

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 MODEN TO INTERROGATORIES OF  
THE DIRECT MARKETING ASSOCIATION, INC.  
(DMA/USPS-T4-14(A), 15-23(A), 23(C)-24(B), 24(F)-26)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T4-14(a), 15-23(a), 23(c)-24(b), 24(f)-26, filed on August 15, 1997. Interrogatories DMA/USPS-T4-14(b), and 24(c)-(e) were redirected to the Postal Service and interrogatory DMA/USPS-T4-23(b) was redirected to witness Moeller.

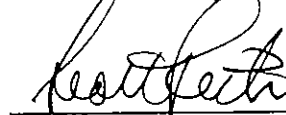
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999; Fax -5402  
August 29, 1997

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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.

**Response:**

- a. A zone, as used in the context of "as additional zones are put on DPS," is a 5-digit ZIP code. Other commonly applied definitions of zone are included in section G030 of DMM 52.
- b. Redirected to Postal Service.

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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.

**Response:**

- a. We do not explicitly look at complement. Instead we look at the number of route assignments needed to handle the workload. Reviews are periodically conducted, depending on the size and workload of the office, to determine if there have been significant changes in the workload, and assignments are adjusted. Accordingly, the complement is sized based on changes in the assignments.
- b. Handbook M-39 (Management of Delivery Services) details the adjustment process for city carriers. The handbook is being filed in library reference LR-H-239.
- c. A more detailed roster of factors, including factors that were also listed in my response to DMA/USPS-T4-3(a), that comprise the total workload is contained in the

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Handbook M-41 (City Delivery Carrier Duties and Responsibilities). The handbook is being filed in library reference LR-H-239.

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DMA/USPS-T14-16. Please refer to your response to DMA/USPS-T4-4 and to DMA/USPS-T4-1 2(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.

**Response:**

- a. The term "capturable savings," as used in the context of "the volume of letters destinating to zones with fewer than ten carrier routes is not sufficient enough to produce capturable savings," relates specifically to reducing assignments. See 16b. for a further understanding of the term "capturable savings."
- b. My response to DMA/USPS-T4 was not intended to imply that some savings are not "capturable." When providing DPS mail to zones with ten or more carrier routes, it is easier to achieve cost savings in the context of reducing assignments. In contrast, eliminating assignments in zones with fewer than ten routes is significantly harder because the workhour impact is smaller for the unit overall. For instance, if a zone has ten routes, and each route has an hour of savings as a result of DPS, then the total time savings is ten hours for the zone. The total savings can be more easily translated into the elimination of an assignment than a zone that has only five

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routes with each route having an hour of savings. As I mentioned in DMA/USPS-T4-12(e), the objective of the DPS program is to reduce the carrier's in-office time. As illustrated above, a cumulative reduction in office-time within a zone can translate into a reduction of assignments which could result in a reduction of complement. While savings in zones with fewer than ten routes are more difficult to capture, this is not to say that they are "not capturable." These zones may be able to realize savings in areas such as overtime usage.

- c. Confirmed. As mentioned at page 9, lines 25 through 26, of my testimony, the decision to extend DPS to zones with fewer than ten routes can best be made at the local level based upon factors such as machine availability. From a national perspective, I do not know whether these savings could be sufficient to justify the additional equipment that would be necessary to support DPS for every zone in the country.

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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?

**Response:**

- a. The national OEI was 122.61 in FY 1995 and 130.14 in FY 1996.
- b. Yes.

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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 ?

**Response:**

- a. There are three tours, each eight hours long, in the MOD system day. They begin with Tour 2, followed by Tour 3, and end with Tour 1. The MOD system day begins and ends between 6 a.m. and 8 a.m. The local facility normally selects this time to be concurrent with or just after the last dispatch of mail to the stations so that the amount of mail on hand will be at a minimum.
- b. Yes, to the extent they are separated from other classes.
- c. Yes, to the extent they are separated from other classes.
- d. "Late surges" are staffed using the same criteria as any other time -- to minimize cost within the constraints of national labor laws, regulations, and agreements, and local agreements. The clerical problem of fitting employee schedules against a ramp-up and subsequent ramp-down of workload may



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result in greater use of part-time and casual employees during portions of the day when processing volume is at a maximum. A common staffing practice is to set the start-time for a part-time employee several hours into a tour since they will be scheduled for less than 8 hours. We do not plan overtime into a tour schedule except during a few high volume periods such as Christmas.

e. Tour 2

f. There will be a significant number of Standard letters, much of it mixed with first class letters in DPS operations, but I am not aware of any data on the percent and am unable to estimate it. There will not be many standard flats or parcels.

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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.

**Response:**

- a. No. As I mentioned in DMA/USPS-T4-6(a), many flats are sorted to a 5-digit level and only one handling is necessary to sort the mail to carrier route, so spraying a barcode has no advantage over the OCR since there are no subsequent sortations. Further, "flats of standard size" would have to be segregated from "flats of non-standard size" in order to have a chance of spraying a barcode in a designated barcode clear zone. Also, I have been advised that many mailers are reluctant to provide a barcode clear zone because of possible conflicts with their layout and design needs.

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- b. The barcode clear zone is a specifically defined location on a mailpiece where a POSTNET barcode is sprayed by Optical Character Readers (OCRs). To ensure that the barcode is readable during subsequent processing on barcode sorters, the barcode clear zone is free of all printing, markings, and colored borders.
- c. No. To my knowledge, mailers generally apply barcodes to flats as part of the address printing process. That is, the barcode is printed, within the address block, at the same time the address is printed. That process is considerably different (and technically easier) than reading the address and subsequently applying a barcode on the FSM for the reasons identified in 19(a) as well as the problems inherent in OCR recognition (i.e., print quality, address block identification, etc.)
- d. The Postal Service has considered applying barcodes to flats. However, as I mentioned in 19(a) many mailers have expressed concerns about providing a barcode clear zone on their flat because of conflicts with layout and design needs. Similarly, many mailers have expressed concerns about the application of a label to their flat. Also, as I mentioned in 19(a), many flats are sorted to a 5-digit level and only one handling is necessary to sort the mail to carrier route, so spraying a barcode has no advantage over the OCR since there are no subsequent sortations.
- e. See Tables 10-15 in LR-H-113; Tables 13-18 in LR-H-190; Tables 8-11 in LR-H-185; and Tables 10-15 in LR-H-195 for a breakdown of flats presorted to the 5-digit level.

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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"?

**Response:**

As I mentioned in my response to DMA/USPS-T4-8(e), there are no future plans to place an OCR on the FSM 1000. However, that does not mean that the Postal Service will not examine, at a later date, the need for, and feasibility of, OCR processing on the FSM 1000. At present, there are other priorities that supersede the placement of an OCR on the FSM 1000. The first priority is to complete the phase two deployment of the FSM 1000s. The next priority would be to interface a barcode reader on the FSM 1000s. As I mentioned at page 13, lines 20 through 24, of my testimony, if the results from the FSM 1000 Barcode Reader tests are positive and approval is obtained from the Board of Governors, deployment could begin in FY 1998.

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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).

**Response:**

- a. The quantity of non-preferential mail that is curtailed is tracked at the national level in linear feet. I am told that during the most recent five day period, ending August 28, 1997, the cumulative average curtailment per city route for the period was 9.51 feet.
- b. 100 percent.
- c. This information is not available. Also see DMA/USPS-T4-22.

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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.

**Response:**

I am not aware of any such reports or studies conducted by the Postal Service to measure the amount of assistance or overtime saved as a result of DPS. The Postal Service does regularly track the performance of offices that receive DPS mail, and as I mentioned in my response to DMA/USPS-T4-12(e), cost savings have been realized as a result of the improvement in OEI. However, I am not able to identify how much of these savings were due to decreases in assistance and/or overtime.

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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 ? 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.

**Response:**

- a. Yes. The number and types of parcels sprayed with barcodes by mail class is not available.
- b. Redirected to witness Moeller (T-36).
- c. No. There are no plans to apply barcodes to parcels at mail processing facilities other than BMCs and at retail windows, because relatively few parcels are processed at these facilities

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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 nonpreferential 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 deferrable 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.

**Response:**



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- a. The relevant categories are Full Time Regular, Part Time Regular, Part Time Flexible, Casual, and Transitional Employee. They are defined and the "special parameters or limitations" of their employment are detailed in Section 7 of the APWU Agreement in LR-H-88. When reading Section 7, note that a Part Time Flexible employee is simply a Part Time member of the Regular Workforce without any fixed work schedule.
- b. Tables of compensation levels are attached. Casual pay is determined in accordance with the local labor market and there are no standard tables. A memo discussing casual pay is included in the attachment. Benefits are detailed in Sections 10, 11, and 21 of the APWU Agreement in LR-H-88.
- c. Redirected for USPS answer.
- d. Redirected for USPS answer.
- e. Redirected for USPS answer.
- f. Yes.
- g. I am not aware of any data that relates categories of employees to classes of mail processed. Accordingly, I am unable to estimate the requested proportions.
- h. Not confirmed. For example, Standard A letters are mixed with First Class letters in DPS operations. Any overtime incurred would apply to both.

American Postal Workers' Union (APWU) Transitional Employee (TE) Schedule Effective February 17, 1996 (PP 5-96) For Employees Hired Before 7/6/96										
PS Grade	1	2	3	4	5	6	7	8	9	10
Rate	9.53	9.68	9.84	11.00	11.73	12.49	12.79	15.21	15.62	16.04

American Postal Workers' Union (APWU) Transitional Employee (TE) Schedule Effective July 6, 1996 (PP 15-96) For Employees Hired On Or After 7/6/96										
PS Grade	1	2	3	4	5	6	7	8	9	10
Rate	8.59	8.74	8.90	10.06	10.79	11.55	11.85	14.27	14.68	15.10

American Postal Workers' Union (APWU) Transitional Employee (TE) Schedule Effective November 23, 1996 (PP 25-96) For Employees Hired On Or After 7/6/96										
PS Grade	1	2	3	4	5	6	7	8	9	10
Rate	8.91	9.06	9.22	10.38	11.11	11.87	12.17	14.59	15.00	15.42

American Postal Workers' Union (APWU) Transitional Employee (TE) Schedule Effective November 22, 1997 (PP 25-97) For Employees Hired On Or After 7/6/96										
PS Grade	1	2	3	4	5	6	7	8	9	10
Rate	9.22	9.37	9.53	10.69	11.42	12.18	12.48	14.90	15.31	15.73

American Postal Workers' Union (APWU) Transitional Employee (TE) Schedule Effective November 7, 1998 (PP 24-98) For Employees Hired On Or After 7/6/96										
PS Grade	1	2	3	4	5	6	7	8	9	10
Rate	9.53	9.68	9.84	11.00	11.73	12.49	12.79	15.21	15.62	16.04

**Postal Service (PS) Schedule  
Full-Time Annual Basic Rates  
Effective March 15, 1997 (PP 7-97)**

RSC P (APWU)

PS Grade	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Most Prev Step
1	21,924	24,223	26,285	28,349	31,419	31,630	31,841	32,051	32,260	32,471	32,681	32,892	33,103	33,310	33,522	33,732	211
2	22,235	24,571	26,685	28,794	31,927	32,155	32,382	32,609	32,839	33,065	33,293	33,522	33,748	33,978	34,205	34,431	227
3	22,565	24,944	27,111	29,277	32,477	32,722	32,971	33,213	33,461	33,704	33,953	34,197	34,443	34,688	34,934	35,178	249
4		24,911	27,576	29,803	33,074	33,339	33,606	33,872	34,135	34,401	34,667	34,934	35,201	35,466	35,731	35,995	267
5		26,375	29,225	31,513	33,720	34,005	34,292	34,576	34,863	35,148	35,434	35,721	36,005	36,293	36,577	36,863	287
6		27,931	30,975	32,155	34,416	34,727	35,038	35,346	35,658	35,968	36,276	36,588	36,899	37,209	37,522	37,832	311
7		28,523	31,639	32,853	35,171	35,505	35,838	36,173	36,510	36,841	37,177	37,509	37,843	38,179	38,512	38,845	333
8				33,437	35,979	36,342	36,704	37,066	37,431	37,792	38,157	38,517	38,881	39,243	39,604	39,969	365
9				34,254	36,861	37,255	37,646	38,039	38,428	38,819	39,210	39,604	39,994	40,389	40,780	41,172	391
10				35,114	37,792	38,215	38,636	39,060	39,484	39,905	40,328	40,752	41,173	41,597	42,020	42,442	424

**Part-Time Regular Employees - Hourly Basic Rates**

1	10.54	11.65	12.64	13.63	15.11	15.21	15.31	15.41	15.51	15.61	15.71	15.81	15.91	16.01	16.12	16.22	
2	10.69	11.81	12.83	13.84	15.35	15.46	15.57	15.68	15.79	15.90	16.01	16.12	16.23	16.34	16.44	16.55	
3	10.85	11.99	13.03	14.08	15.61	15.73	15.85	15.97	16.09	16.20	16.32	16.44	16.56	16.68	16.80	16.91	
4		11.98	13.26	14.33	15.90	16.03	16.16	16.28	16.41	16.54	16.67	16.80	16.92	17.05	17.18	17.31	
5		12.68	14.05	15.15	16.21	16.35	16.49	16.62	16.76	16.90	17.04	17.17	17.31	17.45	17.59	17.72	
6		13.43	14.89	15.46	16.55	16.70	16.85	16.99	17.14	17.29	17.44	17.59	17.74	17.89	18.04	18.19	
7		13.71	15.21	15.79	16.91	17.07	17.23	17.39	17.55	17.71	17.87	18.03	18.19	18.36	18.52	18.68	
8				16.08	17.30	17.47	17.65	17.82	18.00	18.17	18.34	18.52	18.69	18.87	19.04	19.22	
9				16.47	17.72	17.91	18.10	18.29	18.48	18.66	18.85	19.04	19.23	19.42	19.61	19.79	
10				16.88	18.17	18.37	18.58	18.78	18.98	19.19	19.39	19.59	19.79	20.00	20.20	20.40	

**Part-Time Flexible Employees - Hourly Basic Rates**

1	10.96	12.11	13.14	14.17	15.71	15.82	15.92	16.03	16.13	16.24	16.34	16.45	16.55	16.66	16.76	16.87	
2	11.12	12.29	13.34	14.40	15.96	16.08	16.19	16.30	16.42	16.53	16.65	16.76	16.87	16.99	17.10	17.22	
3	11.28	12.47	13.56	14.64	16.24	16.36	16.49	16.61	16.73	16.85	16.98	17.10	17.22	17.34	17.47	17.59	
4		12.46	13.79	14.90	16.54	16.67	16.80	16.94	17.07	17.20	17.33	17.47	17.60	17.73	17.87	18.00	
5		13.19	14.61	15.76	16.86	17.00	17.15	17.29	17.43	17.57	17.72	17.86	18.00	18.15	18.29	18.43	
6		13.97	15.49	16.08	17.21	17.36	17.52	17.67	17.83	17.98	18.14	18.29	18.45	18.60	18.76	18.92	
7		14.26	15.82	16.43	17.59	17.75	17.92	18.09	18.26	18.42	18.59	18.75	18.92	19.09	19.26	19.42	
8				16.72	17.99	18.17	18.35	18.53	18.72	18.90	19.08	19.26	19.44	19.62	19.80	19.98	
9				17.13	18.43	18.63	18.82	19.02	19.21	19.41	19.61	19.80	20.00	20.19	20.39	20.59	
10				17.56	18.90	19.11	19.32	19.53	19.74	19.95	20.16	20.38	20.59	20.80	21.01	21.22	

**Step Increases - Waiting Period (in Weeks)**

Steps (From-To)=>	AA-A	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	YRS
Grades 1 - 3	96	96	88	88	44	44	44	44	44	44	34	34	26	26	24	14.9
Grades 4 - 7		96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4
Grades 8 - 10				52	44	44	44	44	44	44	34	34	26	26	24	8.8

NOTE: This schedule reflects the \$312 per year COLA increase to basic salary effective 3/15/97

Mail Handlers' Schedule Full-Time Annual Basic Rates Effective March 15, 1997 (PP 7-97)																	
RSC M	MH GRADE	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	MOST PREV. STEP
	4	22,404	27,023	29,160	32,310	32,564	32,820	33,075	33,330	33,585	33,843	34,098	34,353	34,608	34,863	35,118	255
	5	23,672	28,607	30,804	32,932	33,205	33,482	33,754	34,030	34,307	34,579	34,855	35,127	35,403	35,677	35,952	276
	6	25,020	30,290	31,421	33,600	33,898	34,196	34,493	34,792	35,090	35,387	35,686	35,988	36,284	36,583	36,882	299
Flexible Employees - Hourly Rates																	
	4	11.20	13.51	14.58	16.16	16.28	16.41	16.54	16.67	16.79	16.92	17.05	17.18	17.30	17.43	17.56	
	5	11.84	14.30	15.40	16.47	16.60	16.74	16.88	17.02	17.15	17.29	17.43	17.56	17.70	17.84	17.98	
	6	12.51	15.15	15.71	16.80	16.95	17.10	17.25	17.40	17.55	17.69	17.84	17.99	18.14	18.29	18.44	
Hourly Rate Regulars																	
	4	10.77	12.99	14.02	15.53	15.66	15.78	15.90	16.02	16.15	16.27	16.39	16.52	16.64	16.76	16.88	
	5	11.38	13.75	14.81	15.83	15.96	16.10	16.23	16.36	16.49	16.62	16.76	16.89	17.02	17.15	17.28	
	6	12.03	14.56	15.11	16.15	16.30	16.44	16.58	16.73	16.87	17.01	17.16	17.30	17.44	17.59	17.73	
STEP INCREASE WAITING PERIODS (IN WEEKS)																	
Steps (From-To)=>	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	Years		
Grades 4 - 6	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4		

NOTE: This schedule reflects the \$312 per year COLA increase to basic salary effective 3/15/97.

June 6, 1994

MEMORANDUM FOR MANAGERS, HUMAN RESOURCES (DISTRICT)

SUBJECT: Casual Pay Rate; Delegation of Authority

Per Mr. Henderson's memorandum of November 13, 1992 (copy enclosed), you have the authority to pay casual employees above the \$8.00 per hour maximum when local market conditions or special circumstances dictate higher rates to attract and retain these employees. The determination of pay rates for casuals should continue to be based on local market rates by utilizing the information sources listed in Mr. Henderson's memorandum.

As clarification to Mr. Henderson's memo, hourly rate exceptions are limited to the applicable craft Transitional Employee (TE) rate for the particular position, and not the minimum base rate being paid to newly hired career employees. Note that the NALC and APWU have different TE rates.

It is emphasized that the current rate range of \$5.00 to \$8.00 per hour is still considered adequate for hiring and retaining most of our casual work force. Full use of recruitment and retention techniques must be paramount to simply raising the rates.

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Suzanne J. Henry

Enclosure

cc: Mr. Mahon  
Mr. Green  
Mr. Caraveo  
Mr. Jacobson  
Mr. Riley  
Managers, Human Resources (Area)

CASUAL FILE  
Completed file

NOV 18 1994

MEMORANDUM FOR MANAGERS, HUMAN RESOURCES  
DISTRICT OFFICES

SUBJECT: Casual Pay Rate; Delegation of Authority

Current pay policy provides a service-wide range of up to \$8.00 hourly for casual employees. This range is still adequate in most areas to attract and retain casu- als to supplement the clerk, carrier, and mail handler work- force. It is recognized, however, that in some areas of the country, \$8.00 an hour may not be sufficient to recruit casu- als, especially in certain skilled functions and we occasionally receive requests for exceptions. To ensure expeditious response to such requests, effective immedi- ately, you are delegated the authority to hire casu- als at installations in their district at hourly rates up to the minimum base rates being paid to newly hired career em- ployees in the craft in which the casu- als will be working. For example, tractor trailer operator casu- als may be hired at an hourly rate of up to \$11.97, the base for an hourly rate regular PS-06, step A.

If you determine that your current rates need to be increased, an assessment should be made of the various labor markets within the district to ensure the establish- ment of the lowest possible rate. To assist in this determination, information can be obtained from sources such as:

- o Local employers offering similar work
- o State Unemployment Offices
- o Economic development agencies
- o Chambers of Commerce
- o Bureau of Labor Statistics
- o Local temporary employment firms

Attachment DMA/USPS T4-24 b - page 6 of 6

- 2 -

This delegation of authority is limited to establishing the rate of pay for casual employees within the framework described above. The numbers of, and time frames for, employing casuals to augment the regular work force continue to be governed by the applicable labor agreements.

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William J. Henderson  
Vice President  
Employee Relations

cc: Mr. Caraveo  
Mr. Green  
Mr. Jacobson  
Mr. Mahon  
Area Managers  
Managers, Human Resources  
Area Offices

ER111:JWHerleman:4212  
#2133 (10/28/92)

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MODEN  
TO THE INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION**

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.

**Response:**

I am not aware of any employees that were terminated in FY 95 or FY 96 due to a need to eliminate extra labor in the workforce. Employees are commonly reassigned at the local level due to the continuing need to rebalance work assignments in response to shifts in mail processing workloads. I am not aware of any data that attempts to relate these continuing reassignments to a need to eliminate extra labor in the workforce in FY 95 or FY 96.



**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MODEN  
TO THE INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION**

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.

**Response:**

- a. I have been informed that it was a time-and-motion study completed in 1985, but there is no surviving documentation describing the study.
- b. Confirmed.
- c. I have been informed that an update is being considered.
- d. I have been informed that this data is not tracked by shape. To the extent that class can be used as a proxy for shape, the CRA, (LR-H-2), contains the data by class. However, note that densities in the CRA have not been updated since FY92. The FY 92 densities are merely carried forward.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MODEN  
TO THE INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION**

- e. FHP is not used in BMCs. The Primary Parcel Sorting Machine counts parcels. All other activities do not count pieces. Instead, they count the relevant processing unit which is then converted to Total Equivalent Parcels (TEP) using the corresponding TEP factor. For example, the Sack Sorting Machine counts sacks and the sack count is multiplied by the factor for sacks to estimate the TEP.

**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: 8/29/97

## 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.

  
\_\_\_\_\_  
Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
August 29, 1997