

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 OFFICE OF  
CONSUMER ADVOCATE  
(OCA/USPS-T39-1-4, and 8)

The United States Postal Service hereby provides the responses of witness Kingsley to the following interrogatories of Office of Consumer Advocate: OCA/USPS-T39-1-4, and 8, filed on November 16, 2001. Interrogatories OCA/USPS-T39-5-7 were redirected to witness Schenk.

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 30, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KINGSLEY  
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE

**OCA/USPS-T39-1** Please refer to the response to OCA/USPS-145.

- a. Do you agree with the response of the Postal Service to OCA/USPS-145(a-i)? If you do not agree with any response, please provide your response. If you do agree, please reconcile your response with the response to UPS/USPS-T39-3.
- b. Refer to the response to part a.
  - i. Please define “throughput.”
  - ii. Please provide a numeric example showing the calculation of throughput. If there are alternative calculations for throughput, please show these alternative calculations.
  - iii. Please identify the calculation of throughput from subpart ii. used, or use predominately, by the Postal Service.
  - iv. Does the calculation of throughput differ based upon the type of automated mail-processing equipment? If yes, show the calculation of throughput for each type of automated mail processing equipment
- c. Refer to the response to part a., where it states “there are inherent differences in piece characteristics between First-Class Mail and Standard Mail that affect throughput. ” Please confirm that the phrase “inherent differences in piece characteristics” refers to physical characteristics. If you do not confirm, please explain.
- d. Refer to the response to part a., where it states “there are inherent differences in piece characteristics between First-Class Mail and Standard Mail that affect throughput.”
  - i. Please identify all inherent differences in mailpiece characteristics for automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce that affect throughput when processed on the Delivery Bar Code Sorter (DBCS), the Mail Processing Bar Code Sorter (MPBCS), and the Carrier Sequence Bar Code Sorter (CSBCS).
  - ii. Please indicate whether each inherent difference in mailpiece characteristics identified in subpart i. with respect to automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce has a positive or negative impact on throughput when processed on the DBCS, MPBCS and CSBCS. Please explain the basis for indicating any positive or negative impact.
  - iii. Please separately rank the positive and negative impacts indicated in subpart ii. from most important to least important for the DBCS, MPBCS and CSBCS.

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- iv. Please identify which (if any) of the positive and negative impacts from subpart iii. have been specifically estimated, quantified, or modeled by the Postal Service in the calculation of throughputs with respect to automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce processed on the DBCS, MPBCS and CSBCS.
- e. Refer to the response to part a., where it states that “First-Class Mail and Standard Mail are sometimes processed on different sort plans.” Please confirm that the phrase “different sort plans” refers to the first pass in Delivery Point Sequencing (DPS) on the DBCS and MPBCS. If you do not confirm, please explain.
- f. Refer to the response to part a.
  - i. Please identify any factors (other than inherent differences in mailpiece characteristics) related to automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce that affect throughput when processed on the DBCS, MPBCS, and CSBCS.
  - ii. Please indicate whether each factor identified in subpart i. with respect to automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce has a positive or negative impact on throughput when processed on the DBCS, MPBCS and CSBCS. Please explain the basis for indicating any positive or negative impact.
  - iii. Please separately rank the positive and negative impacts indicated in subpart ii. from most important to least important for the DBCS, MPBCS, and CSBCS.
  - iv. Please identify which (if any) of the positive and negative impacts from subpart iii. have been specifically estimated, quantified, or modeled by the Postal Service in the calculation of throughputs with respect to automation compatible, barcoded First-Class Mail and Standard Mail letter-shaped pieces weighing one ounce processed on the DBCS, MPBCS, and CSBCS.
- g. Refer to the response to part a. To what extent are automation compatible, barcoded “First-Class Mail and Standard Mail [letter-shaped pieces weighing one ounce] sometimes processed on different sort plans” on the DBCS, MPBCS, and CSBCS? Please provide the frequency, or an estimate of the frequency, with which this occurs for DBCS, MPBCS, and CSBCS processing.
- h. Refer to the response to part a. To what extent do “The First-Class sort plans [for automation compatible, barcoded letter-shaped pieces weighing one ounce] likely involve the use of more stackers” as compared to automation compatible, barcoded Standard Mail letter-shaped pieces weighing one ounce? Please provide the frequency, or an estimate of the frequency, with which this occurs for DBCS, MPBCS, and CSBCS processing.
- i. Refer to the response to part a., where it states that “First-Class Mail and Standard Mail are sometimes processed on different sort plans.” Would the use

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of different sort plans for automation compatible, barcoded First-Class letter-shaped pieces weighing one ounce vs. automation compatible, barcoded Standard Mail letter-shaped pieces weighing one ounce produce a small or large impact on the throughputs of the DBCS, MPBCS, and CSBCS? Please explain and provide copies of any studies, reports, other documents, or communications that support the explanation.

- j. Refer to the response to part a. In the absence of “any testing conducted to quantify the impacts of these differences on equipment throughputs,” please provide copies of any studies, reports, other documents, or communications that discuss the impact of different First-Class Mail and Standard Mail sort plans on throughput.
- k. Refer to the response to part a. Please confirm that it is possible for two groups of 10,000 automation compatible, barcoded letter-shaped pieces weighing one ounce to be identical in every respect (including content and mailing addresses), except that one group paid a First-Class rate and the other paid a Standard Mail Regular rate. If you do not confirm, please explain.
- l. Refer to the response to part a. Would your response to the hypothetical posed in part a. change if the group that paid the First-Class rate were entered in bulk? Please explain.
- m. Refer to the response to part b. Please confirm that “the differences spelled out in part (a)” refer to the “inherent differences in piece characteristics between First-Class Mail and Standard Mail.” If you do not confirm, please explain.
- n. Refer to the response to part b. “[A]bsent testing,” please provide copies of any studies, reports, other documents, or communications that discuss the impact of different First-Class Mail and Standard Mail sort plans on productivities.
- o. Refer to the response to part c. Please confirm that it is possible for two groups of 10,000 automation compatible, barcoded letter-shaped pieces weighing one ounce and identical in every respect (including content and

mailing addresses), with one group paying a First-Class rate and the other paying a Standard Mail Regular rate, to be processed on the same tour. If you do not confirm, please explain.

- p. Refer to the response to part d. Refer also to the hypothetical posed in OCA/USPS-145(a). Please quantify the effect on the unit cost of automation compatible, barcoded First-Class and Standard Mail letter-shaped pieces weighing one ounce caused by the changes in throughput cited in response to part a. when such mail is processed on the DBCS. Please quantify the effect on the unit cost when such mail is processed on the MPBCS and CSBCS.

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- q. Refer to the response to part d. Refer also to the hypothetical posed in OCA/USPS-145(b). Please quantify the effect on the unit cost of automation compatible, barcoded First-Class and Standard Mail letter-shaped pieces weighing one ounce caused by the changes in productivity cited in response to part b. when such letter-shaped pieces are processed on the DBCS. Please quantify the effect on the unit cost when such letter-shaped pieces are processed on the MPBCS and CSBCS.
- r. Refer to the response to part d. Refer also to the hypothetical posed in OCA/USPS-145(c). Assuming the automation compatible, barcoded First-Class and Standard Mail letter-shaped pieces weighing one ounce are processed in one tour, please quantify the effect on the unit cost when such letter-shaped pieces are processed on the DBCS. Please quantify the effect on the unit cost when such letter-shaped pieces are processed on the MPBCS and CSBCS.

**Response:**

- a. Yes. The responses cannot be reconciled, since they cover different topics. The response to OCA/USPS-145 (a – i) relates to piece distribution operations, and the response to UPS/USPS-T39-3 covers the differences in culling and opening operations for incoming letters from each of the points of origin.
- b. i. See footnote 7 on page 4 of my testimony (USPS-T-39) for a definition of throughput. ii. & iii. If 120,000 pieces were fed on a single machine in four hours, the throughput would be 30,000 pieces per hour (equals pieces fed divided by machine run hours or, in this example =>  $120,000/4$ ). iv. No.
- c. Confirmed.
- d. i. First-Class letters tend to be white, enclosed envelopes with minimal extraneous information on the address side. Standard Mail tends to include more pieces that are glossy, non-white, not fully enclosed (e.g., tri-folds, self-mailers, small bound

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booklets), extraneous information on the address side and is thicker and heavier on average.

ii. Based strictly on experience, the characteristics described in subpart i.

associated with First-Class Mail letters tend to have a positive impact on throughput, while the characteristics associated with Standard Mail letter-shaped pieces tend to have negative impacts. The characteristics listed in subpart i. either make barcode application and subsequent readability more difficult or reduce throughput by slowing down the feeder. Even though there are general differences, I believe the difference in throughput is small. See response to OCA/USPS-163.

iii. I have not conducted, nor know of, a comparison study to determine which of these factors has the greatest or least impact on throughput.

iv. None.

e. Not confirmed. The first pass of DPS may be run at different times but it *must* be run on the same sort program.

f. i. None that I am aware of.

ii.-iv. NA

g. It is expected that the use of different sort plans on the DBCSs and MPBCSs would vary significantly from plant to plant based on their service commitments. I am unaware of a specific frequency or information on which to base an estimate. See response to OCA/USPS-163.

h. Outgoing operations, which contain very little Standard Mail volume, typically utilize the maximum number of stackers to sort to other plants as well as local zones and firms. Incoming operations containing both First-Class and Standard Mail may use

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less than the maximum number of stackers depending on the number of associate offices, city zones, or delivery routes in the sort. Also, sort plans dedicated specifically for Standard Mail would not contain courtesy reply or business reply holdouts. As mentioned in sub-part e, DPS runs do not have separate sort plans by class. I am unaware of a specific frequency or information on which to base estimates.

- i. I would estimate a small impact.
- j. I am unaware of any such studies, reports, other documents, or communications correlating the relationship of sort plans and throughput.
- k. Confirmed. It is possible for two groups of 10,000 pieces to be identical in every respect except for class.
- l. No.
- m. Not confirmed. It refers to both the inherent differences in piece characteristics and the fact that they are sometimes processed on different sort plans.
- n. I am unaware of any such studies, reports, other documents, or communications. However, based on the calculations for throughput and productivity, differences in throughput will impact productivity. See footnote 7 on page 4 of my testimony (USPS-T-39) for definitions of throughput and productivity.
- o. Confirmed. It is possible, but not frequent, that two classes of mail are processed on the same tour except for the second pass of DPS processing. Also see response to OCA/USPS-42(b).
- p. The effect would be similar.
- q. The effect would be similar.

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r. The effect would be similar.



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**OCA/USPS-T39-2** Please refer to the response to OCA/USPS-149, parts d and h.

- a. Do you agree with the response of the Postal Service to OCA/USPS-149? If you do not agree with any response thereto, please provide your response.
- b. Refer to the response to part d. Please confirm that the identical mail flow densities for First-Class and Standard Regular letter-shaped pieces assumes, for purposes of USSP-LR-J-60, that the sort schemes and mail processing operations for First-Class and Standard Regular letter-shaped pieces are the same. If you do not confirm, please explain.
- c. Refer to the response to part d. Please confirm that the identical marginal volume variable productivities for First-class and Standard Regular letter-shaped pieces assumes, for purposes of USSP(*sic*)-LR-J-60, that the costs for First-class and Standard Regular letter-shaped pieces undergoing the same mail processing operations are the same. If you do not confirm, please explain.

**RESPONSE:**

- a. Yes.
- b. Confirmed. These values are averages of all the mail run on those programs.  
MODS does not differentiate by class or subclass. See response to OCA/USPS-40.
- c. It is my understanding that this is confirmed.

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**OCA/USPS-T39-3** Please refer to the response to OCA/USPS-165(a), where it states that “experience in operations indicates that cards jam less frequently than letters.”

- a. Do you agree with the response of the Postal Service to OCA/USPS-165? If you do not agree with any response thereto, please provide your response.
- b. Please provide the frequency, or an estimate of the frequency, of jams for automation compatible, barcoded cards weighing one ounce and automation compatible, barcoded letters weighing one ounce for the DBCS, MPBCS, and CSBCS.

**RESPONSE:**

- a. Yes.
- b. Jam rates by weight or by cards verses letters are not available. The average jam rates for FY 2001 were 11.5 per run hour for DBCSs, 10.5 for MPBCSs, and 5.9 for CSBCSs. As mentioned in the response to OCA/USPS-165, subparts (e – f), it is unlikely that a card would weigh one ounce.

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**OCA/USPS-T39-4** Please refer to the response to OCA/USPS-167.

- a. Do you agree with the response of the Postal Service to OCA/USPS-167? If you do not agree with any response thereto, please provide your response.
- b. Refer to the response to part l. Please confirm that full trays of manual letters from bulk mailers marked for manual processing pursuant to DMM M130.1.5 will not be separated into trays of non-machinable letter-shaped pieces subject to the proposed surcharge and trays of other manual letter-shaped pieces. If you do not confirm, please explain.
- c. Refer to the response to part o., where it states that “The Test Year Before Rates volume includes only the nonstandard pieces and the Test Year After Rates [volume] includes both the nonstandard and non-machinable [pieces].” For the Test Year After Rates, please provide volume of pieces that are nonstandard and the volume of pieces that are non-machinable. Show all calculations.
- d. Refer to the response to part p. Please confirm that neither the feeder nor the sweeper will separate non-machinable letter-shaped pieces subject to the proposed surcharge from other manual letter-shaped pieces. If you do not confirm, please explain.
- e. Refer to the response to part p. Please confirm that non-machinable letter-shaped pieces subject to the proposed surcharge will not be marked “Postage Due” by the feeder or the sweeper. If you do not confirm, please explain.
- f. Refer to the response to part r., which states that “Even though a barcode may appear on a non-standard piece, that does not imply that it was processed successfully through the entire automated system.” Is it the Postal Service’s position that every nonstandard (current definition) piece is “captured” during automated mail processing operations? Please explain.
- g. Refer to the response to part u. Please identify all “processing personnel” by job title that have, or could have, responsibility for handling and processing manual letter-shaped pieces.
- h. Refer to the response to part u. Please identify the “processing personnel” identified in part f. above by job title that have responsibility for marking “Postage Due” on nonstandard/non-machinable letter-shaped pieces subject to the proposed surcharge. Please provide any documentation assigning responsibility, or providing instruction, to the identified processing personnel that supports any claimed identity.

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**RESPONSE:**

- a. Yes.
- b. Confirmed.
- c. Redirected to witness Robinson, USPS-T-29.
- d. Confirmed.
- e. Confirmed. The pieces will be sent to a clerk who could mark the piece, if appropriate.
- f. No, assuming "captured" means identified and manually removed from automated processing.
- g. For processing (sortation or piece distribution), manual clerks have the responsibility. For handling containers or in the 010/AFCS operations, it could be mailhandlers, Supervisors Distribution Operations (SDOs), automation clerks (pulling out manual pieces at the feeders of automation), and manual clerks.
- h. I know of no restriction on whom is allowed to identify mail as short paid. However, it is my understanding that the mark-up is limited to accountable clerks or postage-due clerks in delivery units. For example, if a letter carrier identifies short paid mail on a route, it must be brought back and "officially" marked up and then returned to the carrier. Individuals collecting "postage due" postage cannot be the same individuals marking the piece as postage due. See section 261.22 in Handbook M-41 (attached) for more information. In mail processing facilities, postage due mark up is performed on an as needed basis by designated distribution clerks.

## 26 Accountable Items

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### 261 Accountability Procedures

#### 261.1 Acquiring Accountable Items

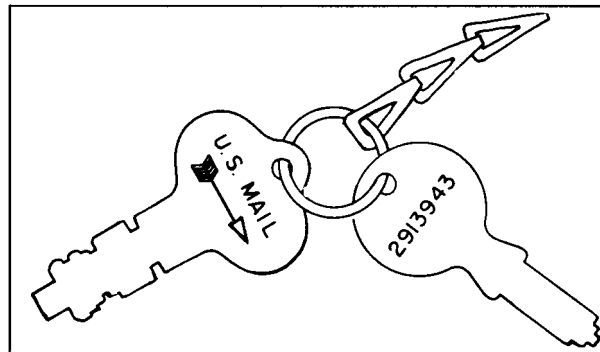
261.11 Accountable items are keys, postage due, customs duty, and special services mail.

261.12 Generally, carriers are required to call at the finance cage for accountable items. They may be called in groups by call of route numbers or by passing a paddle (see glossary for paddle system). At some offices, the items are delivered to the carrier at his/her case.

#### 261.2 Receipting for Accountable Items

##### 261.21 Keys

A numbered check is issued to each employee. When you surrender the check, you will be given a set of Arrow and/or padlock, and/or truck keys. (In some instances, a signature is used in place of a numbered check.) The keys are on a chain which must be securely fastened to a belt or clothing. Keys must be returned at the end of the tour of duty. The two most common type of keys are pictured below:



##### 261.22 Postage Due (Exhibit 261.22)

All postal employees are expected to protect postal revenue. All postage-due items found in the mail should be brought to the finance window for postage accounting. Count the amount of postage due represented by the postage-due stamps or meter strips on the envelope or on Form 3582-A. Give the finance clerk cash or sign Form 3584 for the amount due.

Exhibit 261.22 (p. 1)

U.S. Postal Service <b>POSTAGE DUE BILL</b>							
Name of Customer and Address  Kaplan Electric 22 St. Marys Lane							Dated Postmark
Postage due articles amounting to <u>4</u> dollars and <u>32</u> cents are delivered upon payment of this amount. Equivalent postage is attached to this and the necessary follow sheets that form a part of this bill. If you have deposited a sum in advance for postage due mail, the amount of this bill is being deducted from your account. Please see that the value of the attached postage corresponds with the amount stated.							
Number of Follow Sheets to This Bill  1	Signature of Postmaster  Bob Pierson			Per  George Pierce			

PS Form 3582-A, December 1986

U.S. GOVERNMENT PRINTING OFFICE: 1984 370-315

Exhibit 261.22 (p. 2)

U.S. POSTAL SERVICE <b>POSTAGE DUE LOG</b>						DELIVERY ZIP CODE	DATE	
ROUTE NO.	CARRIER CHECK-OUT			CARRIER CHECK-IN				
	PIECES	AMOUNT DUE (a)	CARRIER (Signature)	PIECES	AMOUNT (b)	AMOUNT COLLECTED (a-b)	CARRIER INITIALS	CLEARANCE CLERK (Signature)
			◀ TOTAL OTHER LOGS THIS DATE ▶			◀ TOTAL OTHER LOGS THIS DATE (Staple Logs Together) ▶		
TOTAL AMOUNT DUE ▶			TOTAL AMOUNT RETURNED ▶			◀ REMIT THIS AMOUNT (a-b) ENTER TO AIC 114 ▶		

PS Form 3584 Dec. 1980

U.S. GOVERNMENT PRINTING OFFICE: 1993 342-723/83789

- 261.23 **Customs Duty (Exhibit 261.23)**
- 261.231 Check name and address as for registers (see section 261.24).
- 261.232 Check mail entry number and verify number of articles received with entry on Form 2944 and, if correct, sign in lower left corner.

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**OCA/USPS-T39-8** Please refer to the response to the following interrogatories:  
OCA/USPS-146, 147, 162, 163, 166, and 168-171. Do you agree with the response of  
the Postal Service to interrogatories listed above? If you do not agree with any  
response thereto, please provide your response.

**RESPONSE:**

Yes.

## 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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November 30, 2001