMA/USPS-T14-23(C))

The United States Postal Service hereby provides the response of witness Moden to the following interrogatory of the Direct Marketing Association, Inc.: DMA/USPS-T14-23(c), filed on August 13, 1997, and redirected from witness Bradley.

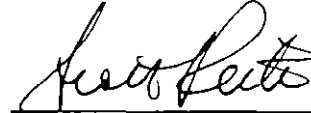
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Scott L. Reiter

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August 27, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN  
TO INTERROGATORY T14-23C OF THE DIRECT MARKETING ASSOCIATION  
REDIRECTED FROM WITNESS BRADLEY**

DMA/USPS-T14-23.

- c. Your discussion focused only on the problem of adjusting staffing levels at a facility to mail processing labor requirements within a given activity. Is there also an *overall* constraint operating in mail processing, such that the Postal Service faces short-term rigidities in its ability to match the overall number of clerks and mail handlers it employs at a facility to the total mail processing labor requirements across all MODS activities at that facility?

**Response:**

- c. I interpret this question as asking whether there are binding constraints on the Postal Service's ability to adjust the total craft workforce in a facility to match the total craft workload in the short term (i.e. within a year). Although there are procedural obstacles as noted below, the obstacles are certainly not prohibitive in my experience.
- There is an annual workhour budget for each facility based on anticipated workload, and management incentives are based, in part, on budget performance. Hiring "freezes" were used locally on occasion before restructuring in 1992, but since then the only constraint on hiring has been the need to stay within the budget or justify an increase. Excess employees can be reduced through attrition or in accordance with the Labor Agreements. See Articles 6 and 12 of the APWU and NPMHU agreements in LR-H-88:

**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.

Ralph J Moden

Dated: 8/27/97

**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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Scott L. Reiter

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August 27, 1997