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

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97–1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN TO INTERROGATORIES OF TIME WARNER, INC. (TW/USPS–T4—17 & 21)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of Time Warner, Inc.: TW/USPS–T4—-17 & 21, filed on August 22, 1997. Interrogatories TW/USPS–T4—18–20 were redirected to the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 5, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO INTERROGATORIES OF TIME WARNER

TW/USPS-T4-17 Please refer to your answer to TW/USPS-T4-12. You indicate that an FSM can be used simultaneously in the BCR and manual keying mode, with some consoles set for BCR and some for manual keying and that this causes no problem in the output stream.

a. Please confirm that a given console must be set for either BCR or manual keying and that the operator at that console cannot arbitrarily switch from one mode to another (e.g., when he sees that one flat has a barcode while the next one does not.) Please explain if not confirmed.

b. Is it a fairly common practice to use FSM's with some consoles in BRC and some in manual keying mode? If no, why not?

c. Please assume that an FSM-881 is used for incoming primary distribution with two consoles in the BCR mode and the other two in the manual keying mode applied to non-barcoded flats. Assume that one of the output streams, containing both barcoded and non-barcoded flats, is to a five-digit zone with more than ten carrier routes and that these flats are later given to an FSM operator for sorting to carrier route. Please confirm that the console used by this operator must be set in manual keying mode and that both the barcoded and non-barcoded flats will have to be keyed. If you do not confirm, please explain.

d. Assume that an FSM has produced a tray of barcoded flats which will receive further sortation in another postal facility. How will that tray be marked to indicate that it contains only barcoded flats, and how will it be handled and transported to assure that it is handled as barcoded flats in the destination facility? Please also indicate the different marking and handling that is applied to: (I) a tray with both barcoded and non-barcoded flats; (2) a tray with machinable but non-barcoded flats; and (3) a tray of manually sorted flats that may include non-rnachinable flats.

Response:

a. Confirmed.

b. Yes.

c. Not confirmed. Under your assumed scenario of where an output steam from incoming primary distribution contains both barcoded and non-barcoded flats for a zone with ten or more carrier routes, the mixed output stream could either be processed in keyed mode or in BCR mode. If the mix of the assumed output stream

is primarily barcoded flats, it may be more practical to process the flats in BCR mode. In contrast, if the mix is primarily non-barcoded flats, it would be more practical to process the flats in keyed mode. As for daily operations, field sites, performing incoming primary distribution, generally keep the barcoded and non barcoded mail separate for zones which would be subsequently processed on FSMs to the incoming secondary (i.e., zones with 10 or more carrier routes) in order to minimize combined output streams.

The tray of flats will be labeled as containing barcoded flats. Its handling will be the same as trays of non barcoded flats except that it will be staged with other barcoded mail while the trays of non barcoded mail will be staged with other non barcoded mail. Assuming all other characteristics are the same (e.g., class), both the barcoded and non barcoded mail will be transported in the same manner. As for the subparts (1)-(3) of the question, trays referenced in part (1) could be labeled as barcoded flats or non-barcoded flats depending on the local site and depending on the mix of the container. The trays referenced in parts (2) and (3) would be labeled as non-barcoded flats.

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TW/USPS-T4 21 Please refer to your answer to TW/USPS-T4-13a, in which you describe the various methods that may be used to handle the flats rejected by an FSM-OCR.

a. Please confirm that according to LR-H-113, at page 101, the FY96 hourly productivity rate for outgoing primary flat sortation performed on FSM's BCR mode in MODS offices was 1,078 flats per manhour, and that for outgoing primary flats sortation performed on FSM-881's in manual keying mode the corresponding hourly productivity rate was 774 flats per manhour. If you do not confirm, please state what you believe the achieved productivity rates were in FY96 and explain your answer.

b. Is it reasonable to assume that, apart from differences in accept rates, the throughput of flats sorted in OCR mode on an OCR equipped FSM 881 will be roughly the same as in BCR mode? If you do not agree, please explain.

c. Please assume, as witness Seckar has assumed, that the throughput on an FSM 881 in BCR and OCR mode will be the same, and that the acceptance rate in FSM OCR mode is 60%. Please assume also that the rejected flats are keyed manually on an FSM, one of the alternatives you indicated in response to TW/USPS-T4-13a. Under these assumptions, using the hourly productivity rates from LR-H-113, please confirm the following calculations or, if you cannot confirm, explain why you disagree:

(1) Processing 10,000 outgoing primary pieces in the FSM-OCR mode will take 10,000/1,078 = 9.276 manhours;

(2) Processing the 4,000 pieces rejected in the first pass by manual keying on the FSM 881 will take 4,000/774 = 5.168 manhours;

(3) Total manhours spent in processing the 10,000 pieces through outgoing primary is therefore 9.276+5.168 = 14.444 manhours;

(4) The average achieved productivity will therefore be 10,000/14.444 = 692 pieces per manhour less than if. all pieces had simply been keyed manually on the FSM 881 in the first place; and

(5) If the 4,000 rejected pieces, rather than being manually keyed on an FSM 881 in the second pass, were instead sorted on an FSM-1,000 or manually, the resulting average productivity rate would be even less.

d. Please confirm that, using the MODS productivity rates in LR-H-113, applying the calculations indicated in part c above will lead to essentially similar conclusions for

outgoing secondary, state primary and incoming primary flats distribution. Additionally, please explain what changes the Postal Service plans to make that will cause real savings to be produced by FSM's in OCR mode.

Response:

a. The citations are confirmed but as discussed by witness Seckar, USPS-T-26, at pages 29-30, these productivities are not used in his modeling work. The FSM-BCR productivity used in the models is 1100. The FY93 productivities used in the models for FSM 881 for manual keying, are shown at LR-H-113, page 98.

b. Yes, see Seckar's testimony at page 30.

c. I confirm your statements (1) to (5). However, there appears to be an implication that statement (4) demonstrates that the FSM-OCR will not "cause real savings." I don't agree that this statement implies that the FSM-OCR will not provide savings for the following reasons. First, statement (4) is wrong to say that the processing alternative to the FSM-OCR is simply FSM manual keying, since the FSM-OCR could also reduce manual flats sorting as well. This is because the FSM-OCR will allow more flats on the FSM 881s since there won't be as much need to switch between or simultaneously run both BCR and manual keying. Less switching will mean longer runs and higher throughputs, and greater overall utilization of the FSMs. Second, as noted in my testimony at page 14, the FSM-OCR will allow greater use of the FSM-BCR, since there should be a reduction in the barcoded pieces which are keyed. Third, there is a savings in mail preparation costs by having the FSM-OCR since there is less need for

separate barcoded and non-barcoded flats. For instance, an SCF opening unit sorting 5-digit bundles to 5-digit breakouts presently needs to make twice as many separations in order to make separate breakdowns for barcoded and non-barcoded flat bundles for each 5-digit zone. Finally, the addition of a high speed flats feeder to the FSM 881 would alter the results in your assumptions.

d. Not applicable. See my response to part c.

DECLARATION

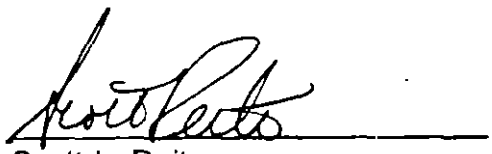
I, Ralph J. Moden, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information and belief.

Ralph J. Moden

Dated: 9/5/97

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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