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 MILLER TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION REDIRECTED FROM WITNESS KINGSLEY (MMA/USPS-T39-1 AND 14)

The United States Postal Service hereby provides the responses of witness Miller to the following interrogatories of Major Mailers Association: MMA/USPS–T39-1 AND 14, filed on October 5, 2001.

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 19, 2001

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORIES OF KEYSPAN ENERGY
REDIRECTED FROM WITNESS KINGSLEY

KE/USPS-T-39-1 On page 11 of your Direct Testimony you claim that firm holdout or post office box addressed letters that have a unique 9-digit zip code require two passes in the sector/segment operation as part of the incoming secondary sort.

A. Please describe the flow of QBRM letters from the time they reach the 010 mail preparation operation until they reach the firm holdout or post office box.

B. Please describe the flow of these same letters if the addresses were hand addressed, there was no prebarcode, and the requirement for pre-approval of mail design by the Postal Service was waived.

Response:

(A)(B) Simplified mail flow diagrams for both QBRM letters and handwritten reply mail letters can be found in Attachment 1. Both types of mail are "loose," mixed in hampers, and enter a given postal facility as "collection mail." These hampers are dumped into conveyor/culling systems that ultimately feed the Advanced Facer Canceler System Input Sub System (AFCS-ISS). The AFCS-ISS culls, cancels (if required), and sorts collection mail based on the type of address.

Prebarcoded reply mail pieces contain Facer Identification Marks (FIM) that the AFCS-ISS can read. A mail piece containing either FIM A (courtesy reply mail) or C (qualified business reply mail) is sorted to bin 1 or bin 2, depending on the specific orientation of that mail piece. Mail pieces from bins 1 and 2 are then routed to an automation outgoing primary operation that is often referred to as a "FIM" program in many plants. The automation outgoing primary operation is

RESPONSE TO KE/USPS-T39-1 (CONTINUED)

typically performed on a Delivery Bar Code Sorter, or DBCS (96 percent according to USPS LR-J-60, page 49).

Handwritten mail pieces pass through an "enricher module" on the AFCS-ISS. This module determines whether addresses are machine printed or handwritten. Handwritten mail pieces are cancelled and sorted to either bin 3 or 4, based on the orientation of the mail piece. Before this mail is cancelled and sorted, however, an ID tag is applied to the back of the mail piece and an "image" is "lifted" by the AFCS-ISS. This information is immediately routed to the Remote Computer Read (RCR) system. If the RCR system cannot resolve the image, it routes the image to a Remote Encoding Center (REC) where Data Conversion Operators (DCO) will key in address information until a result is achieved. Handwritten mail pieces are staged and processed later in an outgoing Output Sub System (OSS) operation after the RBCS system has had a chance to finalize that mail. The OSS reads the ID tag, queries the Decision Storage Unit (DSU) for the result, and applies a POSTNET barcode to the mail piece based on that result. The outgoing OSS operation is typically performed on a DBCS (63 percent according to USPS LR-J-60, page 49).

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORIES OF KEYSPAN ENERGY
REDIRECTED FROM WITNESS KINGSLEY

RESPONSE TO KE/USPS-T39-1 (CONTINUED)

At this point, both the QBRM letter and the handwritten letter will be barcoded and will proceed through one or more steps until the mail pieces are isolated based on the 5-digit ZIP Code associated with the post office box. This generally occurs in the incoming Sectional Center Facility (SCF) or incoming primary operation. These 5-digit groupings of mail are then routed to their respective "incoming secondary" operations.

For the QBRM mail piece, the incoming secondary operation will often be in the form of a Business Reply Mail Accounting System (BRMAS) operation that is performed on either an MPBCS or a DBCS. The term "BRMAS" actually refers to the software that is used. Most large BRMAS operations, such as the one at the Washington Processing and Distribution Center (P&DC), are multiple-pass operations, similar to the multiple-pass incoming secondary operations used to sort letters and cards in Delivery Point Sequence (DPS). The QBRM mail piece will be sorted to the "phantom box" number (related to the permit number) in one or more passes in the BRMAS operation.

The handwritten reply mail piece will be routed to an incoming secondary box section program performed on either an MPBCS or a DBCS. Incoming secondary box section programs are generally two pass programs where box

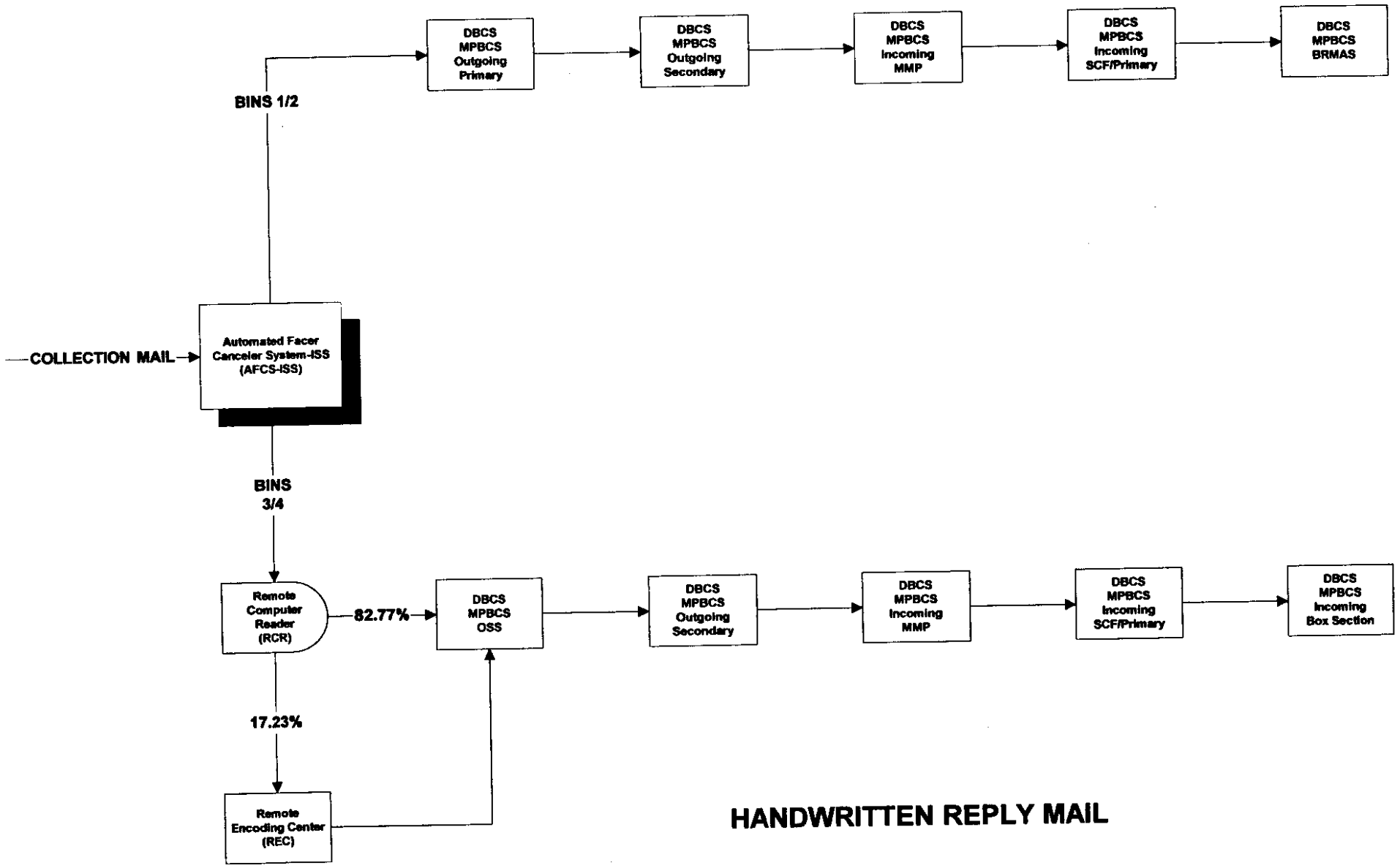
RESPONSE TO KE/USPS-T39-1 (CONTINUED)

section mail pieces are sorted into "sector segment" sequence. The sector segment operation minimizes the casing time because the mail is sorted in the order that the clerk cases the mail into each box section.

The mail flows found in Attachment 1 are general in nature. Mail volume dictates mail flow. The "sort plan" software that instructs a given machine how to sort the mail is the mechanism that is used to control mail flow. Sort plans can be structured to minimize the average number of handlings per piece. The Density Analysis System (DAS) is used by field staff to regularly evaluate sort plans by operation and determine whether changes need to be made. When the mail volumes processed in a given operation on a given machine change over time, the sort plans can also be changed to minimize the amount of piece handlings.

Consequently, a high volume post office box mail recipient would likely have their mail finalized in the same number of automation piece handlings, whether the mail piece entered a given facility as a prebarcoded reply mail piece or handwritten reply mail piece. The only difference would be the extra RBCS-related processing steps required to apply a barcode to the handwritten mail piece.

QUALIFIED BUSINESS REPLY MAIL



HANDWRITTEN REPLY MAIL

RESPONSE TO KE/USPS-T39-1
ATTACHMENT 1 PAGE 1 OF 1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORIES OF KEYSPAN ENERGY
REDIRECTED FROM WITNESS KINGSLEY

KE/USPS-T39-14 Please refer to your descriptions of the equipment used in the RBCS on pages 5 and 6 of your Direct Testimony, the mail flow densities provided on pages 46 and 52 of Library Reference USPS-LR-J-60, and USPS witness Campbell's answer to Interrogatory KE/USPS-T29-50(F) in Docket No. R2000-1.

A. Please confirm that MLOCRs (44 or 60 bins) that are currently used in the outgoing ISS operation provide for fewer separations than MPBCSs (96 bins) and DBCSs (174 bins, on average). If no, please explain.

B. Please confirm that USPS witness Miller shows that 26.36% of the letters processed in the outgoing ISS operation can be sorted such that the letters bypass the outgoing secondary and incoming primary operations, and go directly to the incoming secondary. If no, please explain.

C. Please confirm that USPS witness Miller shows that 6.59% of the letters processed in the outgoing BCS primary can be sorted such that the letters bypass the outgoing secondary and incoming primary operations, and go directly to the incoming secondary. If no, please explain.

D. Why would the letters processed in the outgoing ISS operation be sorted to a finer degree than letters processed in a BCS outgoing primary operation?

E. Please confirm that USPS witness Miller shows that 34.00% of the letters processed in the outgoing OSS operation can be sorted such that the letters bypass the outgoing secondary and incoming primary operations, and go directly to the incoming secondary. If no, please explain.

F. Why would the letters processed in the outgoing OSS operation be sorted to a finer degree than letters processed in the BCS outgoing primary operation?

G. Please confirm that USPS witness Millers shows that the marginal productivities for the outgoing ISS, outgoing OSS and outgoing BCS primary operations are 8,142, 10,240, and 6,559, respectively. If no, please explain.

H. Why would the letters processed in the outgoing ISS and OSS operations be sorted to a finer degree and with much greater productivity than letters processed in the BCS outgoing primary operation?

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER
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RESPONSE TO KE/USPS-T39-14 (CONTINUED)

(A) This can be confirmed at sites using Multi Line Optical Character Reader Input Sub Systems (MLOCR-ISS). Sites that use Delivery Bar Code Sorters (DBCS) that have been retrofitted with Optical Character Reader (OCR) and/or Input Sub System (ISS) capabilities would have a greater depth of sort.

(B) This can be confirmed based on the presort letters/cards density table found in USPS LR-J-60 on page 52.

(C) This can be confirmed based on the presort letters/cards density table found in USPS LR-J-60 on page 52.

(D) The outgoing ISS operation and the automation outgoing primary operation are used to perform different tasks. The outgoing ISS operation is used to either barcode a mail piece or lift the image for a mail piece. In general, the purpose of the automation outgoing primary operation is to sort FIM reply mail. Consequently, it should not be expected that both operations would have identical density values.

(E) This can be confirmed based on the presort letters/cards density table found in USPS LR-J-60 on page 52.

(F) The outgoing OSS operation and the automation outgoing primary operation are used to perform different tasks. The outgoing OSS operation is used to barcode a mail piece that has been resolved by RBCS. In general, the purpose of the automation outgoing primary operation is to sort FIM reply

RESPONSE TO KE/USPS-T39-14 (CONTINUED)

mail. Consequently, it should not be expected that both operations would have identical density values.

(G) This can be confirmed based on the productivity table found in USPS LR-J-60 on page 46.

(H) In regard to the level of sortation, please see the responses to KE/USPS-T39-14(D) and (F). In regard to the productivity differences, these operations are all distinct and are used to accomplish different tasks. In addition, different machines are used to accomplish these tasks. The DBCS is a single-sided four-tiered machine that contains an average of 174 bins. The MPBCS is a two-sided single-tiered machine that contains 96 bins. The MLOCR-ISS is a single-sided single-tiered machine that contains 60 bins. Despite the differences between these machines, each machine is staffed with two mail processing clerks. Given these facts, I would not expect the productivities to be identical.

Individual statistics by operation cannot be scrutinized in an isolated fashion. A system perspective must be used. For example, a DBCS that contained fewer bins would likely maintain higher productivities due to the reduced walking and sweeping time requirements. However, the amount of mail that would have to be rehandled in downstream operations would increase.

DECLARATION

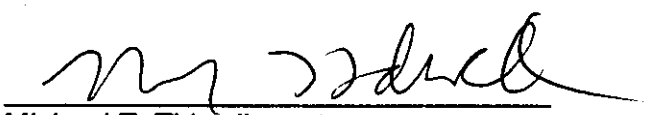
I, Michael W. Miller, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

MICHAEL W. MILLER

Dated: 11/19/01

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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