

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  
NASHUA PHOTO INC., DISTRICT PHOTO INC., MYSTIC COLOR LAB, AND  
SEATTLE FILMWORKS, INC.  
(NDMS/USPS-T4-1-8, 10-15)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of Nashua Photo Inc., District Photo Inc., Mystic Color Lab, and Seattle Filmworks, Inc.: NDMS/USPS-T4-1-8, 10-15, filed on August 22, 1997. Interrogatory NDMS/USPS-T4-9 was redirected to the Postal Service.

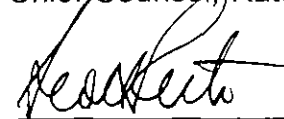
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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September 5, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN  
TO INTERROGATORIES OF NASHUA PHOTO INC., DISTRICT PHOTO INC.

NDMS/USPS-T4-1

- a. What is the total number of Small Parcel and Bundle Sorter (SPBS) machines (i) currently deployed, and (ii) on order?
- b. At the present time, is the Postal Service contemplating ordering more SPBS machines?
- c. If deployment of SPBS machines is not yet complete, when will all machines currently on order be deployed?

**Response:**

- a. There are currently 224 SPBSs deployed and nine on order.
- b. Yes.
- c. The deployment of the nine machines currently on order is expected to be completed in November, 1997.

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NDMS/USPS-T4-2.

In Docket No. MC96-1 the Postal Service indicated that it had retrofitted a small number of SPBS machines with barcode readers, and that such readers enabled the Postal Service to process barcoded parcels more efficiently and at lower unit cost. Does the Postal Service currently have any plans to retrofit more SPBS machines with barcode readers?

- a. If so, please indicate the number of retrofit kits that the Postal Service expects to (i) order and (ii) deploy by the end of Test Year.
- b. If not, please explain why the Postal Service is not expanding barcoding/automation/mechanization, with the greater efficiency which that entails, to small parcels processed on SPBS machines.

**Response:**

No, see response to (b) below.

- a. Not applicable.
- b. The experiment, referenced in Docket Number MC96-1, does not expire until April 28, 1998 and management has made no final decisions regarding retrofitting SPBS machines with barcode readers.

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NDMS/USPS-T4-3.

- a. When all SPBS machines currently on order are fully deployed, how many Postal Service facilities then will have an SPBS but not have an FSM 1000?
- b. When all FSM 1000s currently on order are fully deployed, how many Postal Service facilities then will have an FSM 1000 but not have an SPBS?

**Response:**

(a) - (b) I do not know.

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NDMS/USPS-T4-4.

For purposes of responding to this interrogatory, assume that some mailers of Standard A parcels prefer to bypass the BMC and, in consequence thereof, dropship their parcels and enter them at DSCFs. Assume further that (i) the size and shape of the parcels comport with all requirements for the FSM 1000 described in your response to TW/USPS-T4-5(f) (*i.e.*, they are capable of being processed on the FSM 1000), and (ii) the SCF has available capacity on both its FSM 1000(s) and its SPBS(s).

- a. On which machine would the Standard A parcels most likely be processed?
- b. Under what circumstances or conditions would the parcels likely be processed on the FSM 1000?

**Response:**

- a. SPBS
- b. None.

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NDMS/USPS-T4-5.

Does the Standard A mailstream contain any types of parcels that cannot be processed on an SPBS? If your answer is affirmative, please refer to the attachment to RIAA/USPS-T7-4 in Docket No. MC97-2, and explain fully the types of parcels not amenable to processing on a SPBS, using the categories shown there (*i.e.*, (i) CD Box, (ii) video box, (iii) check box, (iv) other box, (v) other, (vi) film envelope, (vii) roll tube, (viii) clothing bag, (ix) prescription on drug, and (x) sample).

**Response:**

Yes. For instance, roll tubes have a tendency to roll off the SPBS. I am not able to provide you with a full list of all types of parcels that would not be amenable to processing on the SPBS. While it could be assumed that generic pieces, in the categories you mentioned, may be amenable to processing on the SPBS, other characteristics such as piece weight and dimensions could also be factors.

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NDMS/USPS-T4-6.

When all FSM 1000s currently on order are fully deployed, will the Standard A mailstream contain any flats that cannot be processed on either an FSM 881 or an FSM 1000? Please explain fully any affirmative answer.

**Response:**

Yes. Pieces not meeting the dimensions in section C820.2.0 of the DIMM cannot be processed on the FSM 881, and pieces not meeting the dimensions provided in response TW/USPS-T4-5(f) cannot be processed on the FSM 1000.

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NDMS/USPS-T4-7.

Does the Postal Service have under development a high speed flat feeder (HSFF) for the FSM 1000? Please explain Postal Service plans and timetables for this feeder.

**Response:**

No. I am not aware of any plans or timetables to place a high speed flats feeder on the FSM 1000.



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NDMS/USPS-T4-8.

- a. What is (i) the average, and (ii) the maximum throughput of an SPBS without a barcode reader?
  - b. What is (i) the average and (ii) the maximum throughput of an SPBS with a barcode reader?
  - c. What size crew is required to obtain the maximum throughput on an SPBS?
- a. I am told that processing data for the SPBS without a barcode reader is contained in Docket MC96-1.
  - b. I am told that processing data for the SPBS with a barcode reader is contained in Docket MC96-1.
  - c. The number of induction stations on the SPBS varies between four and six. Using the assumption that maximum throughput would be achieved with six stations, a crew of at least 16 would be needed to staff the machine. There would be six operators, six loaders, and at least four, but no more than six, sweepers.

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NDMS/USPS-T4-10.

What is the cost of retrofitting an SPBS with a barcode reader?

**Response:**

As you mentioned in NDMS/USPS-T4-2, a few SPBSs have been retrofitted with a barcode reader. However, it is likely that the costs for retrofitting this small number of machines is probably not indicative of what it would cost to retrofit an SPBS as part of a production buy that would include all SPBSs. I am, therefore, unable to provide you with an estimate of what it would cost to retrofit an SPBS with a barcode reader. Also, as I mentioned, management has made no final decisions regarding retrofitting SPBS machines with barcode readers.

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NDMS/USPS-T4-11.

Please refer to your response to DMA/USPS-T4-13, in which you point out that the Postal Service has also proposed a parcel barcoding discount in Standard B to incent [sic] even more precoded parcels from mailers." Why has the Postal Service not proposed a similar discount for parcels in Standard A?

**Response:**

See witness Moeller's response to DMA/USPS-T4-23(b).

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NDMS/USPS-T4- 12.

Your response to NDMS/USPS-T32-18 (redirected from Witness Fronk) states that First-Class flats which weigh less than one ounce can be processed on FSM 881s and FSM 1000s provided they meet all other machinability requirements.

a. Prior to processing, does the Postal Service routinely and systematically attempt to cull out from the First-Class mailstream (i) flats that weigh less than one ounce or (ii) "flimsies" (and other nonmachinables) regardless of weight, or does the Postal Service put all flats on the machine and let the machine divert the nonmachinable pieces to the reject stacker?

b. Of the First-Class flat mail pieces that weigh less than one ounce, what percentage would generally be nonmachinable?

**Response:**

a. Employees generally try to cull out any flats that are non-machinable.

b. I am unable to answer the question. I am unaware of any data which would provide the information requested.

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NDMS/USPS-T4-13.

Please refer to (i) your response to TW/USPS-T4-5(f) in this docket and (ii) your Docket No. MC97-2, response to NDMS/USPS-T13-I, and:

- a. Confirm that the FSM is capable of sorting pieces defined by the DMM as "nonletters" and "nonflats."
- b. Confirm that the minimum length for a letter is 5 inches and the minimum length for a flat is 6 inches, while the minimum length for a piece sorted on the FSM 1000 is 3.94 inches.
- c. Confirm that the maximum length for a flat is 15 inches, while the maximum length for the a piece sorted on the FSM 1000s 15.75 inches.
- d. Confirm that the maximum thickness for a flat is 0.75 inches, while the maximum thickness for a piece sorted on the FSM 1000 is 1.25 inches.
- e. Has the Postal Service adopted any policy, guideline or standard operating procedure that precludes the processing of Standard A parcels on the FSM 1000 if such parcels conform to (i) the minimum and maximum size dimensions provided in your response to TW/USPS-T4-5(f) and (ii) any other packaging requirements that may be necessary for machinability? If so, please (i) state when such policy, guideline or standard operating procedure was issued, (ii) provide a copy, and (iii) explain all reasons why Standard A parcels that are capable of being processed on the FSM 1000 are precluded from such application.

**Response:**

- a. Not confirmed. Pieces that are "non-letters" and/or "non-flats" could be parcels and parcels are not processed on the FSM as indicated in my response to 13(e) below.
- b. Confirmed for letters. Not confirmed for flats. See section C820.2.3 of the DMM.
- c. Confirmed.
- d. Confirmed.
- e. I am not aware of any national policy or guidelines that have been issued regarding the processing of Standard (A) parcels on the FSM 1000. However, I am aware that

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field sites generally refrain from processing Standard (A) parcels on the FSM 1000 because of capacity concerns and impact on the delivery units. Processing the Standard (A) parcels on the FSM 1000 would create two separate streams of parcels for the carrier since some of the parcels would be mixed in with the carrier's flats, which would also create handling difficulties at the carrier case.

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NDMS/USPS-T4-14.

Your response to NDMS/USPS-T32-18 (redirected from Witness Fronk) says that "flat sorters by definition are considered mechanized equipment and are generally not referred to as automated equipment."

- a. When an FSM 881 is equipped with an HSFF and an OCR/barcode reader, will it still be considered mechanized equipment and generally not referred to as automated equipment? Please explain what distinguishes *mechanized equipment from automated equipment*.
- b. Does the Postal Service have under development a flat sorter that could be considered automated equipment? Please explain any answer that is not an unqualified negative.

**Response:**

- a. Yes. However, your question somewhat implies that the OCR and HSFF will be deployed around the same period. A contract has been awarded for the flat mail OCR and deployment will start in FY 1998. In contrast, as I mentioned at page 13 of my testimony, the HSFF is under review. Generally, the difference in mechanized and automated equipment is that mechanized equipment requires operator keying and/or the mailpieces must be fed individually. Equipping the FSM 881 with an OCR and HSFF would allow us to automate more mail, but basically the machine would still be mechanized since some keying may still be performed. See responses to TW/USPS-12(d) and TW/USPS-13(a).
- b. I am told that the Postal Service has reviewed some existing flat sorters that are used by other Postal Institutions. However, I am not aware of any development within the Postal Service of a flat sorter that could be considered automation equipment.

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NDMS/USPS-T4-15

What is the productivity (in terms of either pieces per hour or pieces per hour per operator) for an FSM 881 when operated (i) manually and (ii) with a barcode reader?

**Response:**

See DMA/USPS-T4-8c.



## DECLARATION

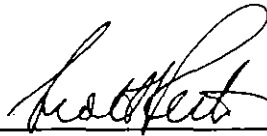
I, Ralph J. Moden, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information and belief.

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
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September 5, 1997