

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS KINGSLEY TO INTERROGATORIES OF KEYSpan ENERGY
(KE/USPS-T39-2-13)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Keyspan Energy: KE/USPS-T39-2-13, filed on November 5, 2001. Interrogatories KE/USPS-T39-1 and 14 were redirected to witness Miller 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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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY
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KE/USPS-T-39-2 In Docket No. R2000-1, you were asked about the processing of letters addressed to a postal customer that had its own, unique 11-digit zip code. Please see your answers to Interrogatories KE/USPS-T10-3 and 4.

- A. Please confirm that you testified that if such an addressee were to receive on average 5,000 pieces per day, the final separation for that recipient would “very likely” take place in the incoming secondary operation. If you cannot confirm, please explain. If your answer is not the same today, please explain why not and provide copies of any studies or other documents you rely upon.
- B. Please confirm that you testified that the minimum received by that addressee could be as little as 1,000 pieces per day in order for the final separation to take place in the incoming secondary operation. If you cannot confirm, please explain. If your answer is not the same today, please explain why not and provide copies of any studies or other documents you rely upon.
- C. Please confirm that you testified that if such an addressee were to receive on average 5,000 pieces per day, the final separation for that recipient would “not likely” take place in the incoming primary operation. If you cannot confirm, please explain. If your answer is not the same today, please explain why not and provide copies of any studies or other documents you rely upon.
- D. Please confirm that you testified that the minimum received by that addressee would generally have to be 20,000 pieces per day in order for the final separation to take place in the incoming primary operation. If you cannot confirm, please explain. If your answer is not the same today, please explain.
- E. Would your answers for Parts A through D be the same if the letters were addressed to a post office box. If no, please explain.
- F. Would your answer for parts A through D be the same if the letters were QBRM with a unique 9-digit zip code? If no, please explain.

Response:

As FYI, the vast majority of delivery points (or postal customers) have their own unique 11-digit ZIP Code, not just firms.

A. Confirmed.

B. Confirmed. That response also indicated that the minimum daily volume varies by destinating facility since firm holdouts are based on density.

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C. Confirmed.

D. Confirmed.

E. For the most part, yes.

F. Yes, unless a 5-digit unique ZIP Code contains multiple 9-digit QBRM ZIP Codes. In that case, the 9-digit would not be held out on its own but would be combined with the others to the 5-digit.

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KE/USPS-T-39-3 Please refer to your response to Interrogatory KE/USPS-T10-6c in Docket No. R2000-1 where you testified that the Postal Service expected to finalize by automation 94.1% of all barcoded letter volume in the incoming secondary operation by the test year in that case.

- A. Was this goal achieved? Please support your answer.
- B. What is the projection for the test year in this case?
- C. Does your projection include letters addressed to a post office box?
Please explain.

Response:

- A. Yes. The projection of 94.1% was based on incoming secondary letters that were sorted on automation equipment in the plants. The final number was 94.8% for the year.
- B. No projection has been made for the test year at the present time.
- C. If a projection were available for the test year, letters addressed to post office boxes would be included.

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KE/USPS-T-39-4 When pre-approved prebarcoded letters (such as QBRM or CRM included in outgoing First-Class Automation letters) are rejected from an outgoing BCS operation, are they then sorted in the manual mailstream until delivery, or are they sent through the RBCS or some other OCR to see if they can be barcoded by the Postal Service. Please explain your answer.

Response:

Prebarcoded pieces rejected on the outgoing BCS would first flow to an outgoing OCR/ISS operation. The OCR will then attempt to code and sort the CRM pieces. However, since BRM records are stripped from our internal directories for revenue assurance purposes, BRM pieces will be sent to an outgoing manual operation after being fed on the OCR/ISS.

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KE/USPS-T-39-5 Please explain how the Postal Service processes the following types of letters after they have been rejected from an outgoing OCR in an ISS operation?

- A. Handwritten addressed letters and
- B. Machine printed addressed letters.

Response:

Regardless of the type of address, all read rejects from the OCR/ISS would have images sent to RCR and then to the REC to be keyed if the RCR was unable to resolve it. Meanwhile, the pieces would all flow to the BCS/OSS to get barcoded with the RCR or keyer results.

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KE/USPS-T-39-6 On page 11 of your Direct Testimony you note that as recently as AP12, FY01 , the amount of barcoded letters within the Postal mailstream has grown to 91.1%. You also indicate that of that total, 28% were barcoded by the Postal Service.

- A. Does the 91.1% refer to all First-Class letters or all letters, including First Class, Periodicals and Standard Mail?
- B. Please provide the underlying volumes from which you computed these Percentages.
- C. Of those letters barcoded by the Postal Service in AP12, FY01, were such letters barcoded within the RBCS system? If not, please explain how such letters were barcoded.
- D. In AP12, FY01, what percent of the total First-Class letters barcoded by the Postal Service were barcoded by (1) the RCR system and (2) the REC system.
- E. For the test year in this case, please indicate the percentage of total First-Class non-prebarcoded letters that the Postal Service expects to barcode.
- F. For the test year in this case, please indicate the percentage of total First-Class non-prebarcoded letters that the Postal Service expects to barcode by (1) the RCR system and (2) the REC system.

Response:

- A. The 91.1% refers to First-Class, Periodicals and Standard Mail.
- B. See response to OCA/USPS-62.
- C. Letters barcoded by the Postal Service came from the Optical Character Readers (OCRs), Remote Barcoding System (RBCS) keying results, and Remote Character Reader (RCR), which is part of RBCS.
- D. Volume is not tracked by class, subclass, or indicia in MODS. See response to MMA/USPS-T-39-7. See response to OCA/USPS-159(c) which provides RCR results for AP 13 and total for FY 2001. Corresponding REC results are 522,767,716 for AP 13 and 8,343,459,038 for total FY 2001.

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E. See response to KE/USPS-T22-2.

F. See response to KE/USPS-T22-2.

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KE/USPS-T-39-7 Please fill in the table below to the extent possible for the test year or for the latest period for which actual data are available. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volume Projections

Type of Address	BRM	Metered	Stamped	Total
Prebarcoded				
Machine Printed				
Handwritten				
Total				

Response: The following data are available:

QBRM (barcode required) Base Year Volume	323,361,000 ¹
QBRM (barcode required) Test Year After Rates Volume	323,137,000 ¹
BRM Base Year Volume (letters & cards)	512,451,000 ²
BRM Test Year After Rates Volume (letters & cards)	512,097,000 ²
Script mail sorted on AFCSs, FY 2001 Total	9,034,058,600 ³
Readable mail (not FIM) sorted on AFCSs, FY 2001 Total	8,640,184,400 ³
CRM (total FIM minus BRM volume) Base Year Volume	7,672,681,000 ⁴

- Volume is not tracked by postage payment (metered vs. stamped).
- All BRM must be machine printed by standard (DMM S922.5.2).
- Volumes listed for the script and readable mail do not include non-machinable letters or letters cancelled by means other than an AFCS. Readable mail includes some handwritten mail that is likely to read by an OCR (i.e., printed and left justified).

¹USPS-T29, Attachment C

²USPS-LR-J-109, WP-2, (includes Nonadvanced Deposit FCM)

³MODS

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⁴ ODIS

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KE/USPS-T-39-8 Please fill in the table below to the extent possible for the test year or for the latest period for which actual data are available. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volume Projections

Type of Address	Machinable	Nonmachinable	Total
Prebarcoded			
Machine Printed			
Handwritten			
Total			

Response:

See response to KE/USPS-T-39-7 for available data.

All of the letters and cards within the various volume figures provided in KE/USPS-T-39-7 would be considered machinable. I am unaware of data available which indicate whether non-machinable letters are prebarcoded, machine printed, or handwritten.

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KE/USPS-T-39-9 Please fill in the table below to the extent possible for the test year or for the latest period for which data are available. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volumes
Processed by Automation and Manually

Type of Address	Processed by Automation Exclusively	Processed Manually in at Least one Operation	Total
Prebarcoded			
Machine Printed			
Handwritten			
Total			

Response:

See response to KE/USPS-T39-7 for available data.

I am unaware of data available that tracks the extent to which prebarcoded, machine printed, and handwritten mail is processed “by automation exclusively” versus “manually in at least one operation”, much less by class or subclass.

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KE/USPS-T-39-10 Please fill in the table below to the extent possible for the test year and for the latest period for which data are available. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volume Projections

Type indicia	Machinable	Nonmachinable	Total
BRM			
Metered			
Stamped			
Total			

Response:

See responses to KE/USPS-T-39-7 and KE/USPS-T-39-8.

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KE/USPS-T-39-11 Please fill in the table below to the extent possible for the test year and for the latest period for which data are available. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volumes
Processed by Automation and Manually

Type of Indicia	Processed by Automation Exclusively	Processed Manually in at Least one Operation	Total
BRM			
Metered			
Stamped			
Total			

Response:

See responses to KE/USPS-T-39-7 and KE/USPS-T-39-9.

I am unaware of data available that tracks the extent to which BRM, metered, and stamped mail is processed “by automation exclusively” versus “manually in at least one operation”, much less by class or sub-class.

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KE/USPS-T-39-12 Please fill in the table below to the extent possible for the test year or for the latest available period. Please provide the source and support for your volume figures.

First-Class Single Piece Letter-Shape Mail Volumes
Processed by Automation and Manually

Type of Letter	Processed by Automation Exclusively	Processed Manually in at Least one Operation	Total
Machinable			
Non-machinable			
Total			

Response:

See response to KE/USPS-T-39-9.

All non machinable letters are processed in either manual operations or possibly in an
FSM 1000 operation.

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KE/USPS-T-39-13 Please refer to the Postal Service's response to Interrogatory OCA/USPS-62.

- A. Please confirm that the Postal Service barcoded 3,007,541,000 letters during AP 12, FY 01. If no, please explain
- B. Please confirm that the Postal Service failed to barcode 946,754,000 letters during AP 12, FY 01. If no, please explain
- C. Please confirm that the Postal Service could potentially have barcoded 3,007,541,000 plus 946,754,000 letters or 3,954,295,000 during AP 12, FY 01. If no, please explain.
- D. Please confirm that the Postal Service could not or did not barcode 946,754,000 /3,954,295,000 or 23.9 % of the letters during AP 12, FY 01, If no, please explain.
- E. For the test year, what percent of total letters will the Postal Service fail to barcode, given the fact that 23.9 % of the letters were not barcoded during AP 12, FY 01? Please support your answer.
- F. Please fill in the following table and correct any volume figures shown if they are not correct.

Volume of Barcoded and Non-barcoded Letters (000)

Subclass	Letters with USPS Applied Barcodes	Letters with Mailer Applied Barcodes	Letters Without Barcodes
FY 1999			
First Class	38,911,824	47,000,370	9,829,438
Standard	4,946,688	29,304,609	7,373,399
Total	43,858,512	76,304,979	17,202,837
FY 2000			
First Class	39,230,428	50,097,557	9,105,107
Standard	4,016,695	33,617,045	6,765,283
Total	43,247,124	83,714,601	15,870,390
FY 2001			
First Class	38,980,010	52,800,062	8,467,994
Standard	3,664,574	37,299,240	5,699,796
Total	42,644,584	90,099,302	14,167,790
AP 12, FY 01			
First Class	2,847,333	4,066,708	567,350
Standard	160,208	2,582,785	379,404
Total	3,007,541	6,649,493	946,754
AP 13, FY 01			
First Class	2,610,868	3,803,057	545,863
Standard	112,854	2,805,734	363,027
Total	2,723,722	6,608,791	908,890

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RESPONSE:

- A. Confirmed
- B. Not confirmed. The Postal Service will never be able to finalize 100% of letters and cards that are processed by the MLOCR-ISS and RCR systems. See response to MMA/USPS-T22-4D.
- C. Not confirmed. The Postal Service does not expect to finalize all letters and cards since not every card and letter can be read. The Postal Service attempts to barcode machinable cards and letters not pre-barcode, but due to insufficient addresses, addresses not matching the data base, etc., sometimes the attempts are unsuccessful. The non-machinable letters and cards that obviously can't be barcoded on an OCR or through RBCS are also included in the non-barcode volume. Unless all non-machinable letter volume goes away, we will be unable to reach anything close to 100%.
- D. Not confirmed. See KE/USPS-T39-13C. The 3.9 billion figure is only USPS-applied barcodes, not total barcodes.
- E. Under the Letter Recognition Enhancement Program (USPS-LR-J-62), the Postal Service has targeted a MLOCR-ISS/RCR finalization rate of 93.25. See response to MMA/USPS-T22-4D.
- F. Completed above. Total excludes Periodicals letters and non-machinable volumes.

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.

Joseph K. Moore

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November 19, 2001