

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. R97-9

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MODEN TO INTERROGATORIES OF
THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS HATFIELD AND MOELLER
(MMA/USPS-T25-6 AND T36-7)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of the Major Mailers Association, filed on August 13, 1997: MMA/USPS-T25-6, redirected from witness Hatfield; and MMA/USPS-T36-7, redirected from witness Moeller.

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

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August 27, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO INTERROGATORY T25-6 OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS HATFIELD

MMA/USPS-T25-6.

On page 18 of USPS-T25, you state that "the Postal Service intends to reduce LSM processing equipment in automated facilities as much as operationally feasible" and that in your models, "mail that is rejected from automated equipment is sent directly to manual processing." Is it the Postal Service's position that, given all of the costs involved, it is less expensive to process non-machinable letters manually rather than on letter sorting machines. Please explain.

Response:

I assume that the reference to "non-machinable letters" refers only to automation compatibility, and that the letters referred to in the question are machinable on the LSM. The decision to remove LSMs was made for many reasons.

Elimination of LSMs simplifies a facility's mailflows, and manual distribution quality is better than LSM quality, which contributes to better service. As more and more of the good machinable mail was diverted from LSMs to automation, the quality of the remaining mail base was considerably less, resulting in increased pick-off arm problems, jams, etc., which negatively impacts LSM productivity. For incoming secondary sortation, LSM operators are paid at a higher level than are manual distribution clerks. LSM clerks also require extensive training. Because of the nature of the job, turnover among LSM clerks is high and the continual training of new operators is costly. Finally, because of the availability of automated processing equipment in the facilities without LSMs, the overall percentage of letter mail distributed manually is very nearly the same as in sites with LSMs.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS JOSEPH D. MOELLER

MMA/USPS-T36-7.

- a. Please confirm that Standard Mail (A) letters are generally processed on the same barcode sorters as First-Class letters.
- b. If you cannot confirm, please explain the frequency of occurrences when Standard Mail (A) letters and First-Class letters are processed separately and the circumstances that dictate such separate processing.
- c. Are barcode sorters capable of processing Standard (A) letters and First-Class letters together without impairing throughput and productivity?
- d. Can barcode sorters detect the difference between First-Class letters and Standard (A) letters and, if so, how?

RESPONSE:

- a. Confirmed.
- b. Not applicable.
- c. Yes, as long as the letters meet the automation compatibility requirements.
- d. No.

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.

A handwritten signature in cursive script, appearing to read "Scott Reiter", is written above a horizontal line.

Scott L. Reiter

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