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

POSTAL RATE AND FEE CHANGES, 2001	Docket No. R2001–1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION (MMA/USPS–T39–1-2, and 4-7)

The United States Postal Service hereby provides the response of witness Kingsley to the following interrogatories of Major Mailers Association: MMA/USPS–T39-1-2, and 4-7, filed on October 26, 2001. Interrogatory MMA/USPS-T39-3 was redirected to witness Smith and will be answered separately.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 9, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
TO INTERROGATORIES OF MAJOR MAILER ASSOCIATION

MMA/USPS-T-39-1 Please refer to your Direct Testimony on page 6 where you describe the Delivery Bar Code Sorter.

A. When letters are sorted to delivery point sequence, are First-Class and Standard Mail letters usually combined in this operation?

B. Please confirm that the average weight of a First-Class Automation letter is .58 ounces and the average weight of a Standard Mail letter is .77 ounces. If you cannot confirm, please explain why not.

C. Please indicate how the average weight difference between lighter First-Class letters and heavier Standard Mail letters impacts the cost of the delivery point sequencing operation, In other words, is there any cost difference between processing a First-Class letter vs. a Standard letter that can be tied to the significant difference in the average weight of such letters?

Response:

(a) See response to OCA/USPS-42, part (b).

(b) It is my understanding that these weight-per-piece figures are reasonable estimates.

(c) It is not expected that this small difference would have a significant impact on the productivity and, as a result, the cost of the delivery sequencing operation. What is known, however, is that heavier letters are more difficult for the automation equipment to accelerate. Some slipping occurs at the feed belts on letter automation equipment until the heavier pieces are brought-up to transport speed. This slippage typically results in an increase in the gap between letters in the transport belts as the weight increases. As the gap increases, the throughput decreases. Data available that quantifies these effects were provided in Docket No. MC95-1 in response to interrogatory MMA/USPS-T2-12. However, these data focus primarily on heavier letters (> 2.0 ounces). Finally, experience indicates that heavier pieces tend to jam at a higher frequency, which also impacts productivity.

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MMA/USPS-T-39-2

A. What is the purpose for the letters “AUM3”, “AUM5” or “AUMP” plus a zip code that can be found printed to the left of the barcode on some First-Class automated letters.

B. At what point in the overall processing operation is this coding applied to First-Class letters and what equipment is used to apply such coding?

Response:

(a – b) See DMM P960.3.2.

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MMA/USPS-T-39-4 Please refer to Attachment A where this is a reproduction of an actual letter that was received. Note that the postage paid was 28 cents, the current automation basic rate, and that an ID Tag has been printed on the backside of the envelope.

A. Please confirm that the postage paid is the automation basic rate. If you cannot confirm, please explain.

B. Please confirm that the barcode shown on this envelope was sprayed on by the Postal Service. If you cannot confirm, please explain.

C. Please confirm that the ID Tag on the back of the envelope was sprayed on by the Postal Service. If you cannot confirm, please explain.

D. Please explain the line printed just below the return address that apparently says "SINGLE PIECE##10/11/01/KCM0/641".

E. Please explain why this mail qualified for the automation basic rate?

F. Please confirm that this letter was sent through the RBCS system. If you cannot confirm, please explain. If you can confirm, please explain why this letter was sent through the RBCS system.

G. How much automation mail is sent through the RBCS system?

H. Would the cost of processing this letter in the RBCS operation be attributed to First-Class single piece or First-Class automation? Please explain your answer.

Response:

A. The postage on the meter indicates 28 cents, which is the basic automation rate.

B. Confirmed.

C. Confirmed. ISSs spray a barcode on all pieces fed.

D. The line printed below the return address explains that additional postage was paid for the piece at the single piece rate in Kansas City Missouri (641 ZIP Code prefix) on October 11, 2001. See DMM M012.2.1b.

E. NA

F. Confirmed. The "+" between the ZIP Code and the +4 before the barcode indicates that RCR resolved the address. It was sent through an ISS at origin. I would guess that it was part of a mailing by a presort bureau where their customers put on the automation basic rate. If the mailer or consolidator cannot get the piece barcoded, it subsequently pays more postage. If the presort level ends up being finer than the basic level, then we provide what is know as a value added rebate for the excess postage on the piece.

G. See response to OCA/USPS-159(c) for the volume resolved by RCR. FY2001 volume resolved by keyers at a REC was 8,343,459,038.

H. Single piece.

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MMA/USPS-T-39-5 Please refer to page 26 of your Direct Testimony where you describe allied operations.

A. Are the costs for these operations considered volume variable costs? If no, please explain your answer.

B. Please consider mailing "A" of one million basic automation letters and mailing "B" of one million 5-digit automation letters. Do you agree that all other things equal, the mailing "A" would incur more platform and allied labor costs for the letters to reach its final destination than for mailing "B"? (Please also refer to USPS witness Miller's answer to MMA/USPS-T22-2F prior to answering this question.) If no, please explain your answer.

Response:

a. In general, I would expect a volume change to have a less than proportional impact on allied workhours for the reasons explained in my testimony on pages 33 and 34.
b. No, it would depend on where the mail is entered and where it destinates. It appears that MMA/USPS-T22-2F does not exist.

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MMA/USPS-T-39-6 Please describe what happens when mail is re-wrapped and the reasons why mail might be required to be re-wrapped.

Response:

Mailpieces that have been damaged or soiled during postal processing may require rewrap. The process of rewrap involves the repair or superficial improvement to a piece so it can be delivered to the addressee. Repair commonly involves taping torn sections of an envelope or parcel. Often, a damaged letter or flat will be placed inside a clear plastic bag that has been printed with a message from the processing plant regarding the condition of the mailpiece.

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MMA/USPS-T-39-7 Please refer to your testimony on page 11 where you discuss the amount of letters that are currently sorted to DPS.

A. What percent of total First-Class single piece letters will be sorted to carrier sequence by automation in the test year?

B. What percent of First-Class presorted letters will be sorted to carrier sequence by automation in the test year?

C What percent of First-Class metered letters will be sorted to carrier sequence by automation in the test year?

D. What percent of First-Class Automation letters will be sorted to carrier sequence by automation in the test year?

Response:

(a – d) We do not track volume by class, subclass, or indicia in MODS. See response to OCA/USPS-62 for the percent of First Class Mail and Standard letters and cards barcoded to 9-digit and 11-digit. The total percent of DPS letters is expected to increase, by some unknown amount, by FY 2003.

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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Joseph K. Moore

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