

Official Transcript of Proceedings

Before the

POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

DOCKET SECTION

In the Matter of:

Postal Rate and Fee Changes

Docket No. R2001-1

VOLUME 10-A

Designation of Institutional Responses filed
In Response to P.O. Ruling R2001-1/23

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HERITAGE REPORTING CORPORATION

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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2001-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE

<u>Party</u>	<u>Interrogatories</u>
Advo, Inc.	NAA/USPS-T39-6, 12 redirected to USPS VP/USPS-6 VP/USPS-T39-4-12, 16, 24, 27, 29, 32, 35, 40, 42-43, 45, 54-55, 58-59, 61-62 redirected to USPS
American Bankers Association and National Association of Presort Mailers	ABA&NAPM/USPS-T22-1, 4, 11, 21, 33, 35 redirected to USPS ABA&NAPM/USPS-T39-5-6 redirected to USPS MMA/USPS-T22-3, 7d-e, 28c-f redirected to USPS
American Business Media & McGraw- Hill	ABM-MH/USPS-1-8
AOL Time Warner	AOL-TW/USPS-1-16, 18-34 AOL-TW/USPS-T13-1a-b, 3, 4a, c-d, f, h-i redirected to USPS
Association for Postal Commerce	PostCom/USPS-T33-12d redirected to USPS
Magazine Publishers of America	ABM-MH/USPS-1 ABM-MH/USPS-T34-13 redirected to USPS MPA/USPS-2-10, 12-13 MPA/USPS-T34-35 redirected to USPS MPA/USPS-T39-7 redirected to USPS MPA/USPS-T43-1, 5b redirected to USPS PostCom/USPS-T39-4 redirected to USPS

Major Mailers Association

MMA/USPS-T22-76 redirected to USPS

Newspaper Association of America

ABM-MH/USPS-T34-13 redirected to USPS

DFC/USPS-5-6, 8

DFC/USPS-T28-2a-c, e-h redirected to USPS

MMA/USPS-T28-1 redirected to USPS

NAA/USPS-T39-1-12 redirected to USPS

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OCA/USPS-T28-1a-b, 2b-c redirected to USPS

OCA/USPS-T40-1 redirected to USPS

UPS/USPS-6-7, 13, 15

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UPS/USPS-T21-6-8 redirected to USPS

UPS/USPS-T28-44 redirected to USPS

UPS/USPS-T30-8 redirected to USPS

VP/USPS-1-2, 4, 9-12

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37, 39-42, 44, 54-60, 65-68 redirected to USPS

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 OCA/USPS-T36-8 redirected to USPS
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 UPS/USPS-T6-7 redirected to USPS

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MMA/USPS-T22-39c-d redirected to USPS
 OCA/USPS-T40-1 redirected to USPS
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 UPS/USPS-T33-4, 11-12 redirected to USPS
 POIR No. 2, Questions 5, 12
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ABA&NAPM/USPS-T39-5-6 redirected to USPS
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 UPS/USPS-T28-14, 34-35, 42, 44, 48-49 redirected to USPS
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Association Inc.

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Respectfully submitted,



Steven W. Williams
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory

Designating Parties

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DBP/USPS-56	OCA
DBP/USPS-57	OCA
DBP/USPS-63	OCA
DBP/USPS-64	UPS
DBP/USPS-65	OCA
DBP/USPS-66	OCA
DBP/USPS-69	OCA
DBP/USPS-71	OCA
DBP/USPS-73	UPS
DBP/USPS-74	OCA
DBP/USPS-81	OCA
DBP/USPS-86	OCA
DBP/USPS-91	OCA
DBP/USPS-92	OCA
DBP/USPS-95	OCA
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DBP/USPS-99	OCA
DBP/USPS-102	OCA
DBP/USPS-103	OCA
DFC/USPS-1	OCA
DFC/USPS-2	OCA
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DFC/USPS-4	OCA
DFC/USPS-5	NAA, OCA
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DFC/USPS-T28-2b redirected to USPS	NAA, UPS
DFC/USPS-T28-2c redirected to USPS	NAA, UPS
DFC/USPS-T28-2e redirected to USPS	NAA, UPS
DFC/USPS-T28-2f redirected to USPS	NAA, UPS
DFC/USPS-T28-2g redirected to USPS	NAA, UPS
DFC/USPS-T28-2h redirected to USPS	NAA, UPS
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MMA/USPS-4	OCA
MMA/USPS-6	OCA
MMA/USPS-T22-3 redirected to USPS	ABA&NAPM
MMA/USPS-T22-4b redirected to USPS	OCA
MMA/USPS-T22-4c redirected to USPS	OCA
MMA/USPS-T22-4d redirected to USPS	OCA
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MMA/USPS-T22-6c redirected to USPS	UPS
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MMA/USPS-T22-7e redirected to USPS	ABA&NAPM
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MMA/USPS-T22-20d redirected to USPS	OCA
MMA/USPS-T22-20e redirected to USPS	OCA
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MMA/USPS-T22-28d redirected to USPS	ABA&NAPM
MMA/USPS-T22-28e redirected to USPS	ABA&NAPM
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MMA/USPS-T22-42 redirected to USPS	OCA
MMA/USPS-T22-48a redirected to USPS	OCA
MMA/USPS-T22-48b redirected to USPS	OCA
MMA/USPS-T22-48c redirected to USPS	OCA
MMA/USPS-T22-48e redirected to USPS	OCA
MMA/USPS-T22-76 redirected to USPS	MMA
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Interrogatory

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 MPA/USPS-T39-7 redirected to USPS
 MPA/USPS-T43-1 redirected to USPS
 MPA/USPS-T43-5b redirected to USPS
 NAA/USPS-T39-1 redirected to USPS
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MPA
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OCA/USPS-58	OCA
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OCA/USPS-60b	OCA
OCA/USPS-60c	OCA
OCA/USPS-60d	OCA
OCA/USPS-60e	OCA
OCA/USPS-60f	OCA
OCA/USPS-60g	OCA
OCA/USPS-61	OCA
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OCA/USPS-79	OCA
OCA/USPS-80	OCA, UPS
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OCA/USPS-86a	OCA
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InterrogatoryDesignating Parties

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OCA/USPS-203	OCA
OCA/USPS-204	OCA
OCA/USPS-205	OCA
OCA/USPS-206	OCA
OCA/USPS-207	OCA
OCA/USPS-208	OCA
OCA/USPS-209	OCA
OCA/USPS-210	OCA
OCA/USPS-211	OCA
OCA/USPS-212	OCA
OCA/USPS-213	OCA
OCA/USPS-214	OCA
OCA/USPS-215	OCA
OCA/USPS-216	OCA
OCA/USPS-217	OCA
OCA/USPS-218	OCA
OCA/USPS-219	OCA
OCA/USPS-220	OCA, UPS
OCA/USPS-221	OCA, UPS
OCA/USPS-222	OCA
OCA/USPS-223	OCA, UPS
OCA/USPS-224	OCA
OCA/USPS-225	OCA
OCA/USPS-226	OCA
OCA/USPS-227	OCA
OCA/USPS-228	OCA
OCA/USPS-229	OCA
OCA/USPS-230	OCA
OCA/USPS-235	OCA
OCA/USPS-236	OCA
OCA/USPS-237	OCA
OCA/USPS-238	OCA
OCA/USPS-241	OCA
OCA/USPS-242	OCA
OCA/USPS-244	OCA

InterrogatoryDesignating Parties

OCA/USPS-248	OCA
OCA/USPS-249	OCA
OCA/USPS-250	OCA
OCA/USPS-251	OCA
OCA/USPS-252	OCA
OCA/USPS-253	OCA
OCA/USPS-254	OCA
OCA/USPS-255	OCA
OCA/USPS-256	OCA
OCA/USPS-257	OCA
OCA/USPS-258	OCA
OCA/USPS-263	OCA
OCA/USPS-264	OCA
OCA/USPS-265	OCA, UPS
OCA/USPS-266	OCA, UPS
OCA/USPS-267	OCA, UPS
OCA/USPS-286	OCA, UPS
OCA/USPS-287	OCA
OCA/USPS-288	OCA
OCA/USPS-289	OCA
OCA/USPS-292	OCA
OCA/USPS-293	OCA
OCA/USPS-295	OCA, UPS
OCA/USPS-296	OCA
OCA/USPS-297	OCA
OCA/USPS-298	OCA
OCA/USPS-299	OCA
OCA/USPS-300	OCA
OCA/USPS-301	OCA
OCA/USPS-302	OCA
OCA/USPS-304	OCA, UPS
OCA/USPS-306a	OCA
OCA/USPS-308	NAA, OCA
OCA/USPS-309	OCA
OCA/USPS-310	OCA
OCA/USPS-312	OCA
OCA/USPS-T28-1a redirected to USPS	NAA, OCA
OCA/USPS-T28-1b redirected to USPS	NAA, OCA
OCA/USPS-T28-2b redirected to USPS	NAA, OCA
OCA/USPS-T28-2c redirected to USPS	NAA, OCA
OCA/USPS-T30-1 redirected to USPS	OCA

InterrogatoryDesignating Parties

OCA/USPS-T30-2 redirected to USPS	OCA
OCA/USPS-T30-17 redirected to USPS	OCA
OCA/USPS-T30-18 redirected to USPS	OCA, UPS
OCA/USPS-T30-19a redirected to USPS	OCA
OCA/USPS-T30-19b redirected to USPS	OCA
OCA/USPS-T30-19c redirected to USPS	OCA
OCA/USPS-T30-20a redirected to USPS	OCA, UPS
OCA/USPS-T30-21 redirected to USPS	OCA
OCA/USPS-T35-1 redirected to USPS	OCA
OCA/USPS-T36-8 redirected to USPS	OCA
OCA/USPS-T40-1 redirected to USPS	NAA, OCA, PRC, UPS
PostCom/USPS-T33-12d redirected to USPS	PostCom
PostCom/USPS-T39-4 redirected to USPS	MPA
PSA/USPS-T40-3e redirected to USPS	PSA
PSA/USPS-T40-3h redirected to USPS	PSA
PSA/USPS-T40-5 redirected to USPS	PSA
PSA/USPS-T40-6 redirected to USPS	PSA
PSA/USPS-T40-7 redirected to USPS	PSA
UPS/USPS-1	UPS
UPS/USPS-2a	UPS
UPS/USPS-2b	UPS
UPS/USPS-3	UPS
UPS/USPS-5	UPS
UPS/USPS-6	NAA, UPS
UPS/USPS-7	NAA, UPS
UPS/USPS-8	UPS
UPS/USPS-9	UPS
UPS/USPS-10	UPS
UPS/USPS-13	NAA
UPS/USPS-15	NAA
UPS/USPS-18	UPS
UPS/USPS-19	UPS
UPS/USPS-25	UPS
UPS/USPS-26	UPS
UPS/USPS-T1-1e redirected to USPS	NAA, UPS
UPS/USPS-T6-7 redirected to USPS	PSA
UPS/USPS-T11-7 redirected to USPS	UPS
UPS/USPS-T11-10 redirected to USPS	UPS
UPS/USPS-T13-1 redirected to USPS	UPS
UPS/USPS-T13-2 redirected to USPS	UPS
UPS/USPS-T14-6a redirected to USPS	UPS

InterrogatoryDesignating Parties

UPS/USPS-T14-6b redirected to USPS	UPS
UPS/USPS-T21-1 redirected to USPS	UPS
UPS/USPS-T21-2 redirected to USPS	UPS
UPS/USPS-T21-3 redirected to USPS	UPS
UPS/USPS-T21-5 redirected to USPS	UPS
UPS/USPS-T21-6 redirected to USPS	NAA, UPS
UPS/USPS-T21-7 redirected to USPS	NAA, UPS
UPS/USPS-T21-8 redirected to USPS	NAA
UPS/USPS-T21-10 redirected to USPS	UPS
UPS/USPS-T21-11 redirected to USPS	UPS
UPS/USPS-T26-1 redirected to USPS	UPS
UPS/USPS-T28-14 redirected to USPS	UPS
UPS/USPS-T28-32 redirected to USPS	OCA
UPS/USPS-T28-34 redirected to USPS	UPS
UPS/USPS-T28-35 redirected to USPS	UPS
UPS/USPS-T28-42 redirected to USPS	UPS
UPS/USPS-T28-44 redirected to USPS	NAA, OCA, UPS
UPS/USPS-T28-48 redirected to USPS	OCA, UPS
UPS/USPS-T28-49 redirected to USPS	OCA, UPS
UPS/USPS-T30-1 redirected to USPS	OCA, UPS
UPS/USPS-T30-2 redirected to USPS	UPS
UPS/USPS-T30-3 redirected to USPS	OCA
UPS/USPS-T30-8 redirected to USPS	NAA, PRC, UPS
UPS/USPS-T33-4 redirected to USPS	PRC, UPS
UPS/USPS-T33-11 redirected to USPS	PRC
UPS/USPS-T33-12 redirected to USPS	PRC
UPS/USPS-T33-25 redirected to USPS	UPS
UPS/USPS-T33-32 redirected to USPS	UPS
UPS/USPS-T39-60 redirected to USPS	UPS
UPS/USPS-T39-61 redirected to USPS	UPS
UPS/USPS-T39-62 redirected to USPS	UPS
UPS/USPS-T39-63 redirected to USPS	UPS
UPS/USPS-T39-64 redirected to USPS	UPS
UPS/USPS-T39-65 redirected to USPS	UPS
UPS/USPS-T39-66 redirected to USPS	UPS
VP/USPS-1	NAA, Val-Pak
VP/USPS-2	NAA, Val-Pak
VP/USPS-3	Val-Pak
VP/USPS-4	NAA, OCA, Val-Pak
VP/USPS-5	Val-Pak
VP/USPS-6	Advo, Val-Pak

Interrogatory

VP/USPS-7
 VP/USPS-8
 VP/USPS-9
 VP/USPS-10
 VP/USPS-11
 VP/USPS-12
 VP/USPS-13
 VP/USPS-14
 VP/USPS-T1-3 redirected to USPS
 VP/USPS-T5-4 redirected to USPS
 VP/USPS-T5-5 redirected to USPS
 VP/USPS-T5-6 redirected to USPS
 VP/USPS-T5-7b redirected to USPS
 VP/USPS-T5-8e redirected to USPS
 VP/USPS-T5-9d redirected to USPS
 VP/USPS-T5-10b redirected to USPS
 VP/USPS-T5-10c redirected to USPS
 VP/USPS-T5-10d redirected to USPS
 VP/USPS-T5-11 redirected to USPS
 VP/USPS-T5-12 redirected to USPS
 VP/USPS-T5-14a redirected to USPS
 VP/USPS-T5-15 redirected to USPS
 VP/USPS-T5-16 redirected to USPS
 VP/USPS-T31-42a redirected to USPS
 VP/USPS-T31-42c redirected to USPS
 VP/USPS-T39-4 redirected to USPS
 VP/USPS-T39-5 redirected to USPS
 VP/USPS-T39-6 redirected to USPS
 VP/USPS-T39-7 redirected to USPS
 VP/USPS-T39-8 redirected to USPS
 VP/USPS-T39-9 redirected to USPS
 VP/USPS-T39-10 redirected to USPS
 VP/USPS-T39-11 redirected to USPS
 VP/USPS-T39-12 redirected to USPS
 VP/USPS-T39-13 redirected to USPS
 VP/USPS-T39-14 redirected to USPS
 VP/USPS-T39-16 redirected to USPS
 VP/USPS-T39-17 redirected to USPS
 VP/USPS-T39-23 redirected to USPS
 VP/USPS-T39-24 redirected to USPS
 VP/USPS-T39-26 redirected to USPS

Designating Parties

Val-Pak
 Val-Pak
 NAA, OCA, Val-Pak
 NAA, OCA, Val-Pak
 NAA, OCA, Val-Pak
 NAA, Val-Pak
 OCA, Val-Pak
 Val-Pak
 NAA, Val-Pak
 NAA, Val-Pak
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 Advo, NAA, Val-Pak
 Advo, NAA, Val-Pak
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 Advo, NAA, Val-Pak
 Advo, NAA, Val-Pak
 Advo, NAA, Val-Pak
 Advo, NAA, Val-Pak
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 Advo, NAA, Val-Pak
 NAA, Val-Pak
 NAA, Val-Pak
 Advo, NAA, Val-Pak
 NAA, Val-Pak
 Val-Pak
 Advo, NAA, Val-Pak
 NAA, Val-Pak

Interrogatory

VP/USPS-T39-27 redirected to USPS
 VP/USPS-T39-28 redirected to USPS
 VP/USPS-T39-29 redirected to USPS
 VP/USPS-T39-30 redirected to USPS
 VP/USPS-T39-32 redirected to USPS
 VP/USPS-T39-33 redirected to USPS
 VP/USPS-T39-34 redirected to USPS
 VP/USPS-T39-35 redirected to USPS
 VP/USPS-T39-36 redirected to USPS
 VP/USPS-T39-37 redirected to USPS
 VP/USPS-T39-39 redirected to USPS
 VP/USPS-T39-40 redirected to USPS
 VP/USPS-T39-41 redirected to USPS
 VP/USPS-T39-42 redirected to USPS
 VP/USPS-T39-43 redirected to USPS
 VP/USPS-T39-44 redirected to USPS
 VP/USPS-T39-45 redirected to USPS
 VP/USPS-T39-54 redirected to USPS
 VP/USPS-T39-55 redirected to USPS
 VP/USPS-T39-56 redirected to USPS
 VP/USPS-T39-57 redirected to USPS
 VP/USPS-T39-58 redirected to USPS
 VP/USPS-T39-59 redirected to USPS
 VP/USPS-T39-60 redirected to USPS
 VP/USPS-T39-61 redirected to USPS
 VP/USPS-T39-62 redirected to USPS
 VP/USPS-T39-64 redirected to USPS
 VP/USPS-T39-65 redirected to USPS
 VP/USPS-T39-66 redirected to USPS
 VP/USPS-T39-67 redirected to USPS
 VP/USPS-T39-68 redirected to USPS
 VP/USPS-T43-14a redirected to USPS
 VP/USPS-T43-14b redirected to USPS
 VP/USPS-T43-14c redirected to USPS
 VP/USPS-T43-18 redirected to USPS
 VP/USPS-T43-25 redirected to USPS
 POIR No. 2, Questions 5, 12
 POIR No. 4, Questions 8, 9a
 POIR No. 6, Question 4
 POIR No. 7, Questions 7 and 9

Designating Parties

Advo, NAA, Val-Pak
 NAA, Val-Pak
 Advo, NAA, Val-Pak
 NAA, Val-Pak
 Advo, NAA, Val-Pak
 NAA, Val-Pak
 Val-Pak
 Advo, NAA, Val-Pak
 NAA, Val-Pak
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 Advo, NAA, Val-Pak
 NAA, Val-Pak
 Advo, NAA, Val-Pak
 Advo, Val-Pak
 NAA, Val-Pak
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 Advo, NAA, Val-Pak
 Advo, NAA, Val-Pak
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 NAA, Val-Pak
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 NAA, Val-Pak
 NAA, Val-Pak
 NAA, Val-Pak
 NAA, Val-Pak
 Val-Pak
 NAA, Val-Pak
 PRC
 PRC
 UPS
 UPS

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS MILLER

ABA&NAPM/USPS-T22-1 At page 10, line 3 of your Direct Testimony you state that you have reclassified cost pools "1suppf1" and "1suppf4" as "nonworksharing related fixed." Please see page 1 of USPS LR-J-84 ("First-Class Mail Presort Letters Summary PRC Version") revised 11-5-01 where you calculate Workshare Related Savings for the First-Class letters automated rate categories using the PRC Version. In calculating the Worksharing Related Savings reflected in column 5 of this USPS LR-J-84, revised 11-5-01, did you treat these two cost pools, 1suppf1 and 1suppf4, as "nonworksharing related fixed," thereby excluding them from the calculation of Worksharing Related Savings? If you did not, please explain fully. If you did exclude all or any portion of these two cost pools, please provide a revised page 1 of Library Reference USPS LR-J-84 (First-Class Mail Presort Letters Summary PRC Version, revised 11-05-01, showing the effect of treating cost pools "1suppf1" and "1suppf4" as "worksharing related fixed" cost pools instead of "nonworksharing related fixed."

RESPONSE:

Yes, the "1SUPPF1" and "1SUPPF4" cost pools have been classified as "non-worksharing related fixed" cost pools. Attachment 1 shows the results were these cost pools treated as "worksharing related fixed." Please note that USPS LR-J-84 was revised on 11/15/01.

RESPONSE TO ABA AND NAPM/USPS-T22-1
ATTACHMENT 1, Page 1 of 1

FIRST-CLASS MAIL PRESORT LETTERS SUMMARY
PRC VERSION

	(1)	(2)	(3)	(4)	(5)
	MAIL PROC	MAIL PROC	DELIVERY	TOTAL	WORK-
BENCHMARK		WORK-	WORK-	WORK-	SHARING
RATE CATEGORY	TOTAL	SHARING	SHARING	SHARING	RELATED
	UNIT COST	RELATED	RELATED	RELATED	SAVINGS
	UNIT COST	UNIT COST	UNIT COST	UNIT COST	
Bulk Metered Mail (BMM) Letters	12.199	11.264	4.083	15.347	---
Nonautomation Presort Letters	16.427	14.857	5.942	20.800	(5.453)
Nonautomation Nonmachinable Mixed ADC	36.415	34.845	8.408	43.253	(27.907)
Nonautomation Nonmachinable ADC	28.567	26.997	8.408	35.405	(20.059)
Nonautomation Machinable Mixed AADC	11.440	9.871	4.083	13.954	1.393
Nonautomation Machinable AADC	11.440	9.871	4.083	13.954	1.393
Nonautomation Nonmachinable 3-Digit	25.385	23.815	8.408	32.223	(16.877)
Nonautomation Nonmachinable 5-Digit	15.407	13.837	8.408	22.245	(6.898)
Nonautomation Machinable 3-Digit	11.000	9.430	3.954	13.384	1.963
Nonautomation Machinable 5-Digit	11.000	9.430	3.954	13.384	1.963
Nonautomation Machinable Letters (All Presort Levels)	11.173	9.603	4.005	13.607	1.739
Automation Mixed AADC Letters	5.518	5.206	4.164	9.370	5.976
Automation AADC Letters	4.585	4.273	4.015	8.288	7.058
Automation 3-Digit Presort Letters	4.259	3.947	3.979	7.926	7.421
Automation 5-Digit Presort Letters	3.172	2.860	3.794	6.654	8.693
Automation 5-Digit Presort Letters (CSBCS/Manual Sites)	4.002	3.690	6.160	9.850	---
Automation Carrier Route Presort Letters	2.094	1.782	6.059	7.841	2.009

(1) CRA Mail Processing Unit Costs:

Worksharing Proportional Cost Pools + Worksharing Fixed Cost Pools + Non-Worksharing Fixed Cost Pools

Model-Based Mail Processing Unit Costs:

(Model Cost * Worksharing Proportional Adjustment) + Worksharing Fixed Adjustment + Non-Worksharing Fixed Adjustment

(2) CRA Mail Processing Unit Costs:

Worksharing Proportional Cost Pools + Worksharing Fixed Cost Pools

Model-Based Mail Processing Unit Costs:

(Model Cost * Worksharing Proportional Adjustment) + Worksharing Fixed Adjustment

(3) USPS LR-J-117

(4) (2) + (3)

(5) Benchmark (4) - Rate Category (4)

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS MILLER

ABA&NAPM/USPS-T22-4 Please confirm that had you used delivery unit costs of First-Class Mail Nonautomation Presort Letters as the proxy for delivery unit costs of the benchmark, Metered Letters, as both you and the Commission did in R2000-1, the Worksharing Related Savings shown in column 5 of page 1 of USPS LR-J-84 ("First-Class Mail Presort Letters Summary PRC Version"), revised 11-05-01 would have been 1.867 cents higher for each of the FCLM automation rate categories shown on such page 1, resulting in the following "Worksharing Related Savings": 7.825 cents for Automation Mixed AADC Letters; 8.907 cents for Automation AADC Letters; 9.27 cents for Automation Three-Digit Presort Letters; and 10.542 cents for Automation Five-Digit Presort Letters. If you cannot confirm, please explain why.

RESPONSE:

The benchmark for the First-Class automation presort rate categories is not metered letters; but is Bulk Metered Mail (BMM) letters. However, the IOCS system cannot be used to isolate BMM letters mail processing unit costs. Consequently, the costs for all metered letters are used as a proxy.

In Docket No. R2000-1, the aggregate nonautomation presort letters delivery unit cost was used as the proxy for Bulk Metered Mail (BMM) letters. Witness Clifton criticized this cost methodology (please see Docket No. R2000-1, Tr.26/12421 at 1-3). The Commission, however, subsequently relied upon this methodology.

In this docket, the nonautomation presort letters costs are de-averaged based on mail piece machinability and presort level. Consequently, more detailed delivery unit cost estimates are available. Given that BMM letters are machinable letters, the nonautomation machinable mixed AADC presort letters delivery unit cost estimate is used as the proxy for BMM letters in this docket. Please see the response to MMA/USPS-T22-19(B) for further discussion as to why this methodology is appropriate.

The aggregate nonautomation presort letters delivery unit cost found on page 1 of USPS LR-J-84 is 5.942 cents (please see the revisions filed on 11/15/01). This figure is 1.859 cents higher than the delivery unit costs for BMM letters. Were this figure to be

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RESPONSE TO ABA&NAPM/USPS-T22-4 (CONTINUED)

adopted as an alternative, the worksharing related savings estimates for the automation presort categories would inflate to the following figures:

Automation Mixed AADC	7.835 cents
Automation AADC	8.918 cents
Automation 3-Digit	9.280 cents
Automation 5-Digit	10.552 cents

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ABA&NAPM/USPS-T22-11

Revised 12/21/01

- (a) Please confirm that the Postal Service itself has acknowledged that the move update program saved it more than \$1.5 billion in forwarding and return costs in FY 98 alone (see response of United States Postal Service to Interrogatory MMA/USPS-1(j) at Tr. Vol 21 pages 8897 and 8899 in R2000-1.
- (b) Please indicate whether the Postal Service has obtained any updates to the Price Waterhouse 1995 study on First-Class Undeliverable As Addressed ("UAA") mail, or any other studies since 1995, quantifying USPS forwarding and return costs of UAA First-Class Mail, and please produce such studies.
- (c) What are the most recent cost figures which the Postal Service has for the cost per piece of forwarded First-Class UAA Mail and the cost per piece of returned First-Class UAA Mail?
- (d) What percent of First Class Automated Letters is UAA mail? What percent of First Class metered letters is UAA mail?

RESPONSE:

- (a) Confirmed.
- (b) Please see USPS LR-I-82 in Docket No. R2000-1.
- (c) Please see USPS LR-I-82 in Docket No. R2000-1.
- (d) The Postal Service does not have data responsive to this request.

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REDIRECTED FROM WITNESS MILLER

ABA&NAPM/USPS-T22-21 For your metered letters cost sheet mail flow model, please confirm the basic wage has increased by 9% between TY 2001 and TY 2003.

- a. Is this the result of expected or actual collective bargaining agreements?
- b. What inflation or cost of living factor is used for these two estimates and for TY 2001, how does your estimate compare to the actual CPI-U?

RESPONSE:

When comparing the hourly wage rates used in Docket No. R2000-1 (USPS LR-I-477) to those used in this docket (USPS LR-J-60), it can be confirmed that the "Remote Encoding Center (REC)" wage rate has increased from \$18.088 to \$20.409 (12.8%) and the "Other Mail Processing" wage rate has increased from \$28.725 to \$30.840 (7.4%).

- a. The estimated increase in the national average productive hourly rates reflected in Chapter IXb. of USPS LR J-50 results from the assumptions detailed and explained in USPS LR J-50. These include the impact of actual and assumed labor contracts, as well as estimated health benefit premium increases.
- b. The factors used for these estimates are explained in detail in USPS LR J-50. As explained fully in that library reference, the major factors impacting estimated productive hourly rates are the Employment Cost Index (ECI) and the estimated change in health benefit premiums. The CPI-U increased by 2.6% from September 2000 and September 2001. This is less than the estimated increase in the clerk / mailhandler productive hourly rate for FY 2001 which was impacted by the carryover impact of the large September 9, 2000 COLA, the change in the ECI, and double digit increases in health benefits.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS MILLER

ABA&NAPM/USPS-T22-33 Please refer to the response of Patelunas, filed November 29, 2001, to Interrogatory ABA&NAPM/USPS-T39-8, redirected from witness Kingsley, where Mr. Patelunas confirms that the cost saving effects of Postal Automated Redirection System ("PARS") have been included in the USPS projection of UAA costs and that USPS LR-J-49, Exhibit E, page 1 shows Test Year 2003 PARS savings of \$81,478,000. Please also see the Postal Service response filed November 29, 2001 to Interrogatory ABA&NAPM/USPS-T22-11, where the Postal Service states that it has no cost figures, since the 1995 Price Waterhouse UAA Study, which cost figures would provide recent costs per piece of Forwarded First-Class UAA Mail and Returned First-Class UAA Mail. Please explain how the Postal Service can calculate UAA cost savings due to PARS, if it has no recent figures on cost per piece of Forwarding First-Class UAA Mail and Returning First-Class UAA Mail. What UAA cost studies, if any, did the Postal Service use in this case?

RESPONSE:

The PARS savings estimate was based on a Decision Analysis Request (DAR). That program will not take effect until TY 2003. An updated UAA cost study can be found in USPS LR-I-82 in Docket No. R2000-1.

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NATIONAL ASSOCIATION OF PRESORT MAILERS
REDIRECTED FROM WITNESS MILLER

ABA&NAPM/USPS-T22-35 At page 15, line 23 of your testimony revised 11/16/01, you state that you used two separate wage rates to calculate model cost, one being that for employees working at REC sites and the other being an aggregated rate for all other mail processing employees who do not work at REC sites. Please provide an aggregate wage rate for all Postal Service mail processing employees, regardless of whether they work at REC sites, for each Postal Service fiscal year from Fiscal Year 1984/1985 through Fiscal Year 2000/2001, and provide this figure as projected for Fiscal Year 2001/2002.

RESPONSE:

Please see the response to MMA/USPS-T22-3 for FY's 1998-2003 actual and estimated clerk / mailhandler productive hourly rates . Comparable rates for FY 96 can be found in Chapter VIIIId of LR H-12 (Docket R97-1). Comparable data for some earlier fiscal years may be available in the revenue requirement workpapers and/or library references from earlier dockets.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION &
NATIONAL ASSOCIATION OF PRESORT MAILERS
REDIRECTED FROM WITNESS ROBINSON

ABA&NAPM/USPS-T29-12 On page 14, lines 10-12 of your testimony, you claim any smaller increase in the first ounce rate for single piece FCM letters would impose unreasonably large increases on other classes of mail.

c. Please state what your understanding is of the allocation, currently, of total delivery costs (not so-called volume variable costs and not so called "attributable" costs) across the major mail subclasses.

RESPONSE:

Delivery costs that are reasonably identifiable to a particular mail class as either volume variable or specific fixed costs are attributed to that mail class in accordance with 3622(b). Any delivery costs not attributed to a particular mail class are part of the institutional cost pool which, in the aggregate, is assigned to the various mail classes and special services in accordance with section 3622(b). These unattributed costs are not disaggregated on the basis of operational function for the purpose of assignment to the various mail classes.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF
AMERICAN BANKERS ASSOCIATION AND NATIONAL ASSOCIATION OF
PRESORT MAILERS REDIRECTED FROM WITNESS KINGSLEY

ABA&NAPM/USPS-T-39-3 Please quantify the impact on your testimony, and on the costs developed in this case as the basis for the rates requested by the USPS, of any assumption or assumptions regarding USPS "plans" for the time period beyond TY03 used by you or by any person or persons whose data you relied upon. In your response, please deal specifically with how the current freeze or restrictions on capital expenditures is likely to affect the USPS "plans" you describe.

Response:

As a general rule, the costs developed in this request that are used as a basis for the proposed rates are based on TY03. Any allusions to the time period beyond the test year would be solely for the purpose of illustrating potential changes that may affect cost trends. While the current financial uncertainty will undoubtedly affect those "plans," it is impossible to project those affects at this time. In any event, those post-Test Year implications do not affect the proposed costs or rates.

Revised 11/30/01

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS REDIRECTED FROM
WITNESS KINGSLEY**

ABA&NAPM/USPS-T-39-5

Where in the USPS mail processing costs for the TY03 are the labor costs associated with working mail on USPS MLOCRs (including low-cost MLOCRs), DBCSs, DIOSSs, CSBCSs, MPBCSs, and LMLMs, reflected? Please include information indicating the MODS cost pool(s) in which these costs are recorded, and the percentage of costs in such pools attributable to these labor costs.

Response:

The table below indicates where the costs for these operations are included in the MODS cost pools for the base year (for further reference, see Table I-2B in USPS-LR-J-55, and Table 1 in USPS-T13):

Operations	Cost Pools	Cost Pool Volume- Variable Costs	Operation Percent of Cost Pool Volume- Variable. Costs
MLOCRs	OCR	185,215	98.62%
Low-cost MLOCRs	CBCS/DBCS	789,844	00.66%
DBCSs	CBCS/DBCS	789,844	99.30%
DIOSSs	CBCS/DBCS	789,844	00.02%
CSBCSs	CBCS/DBCS	789,844	00.02%
MPBCSs	BCS – other than CBCS/DBCS	255,509	98.18%
LMLMs	LD15 – RBCS	292,071	06.85%
DBCS/MLOCR	LDC41 – Unit Distribution – Autom	30,535	01.36%
DBCS/MPBCS	LDC41 – Unit Distribution – Autom	30,535	63.35%
DIOSSs	LDC41 – Unit Distribution – Autom	30,535	00.00%

Revised 11/30/01

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS REDIRECTED FROM
WITNESS KINGSLEY**

CSBCSs	LDC41 -- Unit Distribution -- Autom	30,535	35.10%
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Note that the costs for these operations are also included in the Non-MODS cost pool 'Automated/Mechanized,' although the percentage of cost by operation is not available for Non-MODS cost pools.

Mail processing costs for TY03 are not projected by type of equipment or MODS cost pools. Mail processing costs, component 35, is rolled-forward from the base year to the test year utilizing the six rollforward change factors: cost level effect, mail volume effect, nonvolume workload effect, additional workday effect, cost reductions and other programs. All the factors can be found in the testimony of witness Patelunas, USPS-T-12, Exhibit USPS 12A. For a more detailed listing of the field related programs, including equipment programs, please see USPS-LR-J-49, Section 1 for a narrative description and Exhibits A through C and E for the dollar amounts. Additionally, to see the impacts by class, subclass and special service, please refer to the following workpapers associated with the testimony of witness Patelunas, USPS-T-12:

- WP-A Fiscal Year 2001 Before Workyear Mix Adjustment, Table A
- WP-C Fiscal Year 2002 Before Workyear Mix Adjustment, Table A
- WP-E Fiscal Year 2003 Before Workyear Mix Adjustment, (Current Rates),
Table A

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**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS REDIRECTED FROM
WITNESS KINGSLEY**

-- WP-G Fiscal Year 2003 Before Workyear Mix Adjustment, (Proposed Rates),

Table A

Also refer to USPS-LR-J-52, pages III-20 and III-21 for additional information on

the impact of the equipment programs on mail processing labor costs.

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**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS REDIRECTED FROM
WITNESS KINGSLEY**

ABA&NAPM/USPS-T-39-6

Please explain how mail is staged for and delivered to USPS MLOCs (including "low cost" MLOCs), DBCs, DIOSs, CSBCs, MPBCs, and LMLs and how mail that has been processed on these machines is taken away from them to other areas of the facilities. Please include the number of employees engaged in each such activity for each type of machine, and whether they were in addition to those employees staffing the machine itself--i.e., the person feeding the machine and the person sweeping the machine. Please identify the locations/facilities at which you personally observed the operation of these machines and the staging and removal of mail that form the basis for your testimony or response to this interrogatory. Were these staging and removal activities included in the USPS mail processing costs for TY03 and if so in which MODS cost pool?

Response:

Letter trays are staged for, delivered to, and taken away from these operations either by using rolling stock (APCs or nutting trucks) or fixed mechanization conveyors (e.g., TMS). Trays inducted into TMS will be either staged in TMS storage towers or directly distributed to the various pieces of equipment (see USPS-T-39, pages 3 – 7, for information on the various pieces of equipment and the candidate mail for each type). Letters are removed from the equipment sort stackers and placed into letter trays. When trays are full, a processing run ends, or it is time for a dispatch, the trays are then swept from the operation and either placed into rolling stock or on TMS or similar takeaway conveyors. Trays in both the rolling stock and in TMS are transported to either a subsequent downstream piece distribution operation or a dispatch operation for sleeving, banding, and

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**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS REDIRECTED FROM
WITNESS KINGSLEY**

assignment to transportation. Mailhandlers, in addition to the clerks feeding and sweeping the equipment, typically perform the functions of staging, delivering, and removing mail. The allied work to stage and take away mail from these letter operations is, for the most part, not included in the MODS automated letter operations but in various allied operations (e.g., 110-129, 180, and 189).

As indicated in the response to ABA&NAPM/USPS-T-39-5, costs for the test year are not forecast by cost pool. For the base year, these activities could be included in the MODS allied cost pools, the MODS LDC43 cost pool or the MODS distribution cost pools. For Non-MODS offices, they could be included in the Allied cost pool, the Automated/Mechanized cost pool or the manual cost pools.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM-MH/USPS-1. Please provide all studies conducted by or on behalf of the Postal Service since 1995 that analyzed or considered in any way separate editorial drop ship pound rates for Periodicals. If the USPS has not studied these issues since 1995, please so state.

RESPONSE:

The idea of editorial drop-ship pound rates has been discussed in the context of customized or specialized rate options designed to reduce costs.

Representatives of a couple of publications separately approached the Postal Service with a variety of cost saving proposals. As these ideas were being developed, one item that came under discussion was a discount on dropshipped editorial pounds. A preliminary proposal that was discussed was to provide a portion of the cost savings to marginal editorial pounds. That is, the discounted rate would only apply to the editorial pounds that were dropshipped as a result of this discount and would not have applied to the editorial pounds that were already being dropshipped.

The analysis that two separate mailers provided in response to the proposal suggested that 20 to 30 percent more volume would be entered at the SCF. These promises were not based on a study in a traditional sense, but they suggested that such a rate structure would lead to significant change in behavior. The mailers that use the discount would be able to reduce their postage. The Postal Service would gain by avoiding transportation and handling that mailers can provide more efficiently. The mailers that did not use the discounted editorial pound rates would also gain because only a portion of the cost saving was being

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM/-MH/USPS-1, Page 2 of 2

passed on to the users of the rates. The other portion would benefit the whole Periodicals class.

As plans for the current rate case were being developed, one issue that arose was how to develop incentives to reduce Periodicals costs. It was apparent that Periodicals mail was not dropshipped to the same extent as similar Standard Mail. While more than one factor could account for that, what we learned from our earlier discussions suggested that additional dropship incentives might be *appropriate*. With that in mind we looked to develop enhanced incentives that would encourage more dropshipping while addressing the concerns discussed in the testimony of witness Taufique (USPS-T-34).

The Postal Service or its contractors did not conduct any responsive studies.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM-MH/USPS-2. Please provide all studies conducted by or on behalf of the Postal Service since 1995 that analyzed or considered in any way a per-piece pallet discount for Periodicals. If the USPS has not studied these issues since 1995, please so state.

RESPONSE

The study that was used to support the per-piece pallet discount proposed in this docket is provided by witness Schenk (USPS-T-43) in Library Reference J-100.

No other studies have been conducted since 1995.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES


ABM/USPS-3:

Please provide all studies conducted by or on behalf of the Postal Service since 1995 that analyzed the particular characteristics of periodicals publications and/or Periodicals mailers who drop ship. Possible characteristics studied might include publication circulation or density, time sensitivity or other factors. If the USPS has not studied these issues since 1995, please so state.

RESPONSE:

There are no studies that meet the criteria set forth in this interrogatory. The closest studies would be USPS LR-I-87 from Docket No. R2000-1, and USPS LR-J-114 from Docket No. R2001-1.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES

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ABM/USPS-4:

Please provide all studies conducted by or on behalf of the Postal Service since 1995 that analyzed the particular characteristics of Periodicals publications and/or Periodicals mailers who do not drop ship. Possible characteristics studied might include publication circulation or density, time sensitivity or other factors. If the USPS has not studied these issues since 1995, please so state.

RESPONSE:

There are no studies that meet the criteria set forth in this interrogatory. The closest studies would be USPS LR-I-87 from Docket No. R2000-1, and USPS LR-J-114 from Docket No. R2001-1.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES**

ABM-MH/USPS-5 Please provide all studies conducted by or on behalf of the Postal Service since 1995 that analyzed or considered in any way co-palletizing in which different *Periodicals* are combined in a single pallet. If the USPS has not studied these issues since 1995, please so state.

Response:

There were no studies conducted related to co-palletizing *Periodicals*.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM-MH/USPS-6. Please provide all studies or estimates available to the USPS of the number of Periodicals and the number of pieces for each such Periodical that are not now drop shipped but will begin to be drop shipped in response to the USPS's proposed editorial drop ship pound rate in Periodicals. If the USPS has not studied this issue, please so state.

RESPONSE:

Please see the response to ABM-MH/USPS-1.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM-MH/USPS-7. . Please provide all studies or estimates available to the USPS of the number of Periodicals and the number of pieces for each such Periodical that are not now mailed on pallets but will begin to be mailed on pallets in response to the USPS's proposed per piece pallet discount in Periodicals. If the USPS has not studied this issue, please so state.

RESPONSE:

The Postal Service has not studied this issue in isolation, but the entry profile study presented in LR-J-114 indicates that more than 80 percent of dropshipped volume is on pallets.

RESPONSE OF UNITED STATES POSTAL SERVICE TO INSTITUTIONAL
INTERROGATORIES OF AMERICAN BUSINESS MEDIA AND MCGRAW-HILL
COMPANIES

ABM-MH/USPS-8. Please provide all studies or estimates available to the USPS of the number of Periodicals and the number of pieces for each such Periodical that are *neither drop-shipped nor entered on pallets at present but that will begin to be both drop shipped and entered on pallets in response to the combined effects of the USPS's proposed editorial drop ship and per piece pallet discount in Periodicals*. If the USPS has not studied these issues in combination, please so state.

RESPONSE:

Please see the response to ABM-MH/USPS-1.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF
AMERICAN BUSINESS MEDIA AND THE MCGRAW-HILL COMPANIES,
REDIRECTED FROM WITNESS TAUFIQUE

ABM-MH/USPS-T34-13. If as a result of the proposals more Periodicals are drop shipped, how will that affect the unit attributable costs of those that are not? As part of your answer, please describe the effect on non-drop shipped Standard A attributable costs when drop ship discounts for Standard A mail were first introduced.

RESPONSE:

There is no expectation of any change to the attributable cost of individual non-dropshipped pieces simply due to an increase in volume of dropshipped Periodicals. To the extent that there is a change in mail mix of the non-dropshipped pieces (e.g., the average length of haul increases), then that may affect the average cost of all non-dropshipped pieces. That does not necessarily imply a push up on individual rate cells for all nondropshipped pieces, however, since the average revenue for these pieces would be affected in a similar fashion as the rates are zoned. The resulting "average" non-dropshipped piece might be in a higher zone.

As far as Standard Mail is concerned, total attributable costs are not calculated by entry location. However, cost studies, such as provided in USPS-LR-J-68, have been provided since 1990 that measure workshare-related costs by destination entry tier and include estimates of the unit transportation and non-transportation costs associated with transporting non-dropshipped containers from origin to destination delivery unit. While those studies may provide some insight, any changes in the costs by tier could be caused by a number of variables, not simply changes in relative volume among the tiers.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF AMAZON.COM, INC.
(REDIRECTED FROM WITNESS XIE)

AMZ/USPS-T2-7.

What is the average distance for mail transported to Zone 5? To Zone 6?
To Zone 7?

RESPONSE

Such data are not available for all mail.

For Parcel Post, the average Great Circle Distances (GCD) for Zone 5 through Zone 7 can be developed using numbers contained in the Library Reference USPS LR-J-67, Attachment G. The following table shows the calculation.

Zone	Cubic foot Miles (Page 397 of LR-J-67)	Cubic Feet (Page 349 of LR-J-67)	Average GCD (cfm / cf)
Zone 5	4,114,571,164	5,053,484	814
Zone 6	3,398,685,692	2,867,278	1,185
Zone 7	3,074,877,844	1,916,650	1,604

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AOL TIME WARNER, INC.**

AOL-TW/USPS-1 Please provide, for each MODS 3-digit code under LDC 11, LDC 12, LDC 13 and LDC 14, the following statistics for FY2000:

- a. recorded clerk and mailhandler manhours (sic);
- b. pieces handled (TPH);
- c. pieces fed (TPF); and
- d. first handling pieces (FHP)

If some of the information listed above is already included in this filing, please provide the proper references. Please provide all information in an electronic spreadsheet format.

Response:

See attached spreadsheet.

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

FY 2000

LDC	OPER	Work Hours	FHP (000)	TPH (000)	TPF (000)
11	046	94,021	318,290.3	115,863.6	707,939.1
11	047	35,309	(2,455.0)	332,585.1	433,953.1
11	241	78	-	-	-
11	242	4	-	-	-
11	243	31	-	-	-
11	244	39	-	-	-
11	245	4	-	-	-
11	246	38	-	-	-
11	247	(2)	-	-	-
11	250	12	-	3.8	3.8
11	251	12	-	-	-
11	261	185,630	977,920.9	1,351,673.6	1,750,239.7
11	262	819	391.2	53,541.0	67,523.4
11	263	12,488	15,814.1	76,820.8	92,487.4
11	264	14,658	122,856.4	204,127.8	229,753.3
11	265	3,239	3,424.2	33,095.3	35,646.0
11	266	(3,440)	(45.5)	74,495.2	78,653.0
11	267	4,306	26.2	7,995.7	9,210.6
11	271	1,391,629	4,328,329.2	14,339,543.7	17,048,208.1
11	272	40,409	65,499.9	801,982.8	949,217.0
11	273	55,388	33,618.8	710,187.1	820,060.9
11	274	20,353	23,523.9	275,370.2	311,179.8
11	275	12,531	2,829.0	70,150.1	84,601.9
11	276	254	5,504.0	22,499.3	24,207.8
11	277	1	12.4	12.2	12.3
11	278	80	-	865.8	877.7
11	279	14	-	812.0	819.7
11	281	21,177	87,595.8	168,048.3	272,401.0
11	282	90	-	-	-
11	283	2,556	1,303.6	11,860.5	17,987.7
11	284	1,894	5,931.8	16,456.1	19,525.7
11	285	332	10.3	1,124.1	1,842.1
11	291	4,286	43,315.8	101,719.1	303,499.6
11	292	1,053	12.7	617.3	733.3
11	293	120	122.9	223.5	7,016.9
11	294	8	127.4	1,974.8	2,721.6
11	295	22	34.4	202.8	365.1
11	296	5	-	152.9	187.6
11	297	(3)	6.3	-	-
11	299	20	-	-	-
11	301	16,726	61,205.9	7,294.3	89,003.0
11	302	1,415	75.9	-	-
11	303	50,033	256,192.6	103,082.0	356,567.9
11	304	117	(7.1)	-	-
11	309	1,556	1,459.9	1,358.4	9,332.1
11	311	3,304	3.5	36,122.1	42,403.3
11	312	10,107	140,908.1	39,077.7	43,699.0

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

11	313	20,353	5,494.9	112,467.2	136,876.8
11	314	6,631	13,032.8	37,010.2	45,234.6
11	315	31,221	(66.8)	84,440.8	115,017.5
11	316	273	-	2,018.6	2,363.9
11	317	34,740	644.6	160,795.6	236,872.2
11	318	495	112.9	23,634.1	24,859.2
11	319	629	5,053.9	2,969.1	13,528.8
11	356	567	14,302.9	2,313.5	8,538.9
11	357	2,322	20,034.8	4,769.5	13,953.3
11	603	277	-	-	-
11	831	231,927	773,073.9	455,801.9	639,773.3
11	832	31,381	29,809.8	251,744.8	331,944.0
11	833	129,839	335,038.2	215,357.5	273,576.1
11	834	443,224	573,086.9	1,644,171.7	1,980,811.5
11	835	233,644	283,156.8	785,082.7	968,860.4
11	836	197,131	25,872.7	1,692,888.4	1,910,835.9
11	837	41,928	38,906.9	78,319.1	91,422.7
11	841	169,469	240,040.3	699,456.8	1,074,014.2
11	842	31,092	54,296.3	170,122.5	223,563.7
11	843	138,176	262,724.2	436,754.4	632,830.0
11	844	192,620	363,255.2	826,748.5	1,119,639.1
11	845	69,135	159,036.5	360,833.0	479,299.3
11	846	62,961	48,606.7	276,773.3	331,690.0
11	847	363	192.4	1,526.1	1,792.9
11	851	9,601	6,258.1	1,559.6	3,221.6
11	852	1,530	339.8	1,957.2	2,642.6
11	853	2,071	1,307.8	1,302.9	1,866.0
11	854	14,366	1,037.6	245.6	324.0
11	855	150	314.1	95.1	115.5
11	856	50	1,067.2	-	-
11	857	87	-	-	-
11	861	6,635	25,026.4	9,668.2	48,546.4
11	862	3,062	6,601.6	47,954.3	72,023.7
11	863	26,483	78,075.1	86,475.6	171,816.1
11	864	36,275	108,965.1	395,037.7	440,544.8
11	865	15,138	43,233.2	185,486.6	220,679.7
11	866	56,882	10,470.3	647,144.1	698,157.9
11	867	1,547	30.9	68,034.8	73,179.5
11	868	242	(0.3)	2,836.8	2,938.6
11	869	634	-	2,099.3	2,114.1
11	871	411,701	1,172,797.8	594,595.5	634,429.3
11	872	146,539	374,175.7	1,144,821.9	1,190,423.8
11	873	993,072	6,025,009.6	4,793,241.9	5,058,250.8
11	874	2,342,242	13,239,211.4	12,115,252.2	12,675,153.5
11	875	969,039	5,490,834.2	5,009,199.5	5,253,462.3
11	876	2,185,442	4,003,350.2	7,347,164.4	7,674,887.8
11	877	79,503	118,063.0	958,328.1	982,818.5
11	878	203,948	737,298.5	1,075,643.0	1,104,763.0
11	879	72,818	56.1	839,405.7	853,416.9
11	881	4,244,423	25,900,672.7	19,344,543.1	26,329,551.1
11	882	41,583	79,127.8	54,066.2	95,635.6
11	883	1,167,849	2,463,085.1	2,592,955.6	3,890,874.8
11	884	729,879	1,807,376.5	2,409,982.3	3,000,607.2

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

11	885	421,285	801,217.7	1,032,326.7	1,331,602.4
11	886	13,971	14,507.1	26,763.3	31,265.0
11	887	1,783	733.3	1,460.7	2,345.3
11	891	2,488,458	13,433,257.2	14,926,305.0	15,685,101.6
11	892	1,434,399	2,698,967.7	11,173,718.8	11,628,548.9
11	893	4,503,261	21,630,550.5	23,826,273.7	24,737,031.2
11	894	3,552,396	18,885,343.8	20,082,630.9	20,815,381.6
11	895	1,601,004	8,628,434.4	10,915,247.3	11,318,227.1
11	896	2,871,660	6,696,940.1	17,451,792.9	18,214,664.9
11	897	329,229	460,488.2	3,412,763.9	3,493,840.8
11	898	852,130	1,328,633.4	2,662,690.2	2,724,396.8
11	899	138,381	229.0	1,884,622.3	1,911,484.4
11	905	-	-	1,914.4	-
11	908	206	(1.4)	11,568.9	12,836.7
11	909	2,400	1.0	-	-
11	910	162	157.5	11,587.9	11,880.3
11	911	3,144	15,639.6	200,157.7	201,017.0
11	912	-	-	332.8	-
11	913	-	-	211.0	-
11	914	12,617	1,995.0	238,864.3	244,928.8
11	915	3,571	82.6	182,753.7	187,913.0
11	916	4,288	6,595.9	53,491.0	54,950.9
11	917	1,147	327.2	39,459.8	40,441.1
11	918	9,944,776	17,514,724.3	64,325,302.1	65,946,976.2
11	919	3,326,001	1,667.3	55,072,342.4	55,924,201.6
11	925	6,130	88.8	-	-
11	926	194	9.2	-	-
11	971	1,468,180	4,432,671.1	7,642,692.9	9,254,374.4
11	972	155,915	317,036.7	826,114.3	999,632.8
11	973	299,094	398,253.5	1,887,243.5	2,286,189.4
11	974	177,789	338,319.2	1,235,237.7	1,440,290.8
11	975	119,532	131,335.8	867,143.5	976,323.4
11	976	15,210	68,293.9	306,943.9	320,973.3
11	977	1,425	12,840.4	44,083.2	46,026.5
11	978	3,802	1,778.9	13,864.5	15,512.1
11	979	4,894	5.9	12,558.1	14,591.1
12	081	23,779	2,242.3	21,700.2	25,221.4
12	082	34,020	19,615.1	52,374.4	55,784.1
12	083	36,180	13,419.9	17,060.3	17,599.1
12	084	1,793	525.0	1,307.6	1,615.7
12	085	68	87.1	8.8	8.9
12	086	93	82.7	(6.2)	0.1
12	087	102	(3.1)	-	-
12	088	21	-	-	-
12	089	12	35.9	124.0	124.0
12	090	4,603	10,574.3	4,885.1	4,973.4
12	091	24,027	1,575.0	29,264.0	29,265.1
12	092	38,415	12,490.2	34,034.5	35,275.1
12	093	3,190	4.2	2,435.8	2,435.8
12	094	2,272	448.4	6,551.9	6,551.9
12	095	2,885	68.8	6,326.6	6,326.6
12	096	5,720	428.5	3,636.1	3,636.1
12	097	-	(1.7)	-	-

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

12	098	67	7.1	-	-
12	099	95	-	-	-
12	141	3,809,767	1,635,818.5	1,966,602.8	1,971,335.2
12	142	398,789	46,473.8	311,015.0	313,847.4
12	143	2,366,907	889,670.7	894,949.2	919,328.2
12	144	2,322,857	773,542.7	1,232,882.4	1,256,916.9
12	145	927,377	278,130.5	486,131.0	487,345.8
12	146	1,718,761	313,960.3	653,328.1	673,576.2
12	147	79,571	4,258.0	39,113.2	56,452.1
12	148	31,844	3,923.8	19,012.3	31,444.9
12	175	-	102.6	-	-
12	190	10	-	-	-
12	191	58	0.9	-	-
12	192	83,368	31,846.3	31,623.9	31,863.9
12	193	10,205	9,765.7	6,435.6	7,051.1
12	194	689	6.6	54.8	65.8
12	195	66	2.4	-	-
12	196	28	1.2	-	-
12	197	17	7.6	-	-
12	305	24,352	9,306.6	8,793.4	8,900.5
12	306	19,961	7,415.8	9,397.8	9,484.6
12	307	114	-	-	-
12	308	71	-	-	-
12	331	87,966	86,508.2	124,629.1	134,221.4
12	332	1,123	78.6	1,323.6	1,600.9
12	333	93,311	77,461.3	132,643.6	146,232.1
12	334	61,885	68,730.0	99,010.3	106,647.5
12	335	26,553	28,187.8	36,964.0	39,589.1
12	336	65,353	79,436.1	122,853.1	135,271.1
12	337	230	504.8	114.4	140.2
12	338	12	-	-	-
12	382	-	-	83.4	-
12	421	1,998,031	1,734,877.2	1,333,319.0	1,653,316.7
12	422	220,675	63,050.0	186,402.6	220,228.4
12	423	2,803,760	1,722,532.1	1,495,348.8	1,826,796.6
12	424	3,283,644	2,584,130.8	2,087,679.5	2,376,478.7
12	425	843,514	760,806.0	509,449.0	587,901.6
12	426	6,981,258	3,991,269.3	4,315,942.2	4,921,562.5
12	427	7,901	3,058.6	6,054.9	7,435.7
12	441	2,709,326	969,857.1	1,562,047.8	1,592,283.0
12	442	404,493	55,280.0	290,274.7	297,592.5
12	443	2,893,128	1,065,430.6	1,417,499.2	1,470,824.8
12	444	3,604,880	1,518,480.7	2,042,076.0	2,090,508.2
12	445	1,083,503	389,086.2	546,116.4	563,024.5
12	446	603,534	239,597.7	387,613.9	396,085.0
12	447	36,966	11,219.0	33,140.4	34,071.0
12	448	28,838	14,634.4	10,686.4	11,949.8
12	450	56,317	50,734.9	19,593.4	19,825.5
12	451	57,527	23,357.6	14,120.6	14,321.6
12	461	59,015	27,142.7	9,317.9	10,183.8
12	462	2,262	119.4	18.2	18.0
12	463	28,699	59,955.0	32,830.3	39,157.3
12	464	112,040	153,439.1	116,762.1	138,387.3

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

12	465	37,363	35,520.2	24,385.7	29,425.6
12	466	254,931	131,536.1	263,739.1	310,249.0
12	467	610	123.1	198.0	243.7
12	468	-	-	21.9	28.2
12	961	3,907	5,583.6	4,856.5	5,409.3
12	962	1,084	32.3	642.8	782.9
12	963	29,989	83,358.0	17,069.7	19,560.8
12	964	68,869	152,075.6	52,084.8	57,170.5
12	965	17,229	45,047.0	18,992.3	19,410.4
12	966	320,489	302,083.6	148,304.4	160,632.6
12	967	241	322.0	711.0	804.7
13	104	933	67.6	130.4	130.8
13	105	395,806	34,557.6	28,916.8	29,314.8
13	107	116	(4.4)	-	-
13	108	6,786	(0.1)	8.1	8.1
13	134	2,495,661			
13	135	1,134,260			
13	136	3,746,189			
13	137	5,700,299			
13	138	1,831,072	342,151.2	414,030.8	421,766.0
13	139	1,735,331	422,505.2	486,310.2	492,453.8
13	238	1,169,143			
13	239	932,712			
13	254	110,691			
13	255	119,703			
13	256	275,241			
13	257	540,073			
13	258	265,735	41,413.0	47,812.1	47,848.8
13	259	98,070	30,594.6	43,441.4	43,383.5
13	346	188,361			
13	347	134,343			
13	348	-			
13	349	16,207			
13	434	41,239			
13	435	127	-	-	-
13	436	417	-	-	-
13	438	3,222	-	1,510.4	1,510.4
14	029	158,108	172,220.0	183,370.0	-
14	030	14,275,729	4,965,495.3	6,576,189.8	-
14	032	386,329	94,238.2	121,479.7	-
14	033	158,543	42,743.7	50,533.1	-
14	040	3,052,437	244,745.2	1,421,337.5	-
14	043	4,383,499	1,615,478.9	2,304,702.2	-
14	044	6,688,118	2,895,890.6	4,270,019.8	-
14	045	1,345,236	811,757.0	897,828.9	-
14	050	5,458,366	1,147,673.8	1,184,788.0	-
14	055	3,422,516	909,260.6	932,494.2	-
14	060	887,914	337,142.3	375,498.5	-
14	062	42,572	14,802.1	16,426.1	-
14	063	3,785	1,949.6	2,001.8	-
14	069	62,341	50,851.0	50,839.7	-
14	070	311,874	72,167.0	133,009.8	-
14	073	383,747	132,653.6	152,175.0	-

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-1

14	074	2,160,849	1,058,517.7	1,158,070.2	-
14	075	279,690	138,817.9	140,175.7	-
14	100	521,226	206,387.4	202,025.4	-
14	102	287,084	13,238.2	13,236.5	-
14	103	112,562	17,169.2	17,169.2	-
14	130	405,754	105,899.0	105,825.8	-
14	150	5,449,329	1,530,733.3	2,288,720.3	-
14	160	10,543,905	1,932,754.4	5,844,831.4	-
14	168	2,523,925	198,508.3	596,686.2	-
14	169	1,319,359	40,050.7	370,224.2	-
14	170	1,458,530	480,869.3	563,792.0	-
14	175	9,162,958	2,461,348.1	3,932,672.4	-
14	178	537,072	88,954.9	176,680.2	-
14	179	178,945	17,410.0	63,703.2	-
14	200	1,667,451	344,049.9	345,303.0	-
14	202	16,634	683.1	714.6	-
14	203	51	7.8	7.8	-
14	204	7,353	-	-	-
14	205	125	-	1.4	-
14	206	38	-	-	-
14	207	49	-	-	-

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AOL TIME WARNER, INC.**

AOL-TW/USPS-2 Please provide, for each MODS 3-digit code under LDC 11, LDC 12, LDC 13 and LDC 14, the following aggregate statistics for FY2001:

- a. recorded clerk and mailhandler manhours (sic);
- b. pieces handled (TPH);
- c. pieces fed (TPF); and
- d. first handling pieces (FHP)

If this information is not available for all of FY2001, please provide it for the accounting periods in FY2001 for which it is available. Please provide all information in an electronic spreadsheet format.

Response:

See attached spreadsheet.

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

FY 2001

LDC	OPER	Work Hours	FHP (000)	TPH (000)	TPF (000)
11	046	187,598	705,925.2	226,136.9	1,249,057.0
11	047	79,408	(2,925.1)	594,703.9	777,743.9
11	241	50	94.6	-	-
11	242	83	-	-	-
11	243	179	-	-	-
11	244	13	-	-	-
11	245	1	-	-	-
11	246	59	48.6	-	-
11	249	8	6.4	-	-
11	250	26	-	-	-
11	251	166	-	-	-
11	261	204,855	763,436.6	964,626.7	1,249,332.1
11	262	1,362	(553.1)	57,700.7	67,381.5
11	263	8,903	34,530.5	73,896.5	86,898.6
11	264	9,872	56,487.5	98,091.1	109,460.3
11	265	2,180	642.7	17,791.6	19,155.4
11	266	1,951	441.8	75,145.9	82,179.1
11	267	23,156	22.9	9,485.5	10,720.9
11	271	2,274,057	9,226,411.8	18,922,963.9	22,172,668.1
11	272	67,565	126,354.1	721,367.7	855,721.6
11	273	73,736	121,727.5	485,564.3	610,696.9
11	274	23,083	5,764.6	229,336.3	262,302.4
11	275	30,836	2,826.2	140,762.5	176,225.7
11	276	2,027	8,656.6	19,164.3	20,510.8
11	277	26	-	0.6	0.6
11	278	122	1,211.8	12,308.6	13,173.1
11	279	45	-	663.0	669.8
11	281	284,479	1,605,079.4	1,887,023.0	2,836,255.7
11	282	835	227.9	13,771.1	19,321.2
11	283	26,960	88,541.5	100,890.4	153,467.8
11	284	22,376	76,386.3	96,631.4	125,642.9
11	285	4,001	20,756.4	19,838.1	32,714.4
11	286	1,502	16.5	-	-
11	287	12	16.9	-	-
11	291	7,558	38,648.1	59,516.0	78,987.1
11	292	946	-	361.3	572.0
11	293	154	34.9	1,098.2	1,506.4
11	294	406	3,601.5	2,088.6	2,283.2
11	295	14	51.2	250.8	520.5
11	296	318	363.0	1,221.1	1,310.8
11	297	2	48.9	0.4	0.4
11	298	50	-	-	-
11	299	16	-	-	-
11	301	14,921	38,232.5	7,714.3	66,161.8
11	302	269	1.9	-	-
11	303	57,488	268,407.7	88,336.5	317,727.2
11	304	40	-	-	-

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

11	309	9,968	57,180.0	45,008.7	50,888.0
11	311	1,519	59.5	11,637.0	14,466.6
11	312	18,919	119,407.5	53,360.2	59,044.5
11	313	16,752	305.9	131,392.9	151,201.6
11	314	31,974	117,357.7	104,132.9	115,302.7
11	315	4,168	15.4	20,438.9	26,831.0
11	316	139	-	498.5	538.0
11	317	80,273	1,035.5	247,952.2	335,964.9
11	318	5,529	24,549.2	22,120.2	44,867.3
11	319	4,514	16,521.9	7,495.7	20,952.5
11	356	10,833	80,752.3	21,637.2	61,098.9
11	357	13,116	112,660.4	26,904.3	91,648.4
11	603	5,915	-	-	-
11	604	38	-	-	-
11	831	153,374	533,919.2	356,972.9	504,236.1
11	832	19,577	11,504.8	186,011.4	241,714.6
11	833	101,953	186,222.2	224,290.2	277,333.2
11	834	382,342	598,374.3	1,544,907.5	1,822,536.6
11	835	235,217	245,997.9	802,694.1	973,305.6
11	836	226,498	25,425.1	1,654,590.6	1,811,985.0
11	837	27,518	6,504.7	67,111.2	72,297.6
11	839	-	17.9	-	-
11	841	217,027	496,433.8	836,049.0	1,253,054.5
11	842	42,228	37,181.5	218,737.5	266,470.8
11	843	185,386	298,812.3	535,270.8	740,521.3
11	844	283,764	492,344.5	1,111,980.3	1,454,395.2
11	845	93,719	169,500.0	384,319.6	498,620.7
11	846	96,519	52,492.9	504,830.3	569,298.2
11	847	282	483.7	1,263.6	1,432.4
11	851	2,110	126.9	0.3	23.2
11	852	17	(3.6)	-	-
11	853	85	-	-	-
11	854	1,451	539.0	13.3	13.3
11	855	16	149.2	-	-
11	856	44	840.1	30.9	30.9
11	857	828	-	5.0	6.7
11	861	3,010	17,241.3	6,510.4	28,187.3
11	862	3,195	6,030.4	25,149.5	35,221.9
11	863	22,896	84,372.6	68,501.4	111,404.7
11	864	39,380	121,264.0	343,579.5	384,245.4
11	865	29,883	67,262.6	218,991.5	245,448.8
11	866	60,566	9,179.7	721,260.1	764,338.6
11	867	5,193	12,172.8	68,488.7	79,387.5
11	868	226	28.8	2,085.8	2,184.1
11	869	552	-	1,565.2	1,571.0
11	871	230,170	817,201.0	558,888.2	589,725.0
11	872	115,292	171,243.0	1,018,606.4	1,052,749.9
11	873	841,907	5,087,731.8	5,305,368.1	5,556,029.0
11	874	2,030,714	10,965,087.4	11,352,121.9	11,865,789.2
11	875	802,804	4,458,508.4	4,899,459.1	5,214,004.0
11	876	1,437,408	2,339,446.1	6,328,016.5	6,598,632.6
11	877	73,436	65,220.0	869,906.8	893,648.9
11	878	167,594	464,084.5	825,828.2	848,987.5

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

11	879	47,867	287.8	616,562.4	625,736.6
11	881	3,942,595	22,278,758.4	17,413,072.9	23,415,879.1
11	882	12,016	70,083.1	57,543.7	80,148.5
11	883	1,322,156	2,428,378.8	2,446,478.7	3,589,757.0
11	884	627,049	1,572,622.1	2,294,453.3	2,806,184.2
11	885	390,193	713,064.9	1,003,483.1	1,290,481.9
11	886	6,888	4,816.0	24,763.6	27,042.4
11	887	91,633	572.2	1,674.0	2,185.8
11	891	2,193,858	13,047,465.0	13,992,356.1	14,659,376.5
11	892	1,234,325	2,741,088.2	10,007,430.4	10,332,527.5
11	893	4,799,024	23,702,242.5	25,900,696.4	26,883,388.1
11	894	3,708,301	20,296,276.7	21,205,985.3	21,928,116.1
11	895	1,763,359	10,988,303.9	10,963,413.9	11,337,028.5
11	896	2,591,952	7,076,523.5	17,224,456.7	17,966,832.7
11	897	318,443	660,221.2	3,689,413.2	3,763,185.1
11	898	481,908	928,359.2	2,212,475.2	2,252,744.6
11	899	105,211	257.2	1,394,473.9	1,411,585.7
11	908	705	6.0	13,271.6	15,283.0
11	909	1,459	5.1	1,334.6	1,476.6
11	910	1,177	214.8	29,930.1	30,446.9
11	911	11,098	18,546.3	245,801.2	249,292.5
11	914	19,873	44,077.2	284,974.0	292,513.6
11	915	5,335	30.6	219,585.8	226,073.1
11	916	7,418	9,553.7	60,822.3	62,072.2
11	917	2,837	788.4	50,274.0	51,319.9
11	918	11,116,162	23,655,862.4	71,676,810.0	73,305,911.5
11	919	3,621,759	3,253.7	62,004,299.9	63,043,507.0
11	925	8,286	2,163.1	6,685.4	6,809.7
11	926	497	34.3	5,864.4	5,959.8
11	971	715,214	2,426,590.2	4,040,758.2	4,834,250.0
11	972	103,789	168,756.3	442,193.8	534,355.9
11	973	218,614	323,401.7	989,291.4	1,213,188.1
11	974	120,592	334,225.4	671,799.8	798,175.3
11	975	73,549	193,578.3	382,208.0	440,228.7
11	976	21,040	114,929.7	316,307.8	329,831.1
11	977	69	3,020.4	14,193.7	14,566.0
11	978	8,125	2,046.8	18,811.5	23,048.0
11	979	8,212	0.3	21,514.0	27,350.6
12	083	-	5.3	-	-
12	084	-	34.1	45.5	45.5
12	085	19	-	-	-
12	086	-	-	-	-
12	087	-	-	1.6	1.6
12	088	-	-	-	-
12	089	-	-	-	-
12	092	-	-	-	-
12	094	-	39.4	90.5	90.5
12	095	-	8.9	160.7	160.7
12	096	-	-	-	-
12	099	-	0.7	-	-
12	141	2,090,447	790,815.3	914,826.3	920,332.9
12	142	239,729	29,102.2	165,846.3	168,845.2
12	143	1,092,400	415,480.1	443,468.0	447,490.8

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

12	144	1,307,746	386,192.7	672,850.6	679,521.9
12	145	575,323	128,415.8	240,795.2	242,438.4
12	146	1,005,007	148,724.6	408,189.7	412,274.1
12	147	53,844	1,720.9	28,699.3	29,046.8
12	148	16,098	339.5	10,817.7	11,601.1
12	190	10	0.5	-	-
12	192	60,247	11,828.2	17,084.5	17,257.1
12	193	18,622	3,057.8	7,178.1	7,344.2
12	196	-	-	-	-
12	305	125,039	56,761.8	59,952.1	60,987.4
12	306	102,347	53,837.7	59,051.8	60,189.3
12	307	19	-	-	-
12	308	121	-	-	-
12	331	1,322,100	2,061,307.3	2,198,804.1	2,417,978.4
12	332	72,086	34,954.2	177,676.8	195,454.5
12	333	1,611,437	2,173,824.1	2,431,619.1	2,658,839.2
12	334	1,158,803	1,815,531.6	1,873,899.4	2,027,935.7
12	335	520,349	814,300.5	736,669.4	804,092.7
12	336	2,378,843	2,887,510.9	3,951,324.4	4,426,119.0
12	337	8,210	5,072.2	11,173.9	13,263.8
12	338	476	54.2	244.9	293.3
12	421	943,998	691,763.6	488,109.7	603,715.0
12	422	119,956	32,161.0	84,818.0	100,635.8
12	423	1,224,495	736,843.8	563,761.9	678,913.7
12	424	2,106,767	1,660,262.4	1,213,611.6	1,380,617.0
12	425	332,529	318,344.8	176,228.7	205,142.5
12	426	5,983,121	3,221,378.3	3,237,814.0	3,642,918.3
12	427	10,340	6,022.4	8,285.6	10,682.1
12	441	2,731,050	834,384.0	1,421,645.9	1,453,708.4
12	442	394,856	45,872.0	290,764.2	299,209.5
12	443	2,839,026	835,215.6	1,206,891.4	1,241,088.3
12	444	3,321,776	1,187,326.6	1,739,459.0	1,785,539.0
12	445	984,384	253,715.4	448,928.3	459,663.4
12	446	500,722	174,567.5	308,261.8	315,907.3
12	447	43,297	8,771.4	27,921.3	29,222.6
12	448	49,407	8,649.7	9,824.8	12,169.6
12	450	39,590	54,062.1	18,271.4	18,629.0
12	451	26,608	8,940.7	12,602.7	12,713.5
12	461	48,821	16,962.3	3,241.3	3,842.4
12	462	2,656	37.1	99.1	128.5
12	463	21,345	31,374.1	21,096.6	25,115.9
12	464	94,398	116,172.0	68,975.1	82,712.5
12	465	20,961	24,622.9	8,424.5	10,080.4
12	466	219,995	113,592.9	189,389.6	227,359.5
12	467	1,347	(1.9)	200.5	248.0
12	468	226	0.3	18.6	27.2
12	911	16	-	-	-
12	961	778	293.1	32.8	38.3
12	962	42	-	6.4	6.4
12	963	3,284	13,741.5	3,556.5	3,899.0
12	964	4,094	16,245.5	109.3	118.2
12	965	2,147	5,877.9	1,039.0	1,049.8
12	966	72,883	36,984.8	24,971.1	27,765.3

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

12	967	45	174.1	11.3	12.9
13	052	44	296.3	166.4	8.9
13	053	112	-	-	-
13	054	213	-	-	-
13	056	-	286.6	0.8	0.8
13	059	32	1.9	-	-
13	081	29,807	35,298.5	31,770.4	35,195.0
13	090	3,703	718.4	3,706.9	3,868.8
13	091	697	57.9	4,847.0	4,855.1
13	104	7,462	173.7	855.2	868.0
13	105	371,239	31,608.2	30,005.3	30,675.6
13	106	118	-	-	-
13	107	22,098	401.7	472.4	493.1
13	108	3,196	-	-	-
13	134	2,447,396			
13	135	832,637			
13	136	3,650,947			
13	137	5,402,772			
13	138	1,566,767	303,594.2	390,899.7	392,388.4
13	139	1,805,249	424,274.0	485,575.7	490,276.4
13	191	60	1.2	-	-
13	238	1,150,295			
13	239	787,568			
13	254	107,498			
13	255	72,537			
13	256	285,873			
13	257	501,251			
13	258	552,009	82,135.2	83,058.5	83,109.1
13	259	553,868	81,485.9	92,014.3	91,977.9
13	279	8	-	-	-
13	332	-	-	-	-
13	334	-	-	-	-
13	336	6	-	-	-
13	340	3	-	-	-
13	346	223,366			
13	347	179,550			
13	349	303			
13	434	84,094			
13	435	6	-	-	-
13	436	230	-		
13	437	7,480	-		
13	438	14,059	-	6,612.5	6,527.3
13	439	687	-	109.6	116.6
13	592	12	-	-	-
13	618	75	-	-	-
13	619	274	-	-	-
13	627	277	-	-	-
13	628	328	-	-	-
13	629	1,476	-	-	-
13	649	8	-	-	-
13	662	162	-	-	-
13	686	-	-	-	-
13	742	37	-	-	-

Interrogatories of AOL Time Warner Inc.
AOL-TW/USPS-2

14	029	163,769	181,288.1	226,083.1	-
14	030	12,383,609	4,020,821.2	5,752,899.5	-
14	032	303,283	82,671.2	114,278.7	-
14	033	149,531	33,437.8	54,245.5	-
14	040	2,550,036	206,556.0	1,309,281.7	-
14	043	3,652,164	1,271,077.6	1,895,834.8	-
14	044	5,803,616	2,337,864.1	3,863,887.3	-
14	045	998,246	613,709.3	661,234.0	-
14	050	6,744,900	1,351,604.4	1,390,016.6	-
14	051	346	-	-	-
14	052	12	-	(0.7)	-
14	053	126	-	-	-
14	054	5	-	-	-
14	055	4,378,473	1,201,897.5	1,231,585.7	-
14	056	1,034	-	-	-
14	060	782,924	318,192.7	359,498.9	-
14	062	26,664	6,136.9	7,474.4	-
14	063	4,776	249.5	249.5	-
14	069	43,216	30,518.4	30,519.7	-
14	070	213,407	34,320.1	91,966.8	-
14	073	302,240	98,472.1	109,080.9	-
14	074	1,871,220	925,970.1	1,025,319.3	-
14	075	233,572	75,224.9	79,954.2	-
14	100	587,399	228,393.7	229,110.2	-
14	102	341,941	11,666.2	11,817.9	-
14	103	96,646	14,693.9	14,693.9	-
14	130	485,686	113,220.9	113,218.5	-
14	150	4,739,055	1,238,390.1	2,027,703.3	-
14	160	8,292,105	1,612,819.3	4,878,490.2	-
14	168	2,249,030	222,812.3	650,421.8	-
14	169	1,189,538	90,825.4	489,944.0	-
14	170	1,179,214	364,057.1	445,683.6	-
14	175	7,217,850	1,826,532.2	3,097,869.7	-
14	178	540,144	115,597.5	216,980.9	-
14	179	163,415	21,769.6	78,483.2	-
14	200	1,536,076	375,189.5	379,894.5	-
14	202	13,376	305.3	305.3	-
14	203	187	-	-	-
14	204	22,473	-	-	-
14	205	18	-	9.2	-
14	206	12	-	-	-
14	207	259	-	-	-
14	320	-	-	-	-
14	321	140	-	-	-
14	324	364	-	-	-
14	325	9	-	-	-
14	326	6	-	-	-

**RESPONSE OF UNITED STATES POSTAL SERVICE
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AOL-TW/USPS-3 Does the Postal Service, either from its regular data collection systems, a special survey or any other source, have information on the volume of flats, letters and parcels that are piece sorted in Function 4 operations LDC 41, LDC 42, LDC 43 and LDC 44? If yes, please provide this information per shape and LDC code and explain how it was obtained. If possible, please provide such information both for FY2000 and FY2001.

Response:

The following is an estimate of FY2001 Function 4 volume data from the FLASH report which includes automated, mechanized, manual, and P.O. Box distribution. The volume is from End of Run (EOR) reports when available (e.g., when run on BCSs) and, in the absence of EOR data, the piece count is obtained via a conversion from containers or linear measurements. Therefore, these are estimates and not exact volume counts. Comparable data for FY2000 are not available.

<u>Letters (000)</u>	<u>Flats (000)</u>	<u>Parcels (000)</u>
80,594,131	24,900,441	2,800,000

**RESPONSE OF UNITED STATES POSTAL SERVICE
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AOL-TW/USPS-4 Does the Postal Service, either from its regular data collection systems or from a special survey, or from any other source, have information on the number of workhours spent sorting, respectively, flats, letters and parcels in Function 4 operations LDC 41, LDC 42, LDC 43 and LDC 44? If yes, please provide this information per shape and LDC code and explain how it was obtained. If possible, please provide such information both for FY2000 and FY2001.

Response:

Workhours in LDCs 41-44 are not available by shape. The workhours by LDC are from NWRS (National Workhour Reporting System).

<u>FY</u>	<u>LDC</u>	<u>Workhours</u>
2000	41	6,680,490
	42	310,682
	43	82,004,259
	44	18,061,042
2001	41	6,898,565
	42	284,452
	43	77,522,309
	44	17,563,714

**RESPONSE OF UNITED STATES POSTAL SERVICE
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AOL-TW/USPS-5 Please list all MODS codes that are associated with the AFSM-100 machines. Please also explain the type of processing (sort schemes, etc.) that is described by each MODS code.

Response:

The Management Operating Data System (MODS) numbers to be used for the AFSM 100, Video Coding System operations and associated Mail Preparation operations are as follows:

AFSM 100 PROCESSING	MODS #
Composite	330C
Outgoing Primary	331
Outgoing Secondary	332
Managed Mail Program	333
Sectional Center Facility	334
Incoming City Primary	335
Incoming Secondary	336
Box Mail	337
Incoming Non-Scheme	338
Reserved	339

Video Coding System	MODS #
Keying – Composite	380C
Keying – Career Employee	381
Keying – Transitional Employee	382

From Day 1 of Fiscal Year 2001 until Day 1 of Fiscal Year 2002 the following applied to Mail Preparation for AFSM 100

	MODS #	LDC
Mail Preparation	035	17

The Mail preparation operation for AFSM 100 includes the following activities and is limited to workhours associated with mail prep for the AFSM 100.

- Removal of strapping/banding on flat bundles destined for the AFSM 100
- Removal of polywrap on flat bundles destined for the AFSM 100
- Loading of Flat Mail Carts (FMC) and other types of rolling stock destined for the AFSM 100

**RESPONSE OF UNITED STATES POSTAL SERVICE
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- Securing the mail on the FMC destined for the AFSM 100 area
-

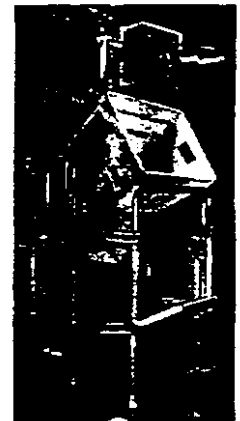
**RESPONSE OF UNITED STATES POSTAL SERVICE
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AOL-TW/USPS-6

- a. Please confirm that in facilities using AFSM-100 machines, "prepping" of flats for piece sorting is normally performed in a separate operation, and not by the AFSM-100 crew.
- b. What MODS codes may be used to record the "prepping" of flat mail prior to sorting, and what are the circumstances under which each MODS code is used?
- c. Under what circumstances is MODS code 035 used to record prepping of flat mail, and when did the use of MODS code 035 for this purpose begin?
- d. Under what circumstances is the "prepping" of flats performed by, respectively, clerks and mailhandlers?
- e. Is it normal in facilities using AFSM-100 machines that all flats that require piece sorting are "prepped" in essentially the same manner regardless of which machine they eventually will be sorted on? If no, please explain how facilities differentiate between flats for different sorting modes in the "prepping" stage.
- f. When flats are to be sorted in a facility using AFSM-100 and FSM-1000 machines, at what point, by whom and based on what criteria is the decision made as to which machine a given flat will be sent to?

Response:

(a) For the most part, yes. Postal personnel working in mail preparation operations responsible for preparing mail for the AFSM 100 should load mail into the Flat Mail Carts (FMCs) whenever possible and practical to minimize the number of handlings required to process mail. However, mail that is received in flat mail trays can be taken to the AFSM 100 feeders to supplement the feeding of mail from the FMCs. The flat mail in the trays does not have to be removed from the flat trays and placed into the FMCs prior to feeding. As long as the operator can reasonably determine the bound edge of the mail without allowing the AFSM 100 feeder to run out of mail, then the operators should load directly from the flat trays in addition to loading from the FMC. The flat tray rack designed for holding trays of flat mail at the feed



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station is intended to make it easier for operators to extract mail from the trays for loading on the AFSM 100. Therefore, some prepping may be involved by the AFSM 100 feeders.

(b) and (c) See response to AOL-TW/USPS-5.

(d) Refer to attached letter, subject of AFSM 100 Mail Preparation dated December 28, 2000.

(e) See response to (a).

(f) Processing operations managers rely on the assistance of In-Plant Support personnel to determine when and what types of mail should be processed on all FSMs for planning purposes. Processing schedules by machine type are developed by In-Plant Support in advance of receiving an AFSM 100 to determine exactly when each piece of equipment will be run and what type of mail will be run on each for an average day. This plan includes a priority ranking of mail types by machine type so that if a given machine type is not available, supervisors will have a backup plan to implement.

The AFSM 100 was purchased to process at a minimum the mail that was compatible with the FSM 881 (DMM C820.2). Mail processing supervisors maximize the use of AFSM 100s and is the processing mode of choice assuming the mail meets the machinability characteristics for the AFSM 100.

Clerks and mailhandlers receive training to make the determination of what is AFSM 100 –compatible or is to be sent to the FSM 1000. They are instructed to send it to the AFSM 100 when in doubt. The AFSM 100 feeders, who have the most experience with what is likely to run and have access to a template for

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length, width and thickness at each feeder, are the last point in the decision making process.

Attachment to
ACL/USPS-6



December 28, 2000

MANAGERS, LABOR RELATIONS (AREA)

SUBJECT AFSM 100 Mail Preparation

A number of questions have arisen regarding the application of my August 21 memorandum on AFSM 100 mail preparation.

In some cases, the unions have tried to use the memorandum as a contractual staffing requirement. The memorandum did not establish any contractual staffing requirement for the AFSM 100. The Postal Service maintains the exclusive right under Article 3 to determine the methods, means, and personnel by which our operations are to be conducted. Once the staffing for an operation has been determined, the craft assignments must be consistent with the principles of RI-399 and subsequent agreements.

The memorandum was intended to alert field management that any staffing decision which results in the assignment of AFSM 100 mail preparation work to other than the primary craft must be based on the principles of RI-399. This includes any determination that such assignment legitimately made the operation more efficient and effective than if the work had been assigned to the primary craft. Because of the likelihood of jurisdictional challenges in such situations and the need to defend the craft assignments based on contractual principles, District or Area Labor Relations must be directly involved in the assignment of this work to the most appropriate craft.

Another question which has arisen is whether AFSM 100 preparation operations must be assigned to the mail handler craft, even if the previous FSM preparation operations were properly staffed by clerks according to the facility inventory. A determination must be made at the local level, based on the specific facts present in that facility and based on the specific language in the inventory, as to whether the preparation of mail for the AFSM 100 is sufficiently different from the prior operation to consider it a new operation. If it is determined that the AFSM 100 preparation operation is simply a continuation of the previous flats preparation operation, the craft jurisdiction would not change. However, if the determination is that a new or separate AFSM 100 preparation operation has been established which was not previously covered by the facility inventory, the work should be assigned to the primary craft and the operation added to the existing inventory.

If there are any questions, please contact Dan Magazu at (202) 268-3825.

Peter A. Sgro
Manager
Contract Administration

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF AOL TIME WARNER, INC.**

AOL-TW/USPS-7 Please explain as follows regarding the Video Coding System (VCS) of the AFSM-100:

- a. Which MODS codes are used to record workhours at the VCS? If more than one code can be used, please explain when each is used.
- b. Are employees at the VCS considered part of the AFSM-100 crew?
- c. How many VCS operators are needed per AFSM-100 machine in order to be able to key all the flats whose image is lifted from the AFSM-100? If the answer depends on the type of mail being processed on the AFSM-100, then please explain how the mail characteristics affect the need for VCS operators.
- d. How many VCS operators are typically assigned per AFSM-100 during the hours when the machine is in operation? If the answer differs depending on time of day, please explain how.
- e. What is the typical craft/pay level for VCS operators?
- f. Is mail volume information captured for the VCS? If yes, what can be said based on the data collected so far regarding: (1) the percentage of flats whose image is lifted to the VCS; (2) the percent of these flats that are successfully coded and are able to continue in the AFSM-100 mailstream; and (3) the impact of various mail characteristics (e.g., class) on the need for VCS coding?

Response:

- (a) See response to AOL-TW/USPS-5.
 - (b) VCS employees (Data Conversion Operators) are considered part of the AFSM 100 system but are not generally referred to as "part of the AFSM 100 crew". The "AFSM 100 crew" generally refers to the feeder and sweeper operators. This is however considered a generic term and could include the VCS employees in some instances.
 - (c) and (d) The number of DCOs varies with mail characteristics and times of the day. For example, during tour 2, primarily incoming Standard Mail is processed on the AFSMs, while on tour 3 the focus is on outgoing First-Class Mail. As referenced in part f of this question, a smaller portion of Standard Mail flats
-

**RESPONSE OF UNITED STATES POSTAL SERVICE
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requires keying than First Class flats. A staffing model was developed to aid in the determination of proper staffing in the VCS room. The model uses number of machines, machine throughput, BCR/OCR accept rate (mail type), and a DCO keying rate to determine the average hourly staffing for the VCS function. The model is an easy to use Excel-based spreadsheet.

- (e) The Data Conversion Operator (DCO) is a PS-4.
 - (f) Yes, volume information is captured for the VCS operation. Approximately, 13% of the total flats processed on the AFSM 100 are lifted as images and sent to the VCS room for processing with 90-95 percent of the images successfully coded. 3-7 percent of Standard/Periodical flats require VCS coding and 17-25 percent of First Class flats require VCS coding..
-

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AOL-TW/USPS-8 Has the Postal Service collected any statistics on the frequency of jams at AFSM-100 feeder stations, the impact of such jams on machine productivity, or the mail characteristics and other factors that are likely to cause jams? If yes, please provide the findings from all such analyses. -

Response:

The AFSM 100 averages about 3.5 jams per 1000 pieces fed. Productivity targets are not adversely impacted unless jam ratio exceeds 4 jams per 1000 pieces.

Factors likely to cause jams include cheaply made polywrap, poor feeding techniques, single-stapled binders, polywraps with excessive selvage, and polywraps that stick together.

RESPONSE OF UNITED STATES POSTAL SERVICE TO SECOND SET OF
INTERROGATORIES FROM AOL-TIME WARNER

AOL-TW/USPS-9 Please confirm that the Postal Service's policy is always to transport Periodicals mail by surface and not by air. If not confirmed, please explain. Please explain also if there has been any modification in this policy in recent years.

RESPONSE

Generally confirmed that the Postal Service's policy is to transport Periodicals via surface transportation. There are, however, infrequent instances where Periodicals are flown, when no service-responsive surface transportation is available.

RESPONSE OF UNITED STATES POSTAL SERVICE TO SECOND SET OF
INTERROGATORIES FROM AOL-TIME WARNER

AOL-TW/USPS-10 Please confirm that if a Periodicals mailer wishes his mail to go by air to a remote location (e.g., Hawaii, Alaska, or from coast to coast) he must purchase his own air transport and enter his mail into the postal system at the other end. If not confirmed, please explain.

RESPONSE

There are infrequent instances (e.g., to remote locations in the Alaskan bush) when the Postal Service flies mail when no surface transportation is available.

Also, certain time-sensitive Periodicals are sometimes flown from Seattle to Anchorage. As a general rule, a mailer wishing to expeditiously move its Periodicals to remote locations or across long distances must purchase its own air transport.

RESPONSE OF UNITED STATES POSTAL SERVICE TO SECOND SET OF INTERROGATORIES FROM AOL-TIME WARNER

AOL-TW/USPS-11: In Docket R2000-1, Time Warner asked the Postal Service to explain why air transportation costs attributed to Periodicals had declined by \$11 million from FY98 to FY99. The Postal Service responded as follows, to interrogatory TW/USPS-6, parts b and c respectively:

"In each quarter of FY 99, Finance provided Logistics with information from TRACS showing the amount of Periodical mail being put on air at originating stops. This information was sent to the field, under a Vice President's signature, via the Area Vice Presidents, in order to stimulate focus on the Postal Service's commitment to keeping surface mail off of air transport."

And:

"The Postal Service continues to collect and transmit information on cases where Periodicals mail is found on airplanes. The Postal Service is committed to sustaining the reductions in the air transportation of Periodicals mail achieved in FY 99."

- a. Does the Postal Service still have a "commitment to keeping surface mail off of air transport"? If no, please explain why not.
- b. Was the Postal Service, in FY2000, "committed to sustaining the reductions in the air transportation of Periodicals mail achieved in FY 99"? If no, please explain why not.
- c. Did the specific initiatives described in the interrogatory answer cited above continue through FY2000? If no, please explain which initiatives were discontinued and why.
- d. Please describe all efforts the Postal Service currently makes to assure that Periodicals mail is not put on airplanes unless there is no other transportation alternative.
- e. Please describe all efforts the Postal Service currently makes to assure that Standard A mail is not put on airplanes unless there is no other transportation alternative.

RESPONSE

- a. See the response to AOL-TW/USPS-9.
- b. Yes.
- c. Yes. However, the Postal Service recognizes that there are circumstances when flying Periodicals may not be undesirable. Consider the situation in which Periodicals are sorted on a flat sorting machine (FSM)

RESPONSE OF UNITED STATES POSTAL SERVICE TO SECOND SET OF
INTERROGATORIES FROM AOL-TIME WARNER

immediately before the sorting of First-Class flats. In order to avoid intermingling Periodicals with First-Class, the FSM would have to be swept between these two runs. This would result in increased labor costs being attributed to the Periodicals mail being swept. It may be the case that not sweeping the Periodicals may result in the incurrence of lower mail processing and transportation costs.

d. See the response to (c) above.

e. There is no such program since Standard A mail does not normally receive handling and routing consistent with dispatch to expedited modes of transportation. It is possible, however, that operational failures or instances such as described in the response to part c above, result in Standard Mail being transported via air.

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AOL-TW/USPS-12

- a. Please confirm that in FY2000 the Postal Service, according to USPS-T-11, is attributing \$27.168 million in air transportation to Periodicals, more than twice the amount attributed in FY99.
- b. Please confirm that in FY2000 the Postal Service, according to USPS-T-11, is attributing \$32.369 million in air transportation to Standard A mail, more than in any previous fiscal year.
- c. Please explain all reasons known to the Postal Service why Periodicals and Standard A mail continue to have air transportation costs attributed to them, in spite of the Postal Service's "commitment to keeping surface mail off of air transport." For each reason listed, please provide an estimate, if available, of how much that particular reason contributed to the high attributions of air transport costs to Periodicals and Standard A in FY2000. If no estimates are available, please indicate at least whether each reason given is a major or minor contributor to the high costs.

RESPONSE

a. Confirmed, for Base Year 2000. Please note that the cited figure does not include costs from Alaska Nonpreferential air service. It is unclear, however, that this increase is the result of putting more Periodicals on air transportation. Some of the increase is the result of increases in operating costs such as a 66 percent increase in jet fuel costs, some are due to increased use of dedicated air, some to increased labor costs, and some to higher attribution levels.

b. Confirmed, for Base Year 2000. Please note that the cited does not include costs from Alaska Nonpreferential air service. It is unclear, however, that this increase is the result of putting more Standard A mail on air transportation. Some of the increase is the result of increases in operating costs such as a 66 percent increase in jet fuel costs, some are due to increased use of dedicated air, some to increased labor costs, and some to changes in attribution levels.

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INTERROGATORIES FROM AOL-TIME WARNER**

With regard to prior years, the Postal Service reviewed cost segment 14 results from 1992 through 1999. This review indicates that Standard A air costs (other than Alaska Nonpref) were indeed greatest in BY 2000 ; however, the percentage of air costs distributed to Standard A (or third-class) actually exceeded the BY 2000 percentage in two years, FY 1993 and FY 1994.

The history of the percentage of air costs distributed to Standard A or third-class is as follows:

FY 1992	1.8%
FY 1993	2.6%
FY 1994	2.5%
FY 1995	1.9%
FY 1996	1.8%
FY 1997	2.1%
FY 1998	2.3%
FY 1999	2.2%
BY 2000	2.4%

c. Air transportation costs are attributed to Periodicals and Standard A to the extent that these classes of mail appear on sampled flights in TRACS and in other similar distribution studies. Since these studies are statistical in nature, some of the magnitude of the BY 2000 numbers cited may be due to sampling variation. This is true of the FY 1999 statistics as well.

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As a statistical matter, when one compares cost estimates from the two years, one cannot reject the hypothesis that the costs are the same. For Periodicals Mail, a 95 percent confidence interval around the 1999 estimate gives an upper bound of \$18,569. The lower bound from the corresponding BY 2000 estimate is \$15,347. For Standard A, the upper bound around the 1999 estimate is \$37,235. The lower bound from the corresponding BY 2000 estimate is \$19,544.

Operationally, Periodicals and Standard A mail appear in these samples because these categories of mail are:

- a) intermingled in trays and sacks with First-Class Mail, Priority Mail, Express Mail or international mail that normally receives air transportation,
- b) dispatched to air because it is the only service responsive alternative, or
- c) improperly dispatched to air.

The Postal Service does not have estimates that would indicate which of these factors is more prevalent. As was discussed in response to AOL-TW/USPS-11 (d), with respect to intermingled mail, it should be pointed out that this may not be an undesirable practice. Consider the situation in which Periodicals are sorted on a flat sorting machine immediately before the sorting of First-Class flats. In order to avoid the intermingling, the machine would have to be swept between these two runs. This would result in increased labor costs being attributed to the class of mail being swept.

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AOL-TW/USPS-13 In view of the Postal Service's R2000-1 interrogatory answer that it "continues to collect and transmit information on cases where Periodicals mail is found on airplanes":

- a. Please describe the specific pieces of information that are (were) collected in instances when Periodicals mail is found being transported on airplanes.
- b. Please provide any relevant data collected on Periodicals being transported by air, if possible in an electronic format.
- c. Please describe any analysis that the Postal Service may have done on this data to determine why Periodicals continue to be put on airplanes. Provide a copy of any report that may have been produced from such analysis.

RESPONSE

- a. See TRACS Commercial Air Subsystem Statistical and Computer Documentation, filed as USPS-LR-J29/R2001-1 for information collected on TRACS-Air tests. The same information is collected for all mail sampled, regardless of its subclass.
- b. Data collected on Periodicals, together with data on all mail collected from TRACS Commercial Air tests, are contained in the Z-files in USPS-LR-J29/R2001-1. The data are in an exported PC-SAS format. They can be accessed by using PC-SAS code similar to the code in the footnote of page 32 of the library reference. The variable 'MAILCODE' contains TRACS mail codes. A value 'J' indicates Periodicals.
- c. Each postal quarter, data collected on TRACS-Air tests is analyzed and reports are produced showing time trends of the percent of commercial air costs for transporting Periodicals and Standard Mail. Diagnostic tables are also produced, to help identify facilities from which this mail is being

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dispatched. The diagnostic tables show that most Periodicals and Standard Mail pieces were commingled with other mail in sacks and trays having an 'F' (First-Class) or 'P' (Priority) mail-class indicator on the Destination and Routing Tag. Copies of the reports are distributed to Area Vice Presidents, Managers of Operations Support (Areas), and Plant Managers of P&DCs and P&DFs. Copies of the transmittal memos, reports, tables and charts, for the four quarters of FY 2000, are provided in USPS-LR-J-149.

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AOL-TW/USPS-14 Please list and describe all types of contractual arrangements under which the Postal Service obtains air transportation and show how much of the costs of each type of contract was attributed to (1) Periodicals and (2) Standard A in FY2000. Please also provide corresponding information for FY98, FY99 and any portion of FY2001 for which data may already be available.

RESPONSE

In FY 1998, FY 1999, and Base Year 2000, the Postal Service procured air transportation under contract in a number of ways:

- a) Under the ASYS contract, the Postal Service bought airlift by the pound and pound-mile from commercial airlines, mostly passenger air carriers.
- b) Under numerous contracts, the Postal Service purchased dedicated airlift. These contracts included the WNET contract, the ANET and TNET contracts, and numerous other less extensive contracts.

The WNET contract provided two hub and spoke transportation operations in the western United States. One of these operations operated during the daytime and another during the overnight hours. An additional WNET flight operated between the WNET hub outside Sacramento and the Eagle hub in Indianapolis. The costs of the overnight WNET operation appear in the Cost Segment B workpapers, worksheet 14.4 in the "Western Network" cost pool. The costs of the WNET daytime operations are included in the DAYNET cost pool.

The ANET and TNET contracts provided aviation and ground handling services for two hub and spoke operations, one day, one night. The nighttime operation was the Eagle network. The costs of the ANET and TNET contracts appear in the Eagle and DAYNET cost pools.

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Additional contracts provided point to point transportation and other ad hoc additions to these network operations. These typically appear in the DAYNET cost pool.

Contracts for air taxis provided additional service for a variety of operational needs such as feeding Eagle "spoke" cities, service to remote otherwise inaccessible locations and the like. These appear in the Air Taxi cost pool.

Additionally dedicated air transportation was provided at Christmas time using hub and spoke operations and point to point flights. These costs appear in the Christmas cost pool.

Regional air transportation was provided specifically for Alaska and Hawaii. There are three cost pools covering these expenses. See the Cost Segment 14 B workpapers for details.

Cost Segment 14 B workpapers for prior years are on file with the Commission. Cost Segment B workpapers for FY 2001 are not available. Additional information on forecasted FY 2001 air transportation costs may be obtained from the workpapers of Postal Service witnesses Patelunas (USPS-T-12).

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AOL-TW/USPS-15 Please provide the following, to the extent it can be inferred from data available to the Postal Service:

- a. Which portion of the air transportation costs attributed to Periodicals in FY2000 was caused by transportation of mailer provided containers (e.g. Periodicals sacks)?
- b. Which portion was caused by the transportation of mailer provided bundles that had been sorted into postal containers?
- c. Which portion was caused by Periodicals pieces that had been piece sorted and mixed with pieces of other classes?
- d. What portions of the air transportation costs attributed to Periodicals were for, respectively, the transport of letters, flats or parcels?

RESPONSE

- a. Not available.
- b. Not available.
- c. Not available. However, Postal Service Library Reference J-29 contains raw data that may be useful in such an analysis.
- d. Not available.

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AOL-TW/USPS-16 Could there be situations where Periodicals mail is put on an airplane because there is space, on the airplane itself or in an air container, that has been or will be paid for in any case and no mail with higher priority is available to fill that space? If yes, please explain all situations where this might occur.

RESPONSE

Yes. The Postal Service occasionally uses space on air taxis between Seattle and Anchorage for time-sensitive Periodicals.

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AOL-TW/USPS-17 Please show the portions of (1) Periodicals and (2) Standard A air costs that are either intra-Hawaii or intra-Alaska. Please confirm that the intra-Hawaii and intra-Alaska costs are only a small portion of the air transportation costs attributed to Periodicals and Standard A.

RESPONSE

The portions are as follows:

	ALASKA NON-PREF	ALASKA PREF	HAWAII
Periodicals	0.2%	6.5%	6.0%
Standard A	1.1%	13.1%	4.7%

Alaska and Hawaii costs make up \$3.303 million or 12.2 percent of Periodicals air costs and \$4.732 or 14.6 percent of Standard A air costs. Please note that these numbers include only 7.07 percent of Nonpreferential Alaska Air costs, consistent with the Alaska Air adjustment (see witness Pickett USPS-T-17).

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AOL-TW/USPS-18 Please refer to the spreadsheet "Resp-AOL-TW-USPS-1-8.XLS", filed with your response to AOL-TW/USPS-1-8. Column D on worksheet "2000 – MODS" contains FY2000 work hours per 3-digit MODS code. Please explain why the numbers are not identical to the corresponding BY00 work hours listed in Table I-2B of USPS LR-J-55.

Response:

Table I-2B of USPS-LR-J-55, as its title indicates, excludes the work hours from the ISC finance numbers. The ISC costs are listed separately in Table I-1B of USPS-LR-J-55, and are used to develop the cost for the international cost pool (INTL ISC). AOL-TW/USPS-1 asked for work hours by MODS codes for LDC 11-14. Total hours (including those for the ISCs) were provided in response to that interrogatory in column D on worksheet "2000-MODS."

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2702

AOL-TW/USPS-19 Please refer to your answers to AOL-TW/USPS-1,2,5 and 7.

- a. Please confirm that MODS codes 381 and 382 are included under LDC 15.
- b. Please provide FY2000 and FY2001 MODS workhours and, to the extent available, volumes for LDC 15, similar to the data provided in response to AOL-TW/USPS-1&2 for LDC 11-14.
- c. Do TPH volume data for the AFSM-100 MODS codes (33x) include pieces finalized through the VCS system? If yes, what causes the fairly substantial (roughly 10% in the FY2001 data) differences between TPF and TPH numbers for the AFSM-100 codes?

Response:

- a. Confirmed.
- b. Only workhours are available for LDC 15 operations. No volumes are reported.

<u>OPER</u>	<u>FY2000 Workhours</u>	<u>FY 2001 Workhours</u>
381	98,370	1,613,735
382	41,795	933,720
383	8,041	53,882
384	8,457	92,441
385	9	473
386	57	2,204
387	0	127
771	4,206	562
774	1,734	2,012
775	12,131,478	9,104,819
776	930,896	734,286
779	222,625	145,413

- c. Yes. The approximate 10 percent difference between pieces fed and pieces finalized is the amount of rejects.

AOL-TW/USPS-20 Your response to AOL-TW/USPS-5 appears to indicate that the practice of recording AFSM-100 mail preparation hours separately under MODS code 035 was for FY2001 only and has been discontinued."

- a. Please state whether this is the case, and if it is, indicate how AFSM-100 "prepping" hours will be recorded in the future.
- b. Please provide MODS 2001 workhours for all LDC 17 MODS codes, corresponding to the BY00 workhours in Table I-2B of LR-J-55. Please include also the workhours recorded for 035 in FY2001.
- c. Was any volume data also recorded for MODS code 035 in FY2001? If yes, please provide it. Please also provide any other data that the Postal Service may have regarding the productivity (pieces per hour) of the type of work that would have been recorded under MODS code 035.
- d. If flats from bundles sorted at an SPBS were then "prepped" for the AFSM-100, at the SPBS operation, would that work have been recorded as MODS 035 or under one of the SPBS related MODS codes in FY2001?

Response:

- a) Starting day 1 of FY 2002, MODS code 035 is to be used for prepping all flats, not just flats for the AFSM 100.
- b) See attached spreadsheet.
- c) No. Volume data for MODS code 035 was not collected in FY 2001. See response to AOL-TW/USPS-T-39-8.
- d) Under one of the SPBS related MODS operations.

Response to AOL-TW/USPS-20(b)
MODS Hours by Cost Pools and MODS Operation Codes
LDC 17 (incl MOD 035), Excludes ISC Hours
Source: MODS file, FY 2001

2704

MOD	NAME	MODHRS
- LDC=17 POOL=1BULK PR -		
2	PRESORT PREF-CARRIER	147448
3	PRESORT STND-CARR/SATURT	52056
4	PRESORT PREF-3/5 DIGIT	139196
5	PRESORT STND-3/5 DIGIT/B	62405
6	PRESORT PREF-ZIP+4	23642
7	PRESORT STND-ZIP+4	4886
8	PRESORT PREF-ZIP+4 BARCO	6394
9	PRESORT STND-ZIP+4 BARCO	52482
		=====
		488509
- LDC=17 POOL=1CANCMPP -		
10	HAND CANCELLATIONS	2569831
11	MICRO MARK	328975
12	M - 36	22671
13	MARK II/HALF MARK	151779
14	FLYER	220039
15	ADV FACER CANCELLER SYS	2250138
16	FLAT CANCELLATIONS	323341
17	ALLIED LABOR CANCELLATON	2461437
18	ALLIED LABOR CANCELLATON	635655
19	ALLIED LABOR CANCELLATON	651303
20	MAIL PREPARATION-METERED	1371960
21	MAIL PREPARATION-METERED	64283
22	MAIL PREPARATION-METERED	15487
23	MAIL PREPARATION-METERED	6011
24	MAIL PREPARATION-METERED	2787
25	MAIL PREPARATION-METERED	73085
26	MAIL PREPARATION-METERED	41
27	MAIL PREPARATION-METERED	41
28	MAIL PREPARATION-METERED	52363
		=====
		11201227

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LDC 17 (incl MOD 035), Excludes ISC Hours
Source: MODS file, FY 2001

2705

-- LDC=17 POOL=1OPBULK --

115	OPEN UNIT-OUTGOING,BBM	1788077
116	OPEN UNIT-OUTGOING,BBM	1308174
117	OPEN UNIT-OUTGOING,BBM	1608411
185	OPEN UNIT-INCOMING,BBM	3483919
186	OPEN UNIT-INCOMING,BBM	1734096
187	OPEN UNIT-INCOMING,BBM	737760
188	OPEN UNIT-INCOMING,BBM	629438
189	OPEN UNIT-INCOMING,BBM	728029

=====

12017904

-- LDC=17 POOL=1OPPREF --

35	PREP AFISM 100	4344082
110	OPEN UNIT-OUTGOING,PREF	6439741
111	OPEN UNIT-OUTGOING,PREF	2157356
112	OPEN UNIT-OUTGOING,PREF	2043852
113	OPEN UNIT-OUTGOING,PREF	2123250
114	OPEN UNIT-OUTGOING,PREF	1624819
180	OPEN UNIT-INCOMING,PREF	6716810
181	OPEN UNIT-INCOMING,PREF	1726388
182	OPEN UNIT-INCOMING,PREF	926337
183	OPEN UNIT-INCOMING,PREF	1218163
184	OPEN UNIT-INCOMING,PREF	1807554
343	OPENING UNIT-INT OUTBN	27787
344	OPENING UNIT-INT INBND	50315

=====

31206454

-- LDC=17 POOL=1PLATFORM --

210	PLATFORM LOAD/UNLOAD	12139287
211	PLATFORM LOAD/UNLOAD	3317019
212	PLATFORM LOAD/UNLOAD	2441362
213	PLATFORM LOAD/UNLOAD	2065633
214	PLATFORM LOAD/UNLOAD	1264425
215	PLATFORM LOAD/UNLOAD	1141827
216	PLATFORM LOAD/UNLOAD	516475
217	PLATFORM LOAD/UNLOAD	431926
218	PLATFORM LOAD/UNLOAD	606536
219	PLATFORM LOAD/UNLOAD	953288
220	PLATFORM LOAD/UNLOAD	522143
221	PLATFORM LOAD/UNLOAD	399251

Response to AOL-TW/USPS-20(b)
MODS Hours by Cost Pools and MODS Operation Codes
LDC 17 (incl MOD 035), Excludes ISC Hours
Source: MODS file, FY 2001

2706

222	PLATFORM LOAD/UNLOAD	675569
223	PLATFORM LOAD/UNLOAD	206743
224	PLATFORM LOAD/UNLOAD	581688
225	PLATFORM LOAD/UNLOAD	2862756
226	PLATFORM LOAD/UNLOAD	435598
227	PLATFORM LOAD/UNLOAD	421044
228	PLATFORM LOAD/UNLOAD	664291
229	PLATFORM LOAD/UNLOAD	1824989
230	PLATFORM MISCELLANEOUS	3363303
231	PLATFORM MISCELLANEOUS	1959772
232	PLATFORM MISCELLANEOUS	1316564
233	PLATFORM MISCELLANEOUS	1864579
234	PLATFORM MISCELLANEOUS	2345590
351	PLATFORM INTERNATIONAL	30825
352	LOAD/UNLOAD AT PIERS	258
454	CODE/BILL/DISPATCH-INT	10610
		=====
		44363351

— LDC=17 POOL=1POUCHNG —

120	POUCHING OPERATIONS	2601105
121	POUCHING OPERATIONS	1299548
122	POUCHING OPERATIONS	730346
123	POUCHING OPERATIONS	891118
124	POUCHING OPERATIONS	979936
125	POUCHING OPERATIONS	1223489
126	POUCHING OPERATIONS	777442
127	POUCHING OPERATIONS	1472395
128	POUCHING OPERATIONS	2587531
129	POUCHING OPERATIONS	1080385
208	SCAN-WHERE-YOU-BAND	1493234
209	SCAN-WHERE-YOU-BAND	186153
345	POUCHING INTERNATIONAL	48247
		=====
		15370929

— LDC=17 POOL=1ROBOTIC —

358	ROBOTICS	70946
359	ROBOTICS	249490
		=====
		320436

Response to AOL-TW/USPS-20(b)
MODS Hours by Cost Pools and MODS Operation Codes
LDC 17 (incl MOD 035), Excludes ISC Hours
Source: MODS file, FY 2001

2707

— LDC=17 POOL=1SACKS_H —

235	MANUAL SORT-SACK/OUTSIDE	3776564
236	MANUAL SORT-SACK/OUTSIDE	1216621
237	MANUAL SORT-SACK/OUTSIDE	2089536
348	MANUAL SACK SORT-INTERN	20

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7082741

— LDC=17 POOL=1SCAN —

64	SCANNING OPERATIONS	12608
118	ACDCS OUTGOING	1411311
119	ACDCS INCOMING	362085
350	OVERLABEL/DIRECT AO SACK	520

=====
1786524

123838075

AOL-TW/USPS-21 Please refer to your response to AOL-TW/USPS-6.

- a. Can one infer that, in the AFSM-100 environment, the FSM-1000, FSM-881 and manual flats sorting operations often receive mail "prepped" in the same way that mail intended for the AFSM-100 is "prepped"?
- b. Can one infer that some of the mail preparation work that in the AFSM-100 environment is performed before the flats reach a piece sorting operation would in the past have been performed by employees at the FSM-1000, FSM-881 or manual flat sorting operations?
- c. Is it reasonable to conclude that in the AFSM-100 environment, the FSM-1000, FSM-881 and manual flat sorting operations should, other factors being equal, be able to achieve higher productivity rates than in the past, since the "prepping" work, or part of it, that clerks at these operations had to do previously now will already have been performed when they receive the flats that need to be sorted. Please explain fully.
- d. Are flats that will receive incoming secondary sorting at Associate or Function 4 offices sometimes prepared on FMC's before being dispatched from the processing plant? If yes, how often?

Response:

- a) Not necessarily. The FSM 881 and FSM 1000 ledge loaders do some bundle preparation but not to the extent that the mail is prepared for the AFSM 100. Mail preparation will be the same for the automated feeder on the FSM 1000 (when deployed) as the AFSM 100.
- b) Yes.
- c) No. Not all of the flats for the FSM 881 and FSM 1000 (without the AFF/OCR) will have been prepared prior to being fed to the machines. The ledge loaders will still be expected to prepare mail for the feeders. Also, as the AFSM 100s pull the machinable volumes off of the FSM 1000, the volumes left will truly be non-machinable, generally resulting in a lower productivity, all other factors equal.

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- d) No. The Flat Mail Carts are not "road worthy" and were never meant to travel over the road.

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AOL-TW/USPS-22 On August 28, 2001 the Postal Service published a notice in the Federal Register proposing a regulation change to allow "co-packaging", i.e., the combining of flat-sized automation rate pieces and flat-sized presorted rate pieces within the same package. There would be some restrictions. For example, the "co-packaged" presorted rate pieces would be required to contain 5-digit barcodes, and where more than one physical package is prepared for a "logical" presort destination, no more than one physical package would be allowed to contain both presorted rate pieces and automation rate pieces. The proposal also indicates a goal of making the new preparation option mandatory by January 2003.

- a. Does the Postal Service expect the regulation change referred to above to take effect prior to the start of FY2003? If no, please explain why not.
 - b. Please confirm that, in the new flat sorting environment that will exist when the Postal Service completes the installation of OCR's on the FSM-1000 and the currently planned installation of AFSM-100 machines, the Postal Service's prior need to segregate barcoded and non-barcoded pieces will no longer exist. If not confirmed, please explain why such a need will still exist.
 - c. Please confirm that, in the test year flat sorting environment, barcoded and non-barcoded pieces with similar weight and shape are likely to be "prepped" for and sorted on the same flat sorting machines. If not confirmed, please explain why not.
 - d. Please confirm that, when non-carrier route presorted rate and automation rate pieces are included in the same mailing job, the presorted rate pieces normally result from unsuccessful attempts by mailers to match addresses with 9-digit or 11-digit barcodes using available software and data. If not confirmed, please explain what other factors cause the presence of both types of pieces within the same mailing job.
 - e. Please confirm that the "co-packaging" of presorted rate and automation rate pieces can, other factors remaining equal, be expected to increase the number of pieces in an average package and produce packages with higher levels of presort.
 - f. Please confirm that the presence of 5-digit barcodes on the presorted rate pieces in a co-packaged mailing will add value by facilitating any required primary sort down to the 5-digit level.
 - g. Please confirm that even in an OCR environment the presence of a barcode, even a 5-digit barcode, will improve the chances of the OCR successfully locating the address block.
 - h. Please confirm that the presence of 5-digit barcodes on presorted rate pieces for addresses that mailers unsuccessfully attempted to match with 9-digit or 11-digit barcodes will assist the Postal Service's quality control efforts.
 - i. Please confirm that since the current requirement to separate presorted rate and
-

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automation rate pieces is an inconvenience for mailers, most mailers who produce both presorted rate and automation rate pieces in the same mailing jobs are likely to adopt the proposed new preparation method described above even if it is not made mandatory.

Response:

- a. Yes.
 - b. Confirmed.
 - c. Confirmed.
 - d. Confirmed.
 - e. Not confirmed. Packages with finer levels of presort are expected. However, there is no indication that the number of pieces per package will increase. The additional pieces at the presort level may require two packages to become three to meet maximum bundle weight or print production bundle height requirements.
 - f. Confirmed. This means that it will be very unlikely to be able to sort the presort pieces with a 5-digit barcode to Carrier Route on an FSM since the "+4" is required. Therefore, the resulting pieces will have to be sorted to carrier route in the more expensive manual operation. Often the 9-digit barcode are not added by the mailer due to a lack of address information or accuracy, which keeps the Postal Service from being able to sort to carrier route even with VCS keying.
 - g. Confirmed.
 - h. Confirmed.
 - i. Not confirmed. This cannot be determined based on it being an optional preparation method. Today there are optional requirements available (i.e., SCF pallet protection) that larger mailers, more sophisticated mailers, do not take advantage of. Most mailers are small volume mailers that do not use
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sophisticated software or follow changes to optional Postal Service preparation methods even though these mailers do not provide the majority of flats volume.

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AOL-TW/USPS-23 Please refer to the proposed regulation concerning "co-packaging" of flats referred to in the preceding interrogatory (AOL-TW/USPS-22).

- a. Please provide the Postal Service's best estimate of the Periodicals and Standard A volume potentially affected by the proposal. That is, please provide the total non-carrier route flats volume, in each class, that is included in mailings that produce both presorted rate and automation rate flats.
- b. Has the Postal Service collected any data on the average success rate of Periodicals mailers in matching addresses to 9-digit or 11-digit barcodes in order to qualify the maximum number of pieces for automation discounts? If yes, please indicate the average success rate and the main factors affecting this success rate, and please provide all relevant data.
- c. Has the Postal Service conducted any analysis of the impact that the proposed regulation change would have on presort levels, productivity rates and/or costs of flats processing? If yes, please provide all results of such analyses and explain the methodology used as well as all underlying assumptions.
- d. Is the potential impact of "co-packaging" considered in any way in the Postal Service's test year cost projections in this docket? If yes, please explain fully.

Response:

- (a) Unknown. Not all Presorted rate volume is currently part of an Automation rate mailing with potential for future "co-packaging". Smaller mailings can be entirely Presorted rate without accompanied Automation rate pieces. Our data systems do not distinguish between Presorted rate pieces accompanied with and without Automation rate pieces.
- (b) The Postal Service has not collected this data.
- (c) No.
- (d) Co-packaging is part of continuous, on-going efforts to improve mail preparation consistent with mailer and Postal Service operations and might be considered part of Bold Actions (previously known as BPI).

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AOL-TW/USPS-24

- a. What is the maximum number of flats that can fit on an AFSM-100 "main belt" at one time?
- b. How much time does the AFSM-100 "main belt" take to complete one pass around the machine?
- c. Can the maximum throughput on the AFSM-100 be calculated by dividing the number of flats that fit on the "main belt" at one time with the time the belt takes to complete one pass? If no, please explain how the maximum throughput can be determined and state what the maximum throughput is.
- d. Please confirm that, while a flat whose image has been "lifted" to the VCS system waits for the VCS coding to be completed, it continues to occupy one slot on the AFSM-100 "main belt," thereby preventing any newly fed flat from using that slot.
- e. Please explain all safe-guards in the AFSM-100 system, in cases of VCS operators' absence or inattention or in cases where a very high percentage of flats require VCS coding, that protect against the machine being filled up by flats waiting for VCS coding and thus unable to accept new flats.
- f. Can the AFSM-100 be operated with the VCS turned off? If yes, please estimate how often this has occurred so far in operational use, and indicate where the flats that would have received VCS coding are processed.
- g. Under what conditions will flats accumulated and awaiting VCS coding be released without coding?
- h. Please state or give your best estimate, in operational experience so far, of the percentage of flats "lifted" to the VCS that have failed to be coded on the VCS due to insufficient capacity of VCS operators to cope with the volume of flats before some had to be released to free up slots on the AFSM-100, or due to the VCS being shut off completely.
- i. Your response to AOL-TW/USPS-7 refers to an Excel spreadsheet that is used to plan the staffing of the VCS operation. Please provide a copy of that spreadsheet.

Response:

- a. There are 759 slots, each containing one flat, on the AFSM 100 "main belt" or "carousel".
-

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- b. The time for the "main belt " to complete one pass around the machine is approximately 2 minutes.
- c. No. The maximum throughput is determined by the speed of the three automated feeders. The maximum per feeder is approximately 7,000, therefore, the maximum throughput in the most ideal environment is approximately 21,000.
- d. Confirmed. The flat remains in the slot up to one rotation.
- e. Flats requiring VCS coding remain in the slots for one rotation. If flats are not resolved in the time it takes for one rotation, they are rejected.
- f. Yes. The VCS system is turned off only when the type of mail being fed is easily read and there is no need for images to be lifted and sent to the VCS. Rejected flats would be rerun on the AFSM 100 later when keying is available, rerun on another FSM, or sorted in manual operations.
- g. Flats would be released or "rejected" if not keyed within time it takes to complete one rotation.
- h. It is a very small percentage of the total number of flats since the amount of flats released from the carousel or not resolved is minimal.
- i. See attachment.

Attachment to AGL-TW/USPS 24
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RECOMMENDED		NON ADC (PM-03:30-6:30)		2nd AFSM		Standard A (Inc.Prim.,Inc.Sec.)	Read rates	Throughput	Images/hr	Keyer Rate
Time of Day	Standard	Outgoing Primary	SCF	Incoming Secondary						
6:30	0	0	0	0					0	800
7:30	0	0	0	0					0	1000
8:30	0	0	0	0					0	1000
9:30	0	0	0	0					0	650
10:30	0	0	0	0						
11:30	0	0	0	0						
12:30	0	0	0	0						
13:30	0	0	0	0						
14:30	0	0	0	0						
15:30	0	0	0	0						
16:30	0	0	0	0						
17:30	0	0	0	0						
18:30	0	0	0	0						
19:30	0	0	0	0						
20:30	0	0	0	0						
21:30	0	0	0	0						
22:30	0	0	0	0						
23:30	0	0	0	0						
0:30	0	0	0	0						
1:30	0	0	0	0						
2:30	0	0	0	0						

Attachment to HCL-TW/USP-24
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RECOMMENDED		ADC (PM-03:30-06:30)		2nd AFSM 100		Read rates	Throughput	Images/hr	Keyer Rate
Time of	Standard	MMP	Outgoing	SCF	Incoming	0	Standard	0	800
Day			Primary		Secondary				
6:30	0	0	0	0	0				
7:30	0	0	0	0	0				
8:30	0	0	0	0	0				
9:30	0	0	0	0	0	0	OGP	0	1000
10:30	0	0	0	0	0		SCF	0	1000
11:30	0	0	0	0	0		INS	0	650
12:30	0	0	0	0	0		MMP	0	1000
13:30	0	0	0	0	0				
14:30	0	0	0	0	0				
15:30	0	0	0	0	0				
16:30	0	0	0	0	0				
17:30	0	0	0	0	0				
18:30	0	0	0	0	0				
19:30	0	0	0	0	0				
20:30	0	0	0	0	0				
21:30	0	0	0	0	0				
22:30	0	0	0	0	0				
23:30	0	0	0	0	0				
0:30	0	0	0	0	0				
1:30	0	0	0	0	0				
2:30	0	0	0	0	0				

1202 d

NOTE: If you have less than 1 hour runtime you should consider running the mail on a different piece of equipment or manual.

INPUT	TIME OF DAY	CODE	Day	REQUIRED KEYS	Outgoing	MMP	SCF	Incoming	Incoming
MAINT	6:30	MAINT	0.0	MAINT	MAINT	MAINT	MAINT	MAINT	Periodicals
MAINT	7:30	MAINT	7.0	MAINT	MAINT	MAINT	MAINT	MAINT	Primary
MAINT	8:30	MAINT	0.0	MAINT	MAINT	MAINT	MAINT	MAINT	Periodicals
MAINT	9:30	MAINT	0.0	MAINT	MAINT	MAINT	MAINT	MAINT	MAINT
INPA	10:30	#DIV/0!	0	0	0	0	0	0	0
INPA	11:30	#DIV/0!	0	0	0	0	0	0	0
INPA	12:30	#DIV/0!	0	0	0	0	0	0	0
INSA	13:30	#DIV/0!	0	0	0	0	0	0	0
MAINT	14:30	#DIV/0!	0	0	0	0	0	0	0
MAINT	15:30	#DIV/0!	0	0	0	0	0	0	0
MAINT	16:30	#DIV/0!	0	0	0	0	0	0	0
MAINT	17:30	#DIV/0!	0	0	0	0	0	0	0
MAINT	18:30	#DIV/0!	0	0	0	0	0	0	0
INPP	19:30	#DIV/0!	0	0	0	0	0	0	0
OGP	20:30	#DIV/0!	0	0	0	0	0	0	0
OGP	21:30	#DIV/0!	#DIV/0!	0	0	0	0	0	0
OGP	22:30	#DIV/0!	0	0	0	0	0	0	0
INS	23:30	#DIV/0!	0	0	0	0	0	0	0
INS	0:30	#DIV/0!	0	0	0	0	0	0	0
INS	1:30	#DIV/0!	0	0	0	0	0	0	0
INS	2:30	#DIV/0!	0	0	0	0	0	0	0
INS	3:30	#DIV/0!	0	0	0	0	0	0	0
INS	4:30	#DIV/0!	0	0	0	0	0	0	0
INS	5:30	#DIV/0!	0	0	0	0	0	0	0
INS	6:29	#DIV/0!	0	0	0	0	0	0	0

Attachment to ALC-7W/L 5-24
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CODES	Definitions	Read rates	Throughput	Images/hr	Keyer Rate
OGP	Outgoing Primary - 1st Class			0	
MMP	MMP - 1st Class			0	
SCF	SCF - 1st Class			0	
INP	Incoming Primary - 1st Class			0	
INS	Incoming Secondary - 1st Class			0	
OGPA	Outgoing Primary - Standard A			0	
MMPA	MMP - Standard A			0	
SCFA	SCF - Standard A				
INPA	Incoming Primary - Standard A			0	
INSA	Incoming Secondary - Standard A				
OGPP	Outgoing Primary - Periodicals			0	
MMPP	MMP - Periodicals			0	
SCFP	SCF - Periodicals			0	
INPP	Incoming Primary - Periodicals			0	
INSP	Incoming Secondary - Periodicals				

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AOL-TW/USPS-25 The Postal Service's response to AOL-TW/USPS-11 suggests that putting Periodicals on airplanes may sometimes be desirable. The example given is that when Periodicals flats are sorted on an FSM immediately before the sortation of First Class flats, it may not be cost efficient to "sweep" the Periodicals in order to keep them separate from First Class mail. The response indicates that such sweeping might increase Periodicals processing costs more than the extra costs of air transportation.

a. Please confirm that during an FSM operation the "flat trays" (tubs) into which flats are sorted are removed when full and replaced with empty tubs.

b. Can it be presumed that the example given in AOL-TW/USPS-11 refers to tubs that have received some Periodicals flats but are not yet full by the time the change to First Class flats processing occurs? If no, please explain further.

c. Why would the Postal Service sort Periodicals flats immediately before sorting First Class flats? Please indicate the sorting schemes and the times of day when this is likely to occur.

d. Has the Postal Service conducted any cost analysis to verify the assertion that it is cheaper to put Periodicals flats on airplanes instead of sweeping them before a switch is made to First Class flats? If yes, please provide all reports, conclusions and supporting documentation generated by such studies.

e. If analysis of the cost trade-off were to show that sweeping Periodicals in half-empty trays costs more than letting them travel by air with First Class, would not the same conclusion apply to Standard A mail? If no, please explain why the cost trade-offs are different for Periodicals and Standard A.

f. Does the Postal Service have any written instructions for FSM operators and/or supervisors with respect to when it is and is not appropriate to sweep Periodicals or Standard A flats before starting First Class sortation? If yes, please provide a copy of those instructions.

RESPONSE

a) Confirmed.

b) Yes.

c) Periodicals sortation would likely take place during late Tour 2 into Tour 3 when the First Class Mail sortation would start. It may also occur during a full time when Periodical Mail is on hand and awaiting processing before the collection mail arrives.

d) No.

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e) Since no such cost analysis exists, one cannot say what the cost differences or similarities would be. There is an operational difference that may be *relevant* to the issue. Since Standard Mail is normally processed on Tour 2, it would probably be cleared long before the Periodical Mail and First Class Mail would be ready for processing. Therefore, the opportunity to commingle Standard and First Class seems much less likely, than for Periodicals and First-Class Mail.

f) The Postal Service does have written instructions for FSM supervisors contained in USPS-LR-J-173 (AFSM 100 National Standardization Guide and the AFSM 100 Standardization Supervisors Guide). These instructions do not specifically address a particular class of mail but just refer to "mail" in general to be processed.

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AOL-TW/USPS-26 Please indicate what types of FSM sorting schemes generate output that receives air transportation (when the flats are First Class) to the next facility in which the flats will be processed. In particular:

a. Please confirm that, regardless of class, flats that are sorted in an incoming secondary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.

b. Please confirm that, regardless of class, flats that are sorted in an incoming primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.

c. Please confirm that, regardless of class, flats that are sorted in an SCF primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.

d. Please confirm that, regardless of class, flats that are sorted in an ADC primary scheme will not be transported by air to their next facility. If not confirmed, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.

e. Is it reasonable to assume that a flat sorting scheme that generates output whose destination is far enough away to require air transport (if the flats are First Class) must be either an outgoing primary or an outgoing secondary scheme? If no, please state what the exceptions are and whether any such exceptions occur in the contiguous 48 states.

f. Please explain the Postal Service's current policy regarding the distances over which First Class flats will be transported by air instead of by surface. Please also explain any changes that may have occurred in this policy during the last three years, and any changes being contemplated before FY2004.

g. Roughly what percentage of the flats sorted at an outgoing flats primary operation is to destinations far enough away to require air transportation when the flats are First Class?

RESPONSE

a) Not confirmed. In the contiguous 48 states, the exceptions are those instances where there is no surface transportation available. Examples include air taxis from Toledo to islands in Lake Erie, and air taxis from the mainland to certain islands off the New England coast.

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- b) Confirmed, for the contiguous 48 states.
- c) Confirmed, for the contiguous 48 states.
- d) Confirmed, for the contiguous 48 states.
- e) Yes.
- f) The policy for routing First-Class flats does not specifically identify

distances as contemplated in the question. According to USPS Handbook M22, Dispatch and Routing Policy, the determinations for routing First-Class Mail are as follows:

162.1 General

Area Distribution Networks must provide routings for designated overnight 2-day, and 3-day qualified mail within each window of transportation established by the origin and destination operating plans.

162.2 Overnight Delivery

Overnight delivery areas must be routed via surface transportation (some exceptions exist such as the U.S. Virgin Islands).

162.3 Two-Day Delivery

All metered and postmarked mail designated for 2-day delivery can be dispatched by either air or surface transportation, depending upon the most economical routing available that will meet the critical entry time at

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destination. Incoming critical entry time normally falls between 1500 and 1800 hours with some exceptions.

162.3 **Three-Day Delivery**

All other remaining areas within the United States must be routed by air or surface transportation to achieve 3-day delivery. Mail with 3-day service standards must utilize routings that meet the critical entry time of 8 a.m. (Day 2) at the area distribution center (ADC) or automated area distribution center (AADC). Special bracketing options as described in Chapter 2 may be used in some cases.

No changes are contemplated to this policy.

g) The percentage of flats that "require air transportation" is unknown.

The choice of mode is determined by each plant and constrained by the availability of transportation at each originating facility.

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AOL-TW/USPS-27 Please assume that a flats tray (tub), containing some Periodicals flats on the bottom and First Class flats on top, is removed from an FSM. Assume further that the tray is closed and labeled before being dispatched.

- a. Would the person who closes and labels this tray normally take time to determine whether or not there are Periodicals flats at the bottom?
- b. Assuming correct labeling, is it possible to determine that this flats tray contains First Class flats by looking at the label without opening the tray? If yes, please explain how.
- c. Assuming correct labeling, is it possible to determine that this flats tray also contains some Periodicals by looking at the label without opening the tray? If yes, please explain how.

RESPONSE

- (a) No.
- (b) Yes. Trays with mixed classes must be labeled according to the highest class of service contained in the tray. In this case, the tray would be labeled as First-Class Mail.
- (c) No. See response to part (b) above.

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AOL-TW/USPS-28 Please refer to your answers to AOL-TW/IUSPS-10 and AOL-TW/USPS-16, where you state: "certain time-sensitive Periodicals are sometimes flown from Seattle to Anchorage." Please clarify as follows.

- a. Does "certain time-sensitive Periodicals" refer to a specific list of Periodicals with whom an agreement or understanding exists that they will be flown to Anchorage from Seattle?
- b. Does the statement mean that sometimes there is insufficient First Class, Priority and Express mail to fill the dedicated space on a Seattle-to-Anchorage air taxi and that in those cases the excess space is filled with time-sensitive Periodicals that happen to be available in Seattle and ready to be transported to Alaska?
- c. If you answered no to both a and b above, please explain exactly what "certain time-sensitive Periodicals" refers to.
- d. Does it sometimes happen that monthly Periodicals are flown from Seattle to Anchorage?
- e. Does it sometimes happen that Standard A mail is flown from Seattle to Anchorage?
- f. Please explain why this particular route is mentioned in two interrogatory responses when evidently Periodicals are flown on other routes as well. Are the policies for use of this route different from the policies governing the use of all other dedicated airlift routes? If yes, why? If no, on which other routes do similar policies apply?

RESPONSE

- a. No. There was a specific list 20 years ago when the Postal Service changed from daily service via highway contract route to water, but the list is outdated. We generally refer to "time-sensitive periodicals" as weekly periodicals that are news-related like Newsweek

In order to be responsive to the Periodicals' mailers involved in the switch to water service, the Postal Service placed their mail on an air taxi operating between Seattle and Anchorage. The responses to AOL-TW/USPS-10 and AOL-TW/USPS-16 refer to these "grandfathered" time-sensitive Periodicals that continue to be routinely flown from Seattle to Anchorage.

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b. No. The time-sensitive periodicals in question are treated like First-Class Mail or Priority Mail. They have the same boarding priority and do not move on a space available basis.

c. See the response to parts a and b above.

d. One cannot exclude this from the realm of possibilities. However, flying monthly periodicals is not part of the program discussed in the response to AOL-TW/USPS-16. Please see the response to AOL-TW/USPS-12c.

e. One cannot exclude this from the realm of possibilities. Flying Standard A mail is not in accord with normal dispatch and routing procedures. Please see the response to AOL-TW/USPS-12c.

f. The Seattle to Anchorage route was mentioned twice in an effort to provide a comprehensive response to the earlier AOL-TW questions. This situation is indeed exceptional for the reasons laid out in the response to part a. Other than a similar route to southeast Alaska, no other routes are known to share this unusual dispatch feature. In general, Periodicals can be found on a Seattle to Anchorage flight for three possible reasons:

1) The Periodicals are part of the "grandfathered" group described in response to part a above.

2) The Periodicals are intermixed in a flat or other container with First-Class, Priority or Express Mail.

3) The periodicals are dispatched to air transportation by mistake.

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JL-TW/USPS-29 Please refer to your answers to AOL-TW/USPS-14. You first describe the purchase of airlift by the pound and pound-mile from commercial airlines. You then describe a number of ways in which the Postal Service in FY2000 purchased "dedicated airlift". Please clarify the term "dedicated airlift." In particular:

- a. Does "dedicated airlift" refer to airplanes that carry USPS mail only? If no, what else do they carry?
- b. Does "dedicated airlift" mean that the Postal Service buys a fixed amount of airlift capacity for which it will pay the same amount whether the capacity is fully utilized or not?
- c. Does "dedicated airlift" include any other type of contract where the costs vary less than proportionately with volume? If yes, please explain.
- d. What are the average per-pound and per-pound-mile costs to the Postal Service for domestic dedicated airlift routes?
- e. What are the average per-pound and per-pound-mile costs to the Postal Service for transportation of mail on commercial airlines?
- f. Assume that an airplane that is part of a "dedicated airlift" route is only half full. What are the Postal Service's marginal per-pound and per-pound-mile costs of adding one extra pound to the cargo on that airplane?

RESPONSE

- a. Yes.
 - b. It is unclear what is meant by "fixed" in this question. Obviously, each aircraft has a fixed cubic capacity, but dedicated airlift capacity can be adjusted up or down in response to persistent volume changes in a number of ways, such as:
 - 1) Larger or smaller aircraft can be used.
 - 2) Cities can be added or subtracted from the flight plan.
 - 3) Larger or smaller engines can be fitted to an existing aircraft.
- Also, more capacity does not always cost more. If the marketplace for a desired, larger aircraft is favorable, it may be possible to lease a larger aircraft at less cost than a smaller aircraft. This phenomenon was discussed with regard to the WNET by Postal Service witness Pickett in Docket R2000-1. [Tr. 43/18534]

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- c. No. The assumed volume variability of all dedicated airlift is 100 percent.
- d. In BY2000, the cost per pound of mail flying on Postal Service dedicated air networks was \$1.00232180/lb. The cost per pound-mile of mail flying on Postal Service dedicated air networks was \$0.00079418/lb-mile. Dedicated costs represent BY2000 costs for the cost pools labeled as Eagle Network, Daynet and HASP, Western Network, and Air Taxi in witness Meehan's B workpaper 14.3. These costs do not include costs found in the Christmas cost pool. Dedicated pounds are BY2000 volume scanned to dedicated flights as found in the Postal Service operations scan data (Planned vs. Actual). Dedicated pound-miles represent BY2000 distances traveled by volume on dedicated air networks. The underlying mileages are from origin directly to final destination (GCD miles).
- e. In BY2000, the cost per pound of mail flying on the Postal Service passenger air network (ASYS) was \$0.37791445/lb. The cost per pound-mile of mail flying on the Postal Service passenger air network was \$0.00026039/lb-mile. Passenger Air costs represent BY2000 costs for the cost pools Passenger Air in witness Meehan's B workpaper 14.3. Passenger air volumes are BY2000 volume scanned to passenger flights as found in the Postal Service operations scan data (Planned vs. Actual). Passenger pound-miles represent BY2000 distances traveled by volume on dedicated air networks. The underlying mileages are for each leg of a passenger air flight (route miles).

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f. The assumption does not reflect operational practice. In the normal course of events, dedicated air transportation is full. In the case of a fixed capacity network, the marginal cost of adding an additional pound of mail to dedicated airlift in FY2000 is the marginal cost of putting the pound of mail on commercial air. Putting an additional pound on dedicated airlift means bumping a pound onto commercial air, hence the marginal cost of an additional pound of mail on dedicated airlift is the marginal cost of putting a pound on commercial air. In a variable capacity network, marginal cost is determined by the operating costs of the network under the assumption of 100 percent volume variability.

In the temporary scenario described the question, a one-time addition of mail on an otherwise half-empty plane, would, in that single instance, have a marginal cost of zero. However, if this condition persisted, the Postal Service could choose to modify the capacity of the route as described in the response to part b. In such a case, the variability would be non-zero. Please note that in the test year, all dedicated airlift costs, other than Christmas, are assumed to be zero. See the testimonies of witnesses Hatfield (USPS-T-18) and Patelunas (USPS-T-12).

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AOL-TW/USPS-30 In Docket No. R2000-1, the Postal Service filed USPS library reference LR-I-88, titled 'Flats Bundle Study.' LR-I-88 is relied upon also in the present docket. Several of its numbers are used in the flats mail flow models in LR-J-61 sponsored by witness Miller.

LR-I-88 contains a spreadsheet called 'FINAL_Density.XLS', which described the downflows from bundle sorting operations of bundles at different presort levels from containers at different presort levels. The purpose of the following questions is to determine the proper interpretation of the bundle downflow percentages on worksheet 'Final Down Flows' in that spreadsheet.

- a. Please confirm that the percentages shown represent weighted averages for flats bundles from sacks and pallets and from different mail classes. If not confirmed, please explain.
- b. Please confirm that the percentages shown represent weighted averages for mechanized and manual bundle sorting operations. If not confirmed, please explain.
- c. Please confirm that for each container presort level (MADC [Mixed ADC], ADC, 3D, 5D and Carrier Route) the percentages shown describe the further disposition, after bundle sorting, of bundles at each presort level from containers with the given presort level. If not confirmed, please explain.
- d. Please confirm that, for each applicable combination of container and flats bundle presort level, the numbers on the line called 'Piece' represent the percentages of such bundles that after the bundle sort would be brought directly to a flats piece sorting operation. If not confirmed, please explain.
- e. Please confirm that for 5-digit bundles that are in 3-digit containers at the start of the bundle sort, 21.69% are shown as going directly to a piece sorting operation. Please also confirm that the remaining 78.31% are shown as going to a 5-digit bundle sorting operation. If not confirmed, please explain.
- f. Please confirm that when in a 3-digit bundle sort operation one and only one container receives the bundles going to a given 5-digit zone, that container will receive a mixture of 5-digit and carrier route bundles, requiring a further bundle sort. Please confirm also that such 5-digit bundles are included in the 78.31% referred to in part e of this interrogatory. If not confirmed, please explain.

RESPONSE:

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- a. Confirmed.
- b. Not confirmed. The downflow densities are based on mechanized bundle sorting operations only.
- c. Confirmed.
- d. Confirmed.
- e. Confirmed.
- f. Confirmed.

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AOL-TW/USPS-31 Please refer to the bundle sorting density data from USPS LR-I-88.

- a. Please confirm that a bundle with MADC (Mixed ADC) presort that is sorted from an MADC container is shown as always going directly to piece sorting at the end of the bundle sort. If not confirmed, please explain.
- b. Please confirm that a bundle with ADC presort that is sorted from an MADC container is shown as never going directly to piece sorting and always requiring a subsequent ADC bundle sort. If not confirmed, please explain.
- c. Please confirm that in the case of 3-digit bundles sorted from MADC containers, 6.18% are shown as going directly to piece sorting, while 74.45% go to an ADC bundle sort operation and the remaining 19.38% go to a 3-digit bundle sort operation. If not confirmed, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

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AOL-TW/USPS-32 Please refer to the bundle sorting density data from USPS LR-I-88. That library reference contains a spreadsheet titled 'SUMMARY.XLS', which contains, separately for Standard A and Periodicals flats bundles, the estimated average number of handlings involved in sorting a bundle with a given presort level from a container at a given presort level.

- a. Please confirm that the numbers in 'SUMMARY.XLS' represent weighted averages for mechanized and manual bundle sorting operations. If not confirmed, please explain.
- b. Please confirm that for a given combination of container and bundle presort levels, and a given class, the number of handlings shown in spreadsheet 'SUMMARY.XLS' is the number of handlings required to achieve the corresponding bundle downflows shown in spreadsheet 'FINAL_Density.XLS'. If not confirmed, please explain.
- c. Please confirm that, in the case of Periodicals, an average of 1.17 bundle sorts is required before a bundle with MADC sort level, from an MADC container, can be sent to piece sorting. If not confirmed, please explain.
- d. Please confirm that, in the case of Periodicals, an ADC bundle in an MADC container requires an average of 1.1 bundle sorts before reaching its proper ADC container. If not confirmed, please explain.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.

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AOL-TW/USPS-33 Please refer to the policy, described in your response to AOL-TW/USPS-28, of routinely flying certain Periodicals from Seattle to Anchorage.

- a. Was the establishment and continuation of this policy for more than twenty years based on a decision made at USPS headquarters, or was it a regional or local decision? Please explain fully.
- b. In establishing and maintaining this policy for more than 20 years, was any consideration given to the fact that some weekly Periodicals all along have been paying for their own air transportation to Alaska? Please explain fully.
- c. Has the desirability of maintaining such a policy been discussed with representatives of the Periodicals industry? If yes, what was the outcome of those discussions?
- d. Has the desirability of maintaining such a policy been discussed with representatives of the Periodicals involved? If yes, what was the outcome of those discussions?

RESPONSE:

- a. The decision was made by the old Western Regional Office with concurrence from Headquarters.
- b. The intent of this revision was to provide "like" service to existing postal customers that would have been significantly impacted by the change in surface transportation. The mail was designed for transport on a space available basis so Express, Priority and FCM would not be displaced. The Shipper tendered the product as normal and the Postal Service decided on which flight and day the Periodicals were moved. There is no arrival guarantee provided the shipper but the arrival pattern meets the previous transit time. This volume has for the last several years been moved on dedicated postal air transportation on a space available basis.

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c. There has been discussion at various times with the Periodical shippers involved as we addressed if this policy should remain in place. They are universally in favor of its retention.

d. See the response to subpart c above.

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AOL-TW/USPS-34

- a. Is water transport the normal mode of surface transportation used by the Postal Service between Seattle and Anchorage? If no, please explain what mode of surface transport is normally used.
- b. What is the average per pound and per pound-mile cost of transporting Periodicals by boat?

RESPONSE

- a. Yes.
- b. The average cost per pound and pound-mile of transporting Periodicals by boat is unknown.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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AOL-TW/USPS-T13-1. You refer to USPS LR-J-55 as fulfilling the same role as USPS LR-I-106 did in R2000-1. You also state that the purpose of your testimony is to summarize USPS LR-J-55. USPS-T13, at 1. Yet LR-J-55, both the hard copy and the electronic version posted on the Commission's web site, contains only a few listings of SAS code. On the other hand, USPS LR-J-82, the "PRC Version" of LR-J-55, contains much more information, including eight EXCEL files with various tables and an apparently more complete list of SAS code files.

- a. Please describe the contents of each of the Excel files in LR-J-82.
- b. Please indicate which, if any, of the EXCEL files in LR-J-82 also apply to EXCEL-J-55.

Response to AOL-TW/USPS-T13-1.

- a. Please refer to the pdf file for LR-J-82 on the PRC WEB site. The write-up on page i indicates what is included in the Excel files. Each Excel spreadsheet corresponds to a "Part" of LR-J-82 and all the tables for that "Part" are contained in separate worksheets. The table of contents on pages ii to iv of LR-J-82 provides descriptive titles for the tables in each "Part." The title and the page number for each table in each Excel spreadsheet can also be viewed when using the "Print Preview" option.
- b. Please refer to the pdf file for LR-J-82 and the pdf file for LR-J-55 on the PRC WEB site. The table contents for each "Part" of LR-J-82 on pages ii-iv can be compared with the table of contents for each "Part" of LR-J-55 on pages II-1, III-1, IV-1, V-1, VI-1, VII-1. The tables in the pdf file for LR-J-55 are the LR-J-55 equivalents of the tables in each excel file in LR-J-82.

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AOL-TW/USPS-T13-3 Apart from the different assumptions about volume variability at various cost pools, precisely what are the methodological differences between the programs described in LR-J-55 and LR-J-82? In particular, does your "PRC version" incorporate the Commission's preferred R97-1 and R2000-1 method for distribution of allied mixed mail costs?

Response to AOL-TW/USPS-T13-3.

Highlights of the methodological differences between the programs in LR-J-82 and those in LR-J-55 can be gleaned from PRC Op, R2000-1, Vol.1 at 79-85 and 98-107. In particular:

- The Commission's preferred R97-1 and R2000-1 method for distribution of allied mixed mail costs and allied not-handling costs is incorporated in LR-J-82 SAS programs M5ALLIED, B5ALLIED AND N5ALLIED. These programs supersede LR-J-82 programs MOD4DIST, BMC4 and NONMOD4 for the cost distribution to subclasses in allied operations.
- The pool costs and the assignment of IOCS tallies to cost pools are similar between the PRC and the USPS versions. However, LR-J-82 reflects the Commission's definition of mail processing costs, which exclude the "migrated" costs in each cost pool. The PRC version of program MOD1DIR identifies the "migrated" tallies in each mail processing cost pool for MODS offices, based on the IOCS activity codes. In the SAS report generated by program M5ALLIED (see Table II-a), the "migrated" costs are not included in the subclass volume-variable mail processing costs but are shown separately by activity code. These costs are "reversed" to the Window and Administrative Services components in the PRC version of C/S 3 B Workpapers (see USPS LR-J-74).
- LR-J-82 also includes the Commission's treatment of MODS support cost pools which is based on the USPS R97-1 methodology but is applied to non-"migrated" tallies. The PRC version of Program MOD4DIST resembles the USPS version of Program MOD4DIST in Docket R97-1: it

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does not contain the distribution of allied not-handling costs and the distribution of support pool costs proposed by the Postal Service in R2000-1 which are present in the USPS version of MOD4DIST in this docket.

Other differences include some USPS refinements present in LR-J-55 but not in LR-J-82, such as:

-- the assignment of special service costs to the pieces of mail being processed as reflected in the "encirclement" procedures in program MOD1POOL. The current PRC version of the "encirclement" still relies on the procedures established in the C/S 3.1 B Workpapers in R97-1 to distribute volume-variable costs to such special service as Registered Mail. It does not incorporate the refinement proposed by the USPS in Docket R2000-1 (and again in this docket), which eliminates the need for such procedures.

-- the apportionment of the clocking in/out costs at BMCs and Non-MODS offices. The subclass volume-variable costs generated by LR-J-55 SAS programs BMC4 and NONMOD4 include the mail processing shares of the clocking in/out costs. The subclass volume-variable costs generated by LR-J-82 SAS programs B5ALLIED and N5ALLIED do not include the mail processing shares of the clocking in/out costs. These costs are apportioned in the PRC version of the B Workpapers.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF AOL TIME WARNER, INC.
REDIRECTED FROM WITNESS VAN-TY-SMITH**

AOL-TW/USPS-TI3-4 Your testimony states:

"To reflect the emergence of the ISCs (International Service Centers) as separate entities related to international programs, costs for MODS finance numbers in FY 2000 are further disaggregated into costs for ISC and non-ISC finance numbers."

- a. What is an ISC? In particular, please explain what you mean by describing them as "separate entities related to international programs."

- c. Where are ISC's typically located? Specifically, how many are located:
(1) inside mail processing plants (P&DC's); (2) at airports; or (3) in separate facilities?

- d. Do employees receive special training in order to work in an ISC? If yes, what kind of training do they receive, and how long does such training last?

- f. How many employees work at ISC's?

- h. Assume that a Periodical is being handled in an ISC. Which of the following is most likely, and which is least likely?
 - (1) the Periodical has domestic origin and international destination;
 - (2) the Periodical has international origin and domestic destination; or
 - (3) the Periodical has domestic origin and domestic destination?

- i. Please answer the questions in part h of this interrogatory assuming that the mail piece is a single piece letter, rather than a Periodical.

Response to AOL-TW/USPS-TI3-4

- a. ISC's were identified in the base year 2000 as centers which process predominantly international mail and ISC finance numbers identify labor costs predominantly associated with International Mail processing.

- c. All seven ISCs are separate facilities, with two on airport grounds and three near airports.

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- d. Employees do not receive special training so that they can work at an ISC but so that they can process international mail in certain international operations. Training may involve learning countries and procedures to process various types of international mail and paperwork. Training times are variable, depending on tasks being trained to perform.
- f. For the base year 2000, there are about 3300 clerks and mailhandlers assigned to the seven ISC finance numbers.
- h - i. Since in the base year 2000, ISC's handled primarily international mail, and since the IOCS-based distribution key for the INTL ISC cost pool shows that for the base year 2000, about 79% of the labor costs are distributed to international mail (see Table 3 of Witness Van-Ty-Smith's testimony), one could infer, that a piece of international mail is more likely to be handled at an ISC than a piece of domestic mail. This general inference may be more readily extended to a single piece letter than to a Periodical: international periodical mail is generally 'surface' mail, the majority of which is not handled at those ISC's.

Since outbound international volume is greater than inbound international volume, one could infer that a piece of domestic origin and international destination is at least as likely (if not more likely) to be handled at an ISC than a piece of international origin and domestic destination.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-10. May Express Mail [Next Day and Second Day Service] be mailed at all postal facilities within all of the ZIP Codes listed on pages 11-34 through 11-36 of the 2001 National Five-Digit ZIP Code and Post Office Directory, other than the three specific ranges shown as military - main offices, stations, branches, rural carriers, and other points at which other classes of mail may be tendered - during their normal office hours? If not, provide any exceptions either by category or by specific office[s].

RESPONSE:

Yes.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-11. May Express Mail [Next Day and Second Day Service] be addressed to all valid addresses within all of the ZIP Codes listed on pages 11-34 through 11-36 of the 2001 National Five-Digit ZIP Code and Post Office Directory, other than the three specific ranges shown as military? If not, provide any exceptions either by category or by specific office[s].

RESPONSE:

Yes.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-12.

- [a] Confirm, or discuss and explain if you are unable to do so, that all postal facilities that accept Express Mail as noted in the response to DBP/USPS-10 have a listing of those 3-digit ZIP Code prefixes for which Next Day delivery will be achieved.
- [b] Confirm, or discuss and explain if you are unable to do so, that all postal facilities that accept Express Mail as noted in the response to DBP/USPS-10 have a cutoff time, established by the Postmaster by which Express Mail must be presented to achieve Next Day delivery.
- [c] Must there be a reasonable minimum amount of time from the opening of the retail window service to the cutoff time to allow for mailers to deposit Express Mail on that day in order to achieve Next Day delivery? If not, why not?
- [d] If a facility has an cutoff time as noted in DMM E500.5.3 for Next Day service that is after 5 PM, must the time noted in DMM E500.6.2 for Second Day service be equal to or later, but not earlier than, the Next Day cutoff time? If not, why not?
- [e] Confirm, or discuss and explain if you are unable to do so, that an Express Mail article may be mailed at any facility noted in response to DBP/USPS-10 at any time that there are retail window service hours.

RESPONSE:

- a. Confirmed.
- b. Confirmed, except the cutoff time is based upon the network that supports Express Mail.
- c. Every effort is taken to ensure that maximum window time is allowed for customers utilizing Express Mail, however, this window time is established and limited to the network that supports Express Mail.
- d. The cutoff time for Second Day service may be the same cutoff time or a later cutoff time than that for Next Day Service, as authorized by the postmaster, based upon the network that supports Express Mail.
- e. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-13

- [a] With respect to whether or not the Next Day Service will be achieved by 12 Noon or 3 PM, is this a function of the dispatching office, the delivery office, or both?
- [b] What criteria are utilized to make this determination?
- [c] Does it apply all days of the year? If not, what are the exceptions?
- [d] Does the same time of the day apply equally to Next Day and Second Day service? If not, please explain.

RESPONSE:

- a. – b. It is a function of both the originating and destinating ZIP Codes.
- c. Yes, the same logic is applied to determine the level of service.
- d. Yes.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-14. For this interrogatory, the following assumptions apply:

1. The article will be deposited at a facility as noted in the response to DBP/USPS-10.
2. The article will be addressed to an address noted in the response to DBP/USPS-11.
3. The window hours for this post office are 8 AM to 6 PM.
4. The cutoff time for Express Mail Next Day Delivery service is 2 PM.
5. The list refers to those 3-digit ZIP Codes that are designated for overnight service.
6. The time of 10 AM was chosen to represent a time both before the 2 PM cutoff time and before 5 PM as noted in DMM Section E500.6.2 and can be as early as 12:01 AM; the time of 3 PM was chosen to be after the 2 PM cutoff time but before the 5 PM as noted in DMM E500.6.2 and before the close of window service hours or other ability to mail the article and may be as late as 12 Midnight; the time of 5:30 PM was chosen to be after the 5 PM as noted in DMM E500.6.2 and after the 2 PM cutoff time but before the close of window service hours or other ability to mail the article and may be as late as 12 Midnight. [If the choice of time is significant, please explain in your response.]
7. All articles are mailed on Day 0 which for convenience will be noted as Monday [if the choice of day is significant, please explain in your response]. Please confirm, or explain and discuss if you are unable to confirm, that articles mailed as noted will receive a refund if they are not delivered by the time shown [other than for the exceptions shown in DMM E500.5.3 and 6.2]:
 - [a] Mailed Monday at 10 AM destined for an office on the list - will be delivered by 12 Noon or 3 PM Tuesday.
 - [b] Mailed Monday at 3 PM destined for an office on the list - will be delivered by 12 Noon or 3 PM Wednesday.
 - [c] Mailed Monday at 5:30 PM destined for an office on the list - will be delivered by 12 Noon or 3 PM Wednesday.
 - [d] Mailed Monday at 10 AM destined for an office that is not on the list - will be delivered by 12 Noon or 3 PM Wednesday.
 - [e] Mailed Monday at 3 PM destined for an office that is not on the list - will be delivered by 12 Noon or 3 PM. Wednesday.
 - [f] Mailed Monday at 530 PM destined for an office that is not on the list - will be delivered by 12 Noon or 3 PM Wednesday.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

RESPONSE:

a. – f. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-15

[a] Confirm, or explain if you are unable to do so, that Express Mail will be delivered all 365/6 days a year.

[b] Confirm, or explain if you are unable to do so, that Express Mail may be addressed to any authorized type of address, including, but not limited to, city delivery street address, post office box, General Delivery, Rural Route / HCR Route in the RR 2 Box 123 format, and Rural Route / HCR Route in the city delivery type format [123 Main St].

RESPONSE:

a. Confirmed.

b. Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-16

[a] Confirm, or explain if you are unable to do so, that for Express Mail articles other than those addressed to a Post Office Box or General Delivery, an actual physical attempt at the addressee's location must be made prior to the guaranteed time or it will be considered a failure [and thus a refund of postage may be obtained] unless it meets one of the two exemptions in DMM Section E500.5.3/6.2 a and b.

[b] Confirm, or explain if you are unable to do so, that Express Mail which is addressed to a Post Office Box or General Delivery will constitute a failure if the addressee does not have access to the post office box and/or the ability to claim the article such as might occur if the box section was closed or the notice of arrival was placed in the box but it was not possible for the addressee to claim the mail.

[c] Confirm, or explain if you are unable to do so, that contacting an addressee by telephone or by requiring an addressee to pick up their Express Mail at a facility would constitute a failure [other than PO to PO service].

[d] May Post Office to Post Office Service be sent to all post offices in the areas as noted in response to DBP/USPS-11? If not, provide a listing of all offices to which it may be sent.

[e] Confirm, or explain if you are unable to do so, that the guaranteed delivery times for both PO to Addressee and PO to PO will be the same areas - both overnight and second day.

[f] Clarify DMM Section E500.6.4 - if a PO-PO Express Mail article is sent to a second day area on a Saturday, will delivery be guaranteed on Monday or Tuesday [assume the delivery office is closed on Sunday and open the other six days of the week - is delivery made on the second business day after mailing - Tuesday in this case - or is it delivered on the first business day which is on or after the second day - Monday in this case]?

RESPONSE:

a. Confirmed.

b. Not confirmed. Delivery of Express Mail addressed to a post office box is attempted when a notice is placed in the box, regardless of whether or not the customer has access to the box at that time. Delivery of Express Mail addressed to a general delivery address is attempted when the article arrives at the postal

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

facility, regardless of whether or not the customer has access to the postal facility at that time.

c. Although a telephone call could be provided as a courtesy to the customer, if the mailpiece is not delivered until after the guaranteed time this would be considered a failure.

d. No. IRTs and POS-1 systems will flag any Express Mail with post office to post office service if the three-digit ZIP Code pairs are not authorized for the service. A list of the valid three-digit ZIP Code pairs for Express Mail post office to post office service is attached.

e. Assuming both types of Express Mail make the cutoff time and Post Office to Post Office service is available, confirmed.

f. Delivery will be guaranteed on Tuesday.

Post Office to Post Office - Express Mail
Destinating 3-Digit ZIP Codes

Effective 12/01/01

Zip Span	Svc	Zip Span	Svc	Zip Span	Svc	Zip Span	Svc	Zip Span	Svc
105-105	P*	282-282	A*	436-436	A*	641-641	A*	794-794	P*
106-106	P*	292-292	P*	441-441	A*	661-662	A*	871-871	P*
107-107	P*	296-296	P*	454-455	A*	666-666	A*	891-891	A*
108-108	P*	328-328	A*	458-458	P*	681-681	A*	895-895	A*
109-109	P*	331-332	A*	462-462	A*	701-701	A*	900-900	A*
125-125	P*	336-337	A*	468-468	A*	731-731	P*	936-938	P*
126-126	P*	352-352	P*	481-481	P*	733-733	A*	940-940	P*
201-201	P*	372-372	A*	482-482	A*	741-741	P*	941-941	P*
212-212	A*	374-374	A*	483-483	P*	761-761	A*	951-951	A*
222-223	A*	375-375	A*	495-495	A*	770-770	A*	954-954	P*
237-237	A*	379-379	A*	524-524	A*	772-772	A*	958-958	A*
268-268	P*	381-381	A*	532-532	A*	782-782	P*	992-992	P*
274-274	P*	432-432	P*	537-537	P*	787-787	P*		

Attachment to DBP/USPS-16

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-17. With respect to the delivery of Express Mail, do regulations or Headquarters directives mandate each of the following and/or discuss its applicability [please provide copies of the directives and/or citation of the regulation]:

- [a] Should delivery be made as early as convenient or is anytime prior to the guaranteed delivery time satisfactory?
- [b] Should city delivery carriers deviate from their routes to achieve delivery prior to the guaranteed delivery time?
- [c] Should rural/HCR carriers deviate from their routes to achieve delivery prior to the guaranteed time?

RESPONSE:

- a. Every attempt is made to ensure delivery is made as early as possible.
- b. Yes.
- c. Yes.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-30 [a] Confirm that the definition for Stamped Cards appears in DMCS section 962.11. [b] Confirm that a Stamped Card is a card. [c] Confirm that a card is a paper product of uniform thickness of between 0.007 and 0.016 inches, a length of between 5 and 6 inches, and a width of between 3-1/2 and 4-1/4 inches. [d] Confirm that a Stamped Card has postage imprinted or impressed on it. [e] Confirm that a Stamped Card is supplied by the Postal Service. [f] Confirm that a Stamped Card is used for the transmission of messages. [g] Explain any nonconfirmations.

RESPONSE:

a-f) Confirmed.

g) N/A

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-35. With respect to the delivery of Post Office to Addressee Express Mail,

- [a] Provide information on the percentage of articles that are delivered by the guaranteed delivery time. Provide records for the past year or more.
- [b] Confirm that only the mailer [and not the addressee] may make a postage refund claim for delivery made after the guaranteed time.
- [c] How many articles and what percentage are delivered later than the guaranteed time over the past year or more?
- [d] How many claims have been filed for return of postage for late delivery for the same time period as utilized in Subpart [c]?
- [e] Confirm that a mailer must take a specific action to determine that an Express Mail article was delivered late and that without this information will be unaware of the late delivery of the article.
- [f] Explain any reasons why the percentage of refunds is less than the total number of articles delivered late.
- [g] Please explain and discuss any subparts you are not able to confirm.

RESPONSE:

- a. See response to OCA/USPS-T35-4(j)(2) in this proceeding.
- b., d. – g. See Docket No. R2000-1, Tr. 21/8730.
- c. See response to OCA/USPS-T35-2(a) in this proceeding.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-43 [a] Does the USPS have a requirement that all mail which is placed into the system on a given day will be postmarked that day and will be processed that same day? [b] Does the USPS have a requirement that all mail turned in over a service window that is open to the public will be postmarked that day and will be processed that same day? [c] Does the USPS have a requirement that all mail turned into a city delivery, rural, or HCR carrier or which is collected by a carrier will be postmarked that day and will be processed on that day? [d] Does this apply to all delivery dates including Saturday? [e] Explain and elaborate on any negative answers.

RESPONSE:

Please see the response to DBP/USPS-75 in Docket No. R2000-1, at Tr.

21/8379.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-44. With respect to Express Mail tracking,

[a] Indicate the points at which an Express mail article will be scanned, in the format of "acceptance to the mailing office", "arrival at the delivery office", etc.

Distinguish between those points that are required and those that are optional.

[b] How often and at what times are the results of the scan uploaded so that the information will be available to the public on the telephone or website? If necessary, provide separate information for different days of the week or otherwise.

RESPONSE:

See Docket No. R2000-1, Tr. 21/8746.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-46

- [a] Confirm that the reverse side of the Customer Copy of Label 11-B for Express Mail starts off with the words "Service Guarantee" and uses the words "guaranteed time" two times in the body of the first paragraph.
- [b] Confirm that the Postal Service utilizes the word, or a derivative of the word, "guarantee" in its publicity and advertising of Express Mail.
- [c] What is the definition of the word "guarantee/guaranteed", or its derivative, as utilized in these respects?
- [d] Confirm that the word "guarantee", or its derivatives, when utilized by the Postal Service with respect to Express Mail means that the mailer will be guaranteed to get a refund of postage if the article is not delivered by the guaranteed time, as opposed to whether or not it will even be possible for the delivery to be made.
- [e] What percentage of the Express Mail users in the country do you feel will believe that the use of the word guarantee, or its derivatives, will indicate that, barring a failure, delivery will be made by the guaranteed time?
- [f] Confirm that there are instances where a mailer of Express Mail will be provided a guaranteed delivery time at the time of mailing the article for which it will be impossible for the Postal Service to achieve.
- [g] Do you feel that this form of advertising is in the best interests of the customer? If so, please explain why?
- [h] If a private delivery service were to advertise delivery by a guaranteed time when it was impossible to achieve that delivery time, could that be considered false advertising?
- [i] Is the Postal Service exempt from complying with the Truth in Advertising laws of the Federal Trade Commission?
- [j] If not, what is their policy on voluntary compliance.
- [k] Please discuss and explain any items you are not able to confirm.

RESPONSE:

See Docket No. R2000-1, Tr. 21/8747.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-53 [a] Confirm, or discuss and explain if you are not able to confirm, that the Postal Service makes a business decision to not process a service in accordance with its own rules and advertisements to the public when there is a belief that it would cost more money to comply with the regulations than the penalty for not doing so. Some specific examples for which a specific individual response are: [b] Express Mail which will be impossible to achieve delivery by the guaranteed time will be accepted and the price of making the refund, if requested, is less than it would be to either fix the problem or increase the level of transportation/service. [c] Registered Mail which is handled as ordinary First-Class Mail as noted in the recent Inspection Service Area Coordination Audit Report on Special Services and the cost of paying a claim will be less than the cost to provide the proper handling of the mail. [d] Return Receipts which are completed by the addressee at a time after delivery without supervision of the Postal Service as mandated because it is easier for the Postal Service to complete them that way and save costs on the assumption that that the mailer will be unaware of the level of service, or non-service, that has been received [e] Insured Mail receives no special protection or handling enroute other than to have the addressee sign for it on the assumption that it is less expensive to pay the claims than to provide the service. [f] Normal collection times are not made as mandated in the POM because it is felt that it would cost too many hours to make the collections that are mandated in the POM and the belief that the mailing public will receive a satisfactory level of service even though it does not meet the requirements. [g] Same as subpart f except because it is felt that it would impact the arrival mail profile at the P&DC and would either require a capital expenditure for more equipment or a greater number of work hours than desired to process the mail for committed delivery standards. [h] Regularly scheduled collection times and retail window service hours are reduced or eliminated in the days on or surrounding holidays because it is believed that it will be possible to save hours while not inconveniencing the public. [i] If a collection box has a posted time on it, can the post office not make the collection by releasing a press story of the reduction to the news media - please limit your response to non-emergency conditions? [j] For each of the subparts above, explain whether the public would perceive the Postal Service's regulations, advertising, and/or claims to be valid, truthful, and/or meaningful with respect to the actual service being rendered as opposed to the service mandated, advertised, or claimed. [k] What action should a customer take when they observe or experience one of the conditions described above, or for that matter, have any concern or complaint regarding the operation of the United States Postal Service. [l] What action should a customer take when they are unable to receive a comprehensive response within 14 days as mandated by Section 165.1 of the POM? [m] If a customer initially contacts a local Postmaster to resolve a complaint or concern and does not receive a comprehensive response as noted above, please provide a complete listing of the job titles, as well as the order to be followed, which the customer should then contact, for example, District Manager, Area Vice President, etc.

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RESPONSE:

Please see the response to DBP/USPS-96 in Docket No. R2000-1, at Tr.
21/8759-60.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-54 [a] Confirm, or explain and discuss if you are not able to confirm, that the EXFC program has accomplished the following three results, [1] It has allowed the Postal Service to find the root causes for many of the items which delay the mail and correct them so as to improve the service. [2] It has caused the Postal Service to engage in a high cost system for error correction. For example, before EXFC was in place, a post office receiving a quantity of mail for another office in error, just sent the mail back to the P&DC for delivery on the following day. Now the mail will be specially brought over to the other office so that it can be delivered on the scheduled day. and [3] It has caused post offices to come up with creative methods of manipulating the EXFC score such as a post office making collections before 5 PM at box locations that are mandated to be collected at 5 PM or later so as to achieve a better mail arrival profile at the P&DC and therefore improve the likelihood of a higher EXFC score. [b] Provide and explain any other benefits of the EXFC program.

RESPONSE:

EXFC provides an indication of the quality of First-Class Mail service originating from and destinating to participating performance clusters. It is a useful tool in helping postal managers to judge the nature of service being provided and to identify links in the network to be examined for the purpose of making corrections and improving service. EXFC is not designed to and does not have as its purpose the provision of guidance to managers regarding solutions to mail processing and delivery deficiencies. The existence of EXFC cannot be said to cause "manipulation" of EXFC scores any more than the existence of democratic voting procedures can be said to cause the "manipulation" of voting results.

See also, Docket No. R2000-1, Tr. 21/8761.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-55 [a] Please confirm, or discuss and explain if you are not able to confirm, that compensation for many Postal Service Installation Heads is affected by the EXFC results for their area of responsibility. [b] Other than the Installation Head [Postmaster I District Manager / etc.] provide a listing of the categories of Postal Service Managers whose compensation is affected by EXFC results. [c] Provide an explanation of the method by which the compensation is tied to the EXFC results. [d] Are all EXFC results utilized or is it limited to the overnight score only? [e] If only overnight, please explain why.

RESPONSE:

- (a) Compensation for all Postal Service installation heads is affected by EXFC results. EXFC is included as a performance indicator under the Pay for Performance program that is an integral part of a broader compensation package for all Postal Service non-bargaining employees, including installation heads.

Under the Pay for Performance program, compensable targets are established in three categories; Voice of the Customer, Voice of the Employee, and Voice of the Business. Achievement of the national EXFC Overnight target is considered the minimum criterion that must be met before employees receive credit for achieving any other Voice of the Customer goal
- (b) The FY 2001 participants in the Pay for Performance program includes all categories of non-bargaining employees: supervisors; postmasters; line managers and staff; Headquarters/Area staff; and Executives.
- (c) As discussed above, the EXFC results are the threshold for receiving credit under the Voice of the Customer portion of the Pay for Performance program. If the national EXFC goal is met, then the employee is eligible to receive credit under Voice of the Customer. No credit is awarded, however, unless the national Priority Mail (PETE) target is also met.
- (d)-(e) Only the overnight score was used in the Pay for Performance program for FY 2001. The number of targets utilized in the Pay for Performance program is deliberately limited to promote greater understanding of the program and provide greater focus on the targets used. For FY 2002, the 2 and 3 day scores will also be utilized.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-56 [a] Confirm, or explain and discuss if you are not able to confirm, that EXFC is a measurement for First-Class Mail only. [b] Confirm, or explain and discuss if you are not able to confirm, that all EXFC test mail is prepaid at the single piece rate and is deposited in collection boxes. [c] Confirm, or explain and discuss if you are not able to confirm, that EXFC pieces are not sent by any of the presorted / automation rates. [d] Provide the results of any studies that have been made showing the extent to which the delivery times of presorted / automation rate First-Class Mail is achieved. [e] Provide the results of any studies that have been made which would allow the EXFC results to serve as a proxy for the automated / presorted mail. [f] Does the EXFC program check all types of First-Class Mail / by shape such as letter, flat, SPR etc., / by method of addressing such as printed, typewritten, or hand written / by method of postage prepayment such as stamped or metered? [g] What percentage of the country's total mail volume [of EXFC type of mail] is tested by the EXFC program? [h] Does the EXFC program make an effort to sample the origin-destination pairs, shape, method of addressing, and method of postage prepayment in proportion to the volume that exists within the entire universe? If not, why not. If so, provide copies of any study. If necessary, separate and discuss each separate criteria. [i] In the event that a post office wishes to eliminate collection from a collection box on a particular date and time, such as might occur on a holiday or a day surrounding a holiday, are they able to notify PriceWaterhouse in advance so that they will not deposit EXFC mail for that omitted collection time [even though the box is posted with that time]? [j] If the response to subpart i is yes, please provide a listing of all instances in which this was done in the past year.

RESPONSE:

- (a,c) Confirmed.
- (b) All the principal single-piece First-Class Mail entry modes are used.
- (d-e) None exists.
- (f) Yes.
- (g) Well under one percent.
- (h) No. Its purpose is to provide a measure the quality of service in and out of participating performance clusters. It is not the goal of the program to perfectly replicate the First-Class Mail stream.
- (i) Yes.
- (j) Objection filed.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID POPKIN

DBP/USPS-57 [a] Confirm that both post cards and stamped cards may be mailed at the same 21-cent postage rate [proposed to be 23-cents]. [b] What is the average cost for acceptance, processing, and delivering a post card? [c] What is the average cost for acceptance, processing, and delivering a stamped card? [d] If separate data is not available, please explain why it is not collected. [e] Provide the existing and proposed cost coverage for the entire First-Class Mail card subclass and for the single-piece First-Class Mail card rates. [f] Confirm that, in general, the cost for handling post cards would be higher than for handling stamped cards. [g] Confirm that the following characteristics would tend to indicate that stamped cards would have a lower cost than post cards: they are more uniform in size, they are more likely to have a printed address, they normally utilize the entire front of the card for the address. [h] Confirm that the following characteristics would tend to indicate that post cards would have a higher cost than stamped cards: they vary in size [between the authorized limits], they tend to have a glossy surface - both on the front and particularly on the reverse side, they are more likely to be hand addressed, and the left side of the card is normally utilized for a message rather than an address. [i] Explain and discuss any subparts that you are not able to confirm.

RESPONSE:

(a) Confirmed.

(b&c) The In-Office Cost System does not have separate cost data for these card types.

(d) Because no need sufficient to warrant doing so has developed and resources are devoted to collecting other data.

(e) See Exhibits USPS28A and 28B.

(f) See the response to subparts (b) and (c).

(g&h) The Postal Service does not have separate data for these card types that permit the statement of any conclusions regarding the degree or impact of any such cost tendencies.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-63. Please confirm that customers receiving an indication of a guaranteed delivery time for Express Mail could, in some to all instances, have an expectation that delivery would be accomplished by that time regardless of how isolated the destination might be.

RESPONSE:

Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-64 Please refer to the response to POIR4/14 for the definition of a P&DC. Please clarify the conditions as to which a P&DC will dispatch mail to other P&DCs as opposed to ADCs.

Response:

As stated in POIR4/14, P&DCs are actual physical facilities while ADCs concern sort plans, networks and mail flows as per the labeling lists in the DMM. Each P&DC is required to dispatch mail in accordance with the national labeling list designated for each class of mail. (For barcoded letters, the labeling list is called an AADC list.) Therefore, a P&DC can also be an ADC, AADC and/or SCF node of the network. However, exceptions are made on a local and Area bases for service reasons or because the volume of mail to a specific P&DC, not on the ADC list, is sufficient and economical to bypass ADC processing.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-65. Please refer to the response to OCA/USPS-27.

[a] Please confirm, or explain if you are unable to do so, that with the exception of the 20 facilities that have been listed in the response, all of the remaining facilities in the United States to which Express Mail may be sent [as noted in response to DBP/USPS-11] will receive Express Mail shipments 365/6 days a year.

[b] Will the shipment arrive at the facility in time to allow for delivery at all authorized addresses within the delivery area of that facility by the 12 noon or 3 PM scheduled delivery time? If not, provide a listing of any exceptions.

[c] Does transportation exist which will allow all of these facilities to receive the mail in time for delivery not later than the second day after mailing at any facility in the United States from which Express Mail may be sent [as noted in response to DBP/USPS-10]. If not, provide a listing of any exceptions.

[d] With respect to the listing of 20 facilities, please advise the days of the week and the time of the day that each of the facilities sends and receives shipments of Express Mail. Are shipments made on some or all of the legal holidays [provide details if needed to fully explain].

RESPONSE:

a. Confirmed.

b. Presumably yes.

c. Presumably yes.

d. Express Mail is delivered to Angle Inlet Monday, Wednesday, and Friday on HCR route 56711 from Warroad, arriving at 1100 and leaving at 1330. Oak Island, a CPO, is served on the same HCR, arriving and dispatching at 11:55, according to the contract. For the 18 remaining Post Offices, see attachment.

Attachment to DBP/USPS - 65d

			TIME MAIL
<u>DESTINATION</u>	<u>ZIP CODE</u>	<u>FREQUENCY OF FLIGHT</u>	<u>ARRIVES/DEPARTS POST OFFICE</u>
Chicken	99732	Tuesday/Thursday	1235pm
Chignik	99564	Tue/Wed/Thu Daily	1230pm 1350pm
Chignik Lagoon	99565	Tue/Wed/Thu Daily	1300pm 1330pm
Chitina	99566	X7	1200pm
Eagle	99738	X67	1010am
False Pass	99583	Tue/Thu/Sat	1730pm
Hyder	99923	Mon/Thu	1215pm
King Cove	99612	Daily	1720pm
Lake Minchumina	99757	Mon/Wed/Fri Tue/Thu	0930am 1200pm
Minto	99758	Mon/Wed/Fri	1210pm
Nikolski	99638	Mon/Thu	1530pm
Nondalton	99640	Mon/Wed/Fri	1100am
Perryville	99648	Tue/Wed/Thu Mon/Wed/Fri	1510pm 1430pm
Point Baker	99927	X67 X7	1200pm 1200pm
Port Alsworth	99653	Mon/Wed/Fri	1125am
Seldovia	99663	Mon/Tue/Wed/Fri Tue/Thu	1210pm 1215pm
Skwentna	99667	X67	1200pm
Tyonek	99682	X67	1040am
		X67 - daily except Saturday/Sunday	
		X7 - daily except Sunday	

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-66 [a] Please provide the definition of a parcel, including dimensions as appropriate, to allow for the use of Delivery or Signature Confirmation services for First-Class Mail and Package Services. [b] Confirm, or explain if you are unable to do so, that Delivery or Signature Confirmation services may be used with Priority Mail regardless of the shape of the article. [c] What are the reasons for the shape distinction between the availability of these services between Priority Mail and the other two services?

Response:

- (a) See response to AMZ/USPS-T36-1d.
- (b) Confirmed
- (c) See responses to AMZ/USPS-T36-4a, e, 6b, and 8c and d.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-69. Please refer to the response to Interrogatory OCA/USPS-117 subpart d. Please confirm, or explain if you are unable to do so, that if delivery is made to a post office box at a time that the box is not accessible to the boxholder, then that will not qualify as a timely delivery.

RESPONSE:

Not confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-71. With respect to the proposed changes to the DMCS that the Postal Service is proposing with respect to obtaining refunds in the event of Express Mail not being delivered by the guaranteed delivery time,

[a] Please provide the wording that will be utilized on the revised Mailing Label.

[b] Please provide the wording that will be utilized in the changes to the Domestic Mail Manual.

[c] Because a LITERAL reading of the overly broad wording of the exclusions for not having to pay refunds *could be utilized if the proposed DMCS change is approved*, what assurances will mailers have that refunds will still continue to be paid on a reasonable basis?

[d] Approximately what percentage of the Express Mail refunds that were actually paid in a recent period of at least one year and prior to September 11, 2001 does the Postal Service believe would not have been paid had the new DMCS wording been in effect for that time period?

[e] Please provide details of the types of failures that would be covered in the response to subpart d including the number of refunds paid and their dollar amount.

RESPONSE:

a. – b. The wording has not been drafted; however, it would be similar to the current wording and would incorporate any DMCS revisions recommended by the Commission and approved by the Governors.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-71. (CONTINUED)

RESPONSE:

c. The Postal Service disagrees with your opinion that a "LITERAL reading of the overly broad wording of the exclusions for not having to pay refunds could be utilized." Field employees responsible for approving refunds would be provided guidance that limits discretion to rare circumstances, and the details of this guidance would be developed if the proposed classification change for refunds is recommended and approved. Also see response to OCA/USPS-T35-5.

d. --e. There is no information available to answer these questions. It is not clear how the Postal Service would have exercised its authority under the proposed language for the one-year period prior to September 11. Moreover, it is unclear whether such authority would have been applied on a nationwide or local basis or at all. However, as highlighted in the testimony of witness Mayo (T-35) and in the response to OCA/USPS-T35-5, the circumstances in which the proposed DMCS provisions would be invoked would be extraordinarily rare.

Revised 12/20/01

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-73 Please confirm, or explain if you are unable to do so, that: [a] Priority Mail which is handled by Fedex will be transported through their hub in Memphis [disregard mail destined for the Memphis area which obviously will not be transported out of the hub]. [b] It is possible for mail which is destined to one point on the west coast from another nearby point on the west coast to travel the distance equivalent of the distance across the country because it travels into and out of the hub in Memphis. [c] The total distance that an article travels in going from A to B through the hub in Memphis will have very little relationship to the actual distance from A to B, namely, it will vary from being relatively equal to the distance from point A to B to being equal to approximately twice the distance between them.

RESPONSE

(a) No. The majority of Priority Mail handled by FedEx will be transported through their hub in Memphis; however, FedEx also routes some Priority Mail volume through their hub in Indianapolis as well as on a point-to-point aircraft from Nashua to Philadelphia to Miami and back.

(b) It depends what is meant by "nearby". Each office has its own policy for holding out Priority Mail to locations sufficiently "nearby". This hold out volume does not move via FedEx. However, it is possible that Priority Mail that is not held out will fly out and back via Memphis by FedEx.

(c) Assuming that the mail actual goes via FedEx through Memphis, the actual distance traveled may be the same, or longer than the direct distance from A to B., simply because the shortest distance between two points is a straight line.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-74

[a] Please confirm, or explain if you are unable to do so, that Express Mail rates used to be zoned rates based on the distance between the origin and destination.

[b] Please confirm, or explain if you are unable to do so, that the present Express Mail rates are unzoned and are the same regardless of the distance between the origin and destination.

[c] Please provide all of the reasons why the rate system was changed and level of significance for each of the reasons provided.

RESPONSE:

a. Confirmed.

b. Confirmed.

c. See PRC Op., R84-1, Vol. 1 at 588.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-81 [a] With respect to the proposed change to DMCS Section 232c adding the requirement for machinability in addition to size, provide the proposed DMM wording to implement this change. [b] Please explain why a 6 by 9-inch one-ounce letter with a metal clasp would require the non-machinability surcharge? [c] Please explain why a single key taped to a card so as not to be loose would require the surcharge while one or more coins taped to a card would not. [d] How rigid is rigid in the "rigid or odd-shaped" definition? Does a paper product such as a piece of cardboard fall into this category? [e] Does a single coin taped to a card "bend easily when subjected to a transport belt tension of 40 pounds around an 11-inch diameter turn"? Would multiple coins bend easily? Would the diameter of the coin affect the ability to bend easily? How does a mailer make this determination? [f] Please confirm, or explain if you are unable to do so, that equipment COULD damage any piece of mail. [g] How does a mailer determine the point where the mailpiece is now "too flimsy" so as to require the surcharge? [h] Would a single sheet of 20-lb paper folded in thirds require the surcharge? [i] Does the address have to be parallel to the longest dimension in order to avoid paying the surcharge? [j] Confirm, or explain if you are unable to do so, that in a rectangular mailpiece if the address is parallel to the shortest dimension it will be perpendicular or 90 degrees to the longest dimension. [k] For all angles between 1 degree and 89 degrees that the address forms with a line that is parallel to the longest dimension will the surcharge apply? [l] If a folded mailer has the folded edge both parallel and perpendicular to the longest dimension [such as might be obtained by folding an 8.5 by 14 sheet of paper into quarters], will the surcharge apply? [m] If the folded self-mailer is completely sealed on all sides, will the surcharge apply? [n] If the booklet-type piece is completely sealed on all sides, will the surcharge apply? [o] Describe the characteristics that distinguish between a "folded self-mailer" and a "booklet-type piece". [p] Quantify the level of gloss on a postcard that would require an LMLM label? How does a mailer determine this level? [q] With respect to each of the stamped cards that the Postal Service has sold over the years of the type similar to the Santa cards and Baseball Fields cards that were issued this year, is the level of gloss on these cards such that it could require an LMLM label and thereby be subject to the surcharge? [r] If the postcard has a level of gloss as to require an LMLM label, does the surcharge apply only when the label covers the address and/or message? [s] If an LMLM label is applied which covers the address and/or message, does the surcharge apply regardless of level of gloss? [t] Does the picture on a postcard qualify as part of the message? [u] Does the restriction on not covering part of the message, reduce the value of the postcard by reducing the area which may be utilized for the message? [v] Does the surcharge apply if an LMLM label is utilized on other than a postcard? [w] If an LMLM label is utilized for any reason other than gloss on a postcard, such as might occur because a mailpiece has received an incorrect barcode or the mailpiece is being forwarded or returned, does it now require payment of a surcharge? [x] Does the legibility, neatness, size, and other characteristics of the addressing have any effect on the application of a

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

surcharge? If so, please fully explain. [y] If a mailpiece is rejected from automation and ends up in the manual operation for any of the reasons specified on lines 17 to 21 of page 10 of USPS-T-39, will it then require a surcharge? If so for any of the conditions mentioned, please explain fully.

Response:

- (a) See attached. It should be noted that the criteria have yet to be finalized, which explains why the attached criteria differ from earlier submissions and may very well differ from future DMM language.
- (b) The metal clasp would likely prohibit the use of automation equipment to process the piece. The clasp could catch during automated processing and cause a jam, damage to the mailpiece, or damage to the equipment.
- (c) Loose items, such as coins, could become easily detached from the mailpiece or be projected from the mailpiece during automated processing. It is possible that certain non-bulky keys could be secured in such a way that the piece would still be considered machinable.
- (d) See criterium e. attached. It would depend on the rigidity of the cardboard.
- (e) This cannot be determined since the rigidity of a letter containing a coin or coins taped to a card would depend in large part to the card used. The determination of whether the piece is machinable or non-machinable would be based on criterium e. It would seem that the diameter of the coin could have an effect on the ability of the piece to adhere to criterium e. This is no different than the existing criteria for automation letter rates.
- (f) Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

- (g) See criterium f. attached, which is consistent with the existing BRM card criteria.
- (h) No.
- (i) Yes.
- (j) Confirmed.
- (k) It is expected that a tolerance will be allowed when the final rules are published or when criterium g. as written in the attachment is adopted in practice. For example, OCR standards currently allow for a 5-degree skew tolerance relative to the bottom of the mailpiece (DMM C830.2.8).
- (l) No.
- (m) No.
- (n) No.
- (o) A folded self-mailer is self-contained by folds, while a booklet-type piece would have a bound edge typically fastened with staple(s).
- (p) – (w) Excessive varnish or gloss will not be a criterium for determining whether a piece is non-machinable. Cards will not be subject to the proposed non-machinable surcharge.
- (x) No. Legibility has nothing to do with machinability.
- (y) No.

Attachment to DBP/USPS-81
page 1 of 1

Nonmachinable Criteria — DRAFT

A letter-size piece is nonmachinable if it meets any of the criteria listed below:

- a. Has an aspect ratio (length divided by height, where length is the edge parallel to the address) of less than 1.3 or more than 2.5.
- b. Is polybagged or polywrapped.
- c. Has clasps, strings, buttons, or similar closure devices.
- d. Contains lumpy items such as pens, pencils, keys, and loose coins.
- e. Is too rigid (does not bend easily when subjected to a transport belt tension of 40 pounds around an 11-inch diameter turn).
- f. For pieces more than 4 1/4 inches high or 6 inches long, if the thickness is less than 0.009 inches.
- g. Has a delivery address parallel to the shortest dimension of the mailpiece.
- h. For folded self-mailers, when the folded edge is not parallel to the longest dimension, regardless of the use of tabs, wafer seals, or other fasteners.
- i. For booklet-type pieces, when the bound edge (spine) is not the longest edge of the piece or is not at the bottom, regardless of the use of tabs, wafer seals, or other fasteners.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-86 Please refer to your response to DBP/USPS-28. I am confused by the response to subpart d which states that 19% of the mail is not processed through a machine equipped with a Certified Mail Detector [CMD] while the responses to the other subparts appear to indicate that CMDs are in place for all mail. Please clarify and, if necessary, reanswer those parts of DBP/USPS-28 as needed.

RESPONSE:

Certified Mail Detectors are in place on all barcode sorters. However, not all letters and cards are either machinable or destined for an automated zone. The CMD would not be needed in these instances since both a clerk and carrier will manually case these pieces and be able to identify and isolate them. Since certified mail pieces pulled out on BCSs during incoming secondary processing are not finalized to carrier route, sector segment, or delivery point sequence today, they are included in the 19 percent not sorted on automation at least to carrier route even though the CMD was used for isolation.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-91 Please refer to your response to DBP/USPS-69. The interrogatory asked for an explanation if you were not able to confirm my statement. That explanation was not provided. Please advise why you are not able to confirm my statement.

RESPONSE:

The time of delivery is when the mailpiece or a notice for pickup is placed in the post office box, regardless of customer accessibility.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID P. POPKIN**

DBP/USPS-92: Please refer to your response to DBP/USPS-74 subpart c. My interrogatory asked for the reasons [and the level of significance of each] why Express Mail rates were changed from a zoned rate system to an unzoned rate system. Which particular lines on page 588 of Docket R84-1 provide the response to this specific question?

RESPONSE:

See paragraph [5659].

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-95 Please refer to your response to OCA/USPS-299. Since the response to subparts a, b, and c of DBP/USPS-65 appears to indicate that with the exception of the 20 offices noted, Express Mail will arrive at all other facilities 365/6 days a year, will arrive in time to allow for delivery at all authorized addresses within the delivery area of that facility by the scheduled delivery time no later than the second day after mailing, please explain why the terminals in use at retail counters can not be programmed to indicate the inability to achieve the proper delivery at these 20 facilities.

RESPONSE:

The response to OCA/USPS-299 fails to establish that POS ONE terminals cannot be programmed to indicate an inability to effect delivery. It may or may not be possible.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN**

DBP/USPS-97 Please refer to your response to DBP/USPS-66 subpart a. I would like to clarify the definition of a box. [a] Is there any particular shape that a box is restricted to? If so, what are they? [b] May it be in a rectangular solid shape [similar to a cereal box]? [c] May it be in a cylindrical shape [similar to a tin can]? [d] Is there a minimum size limit other than the requirement to contain the required indicia noted in AMZ/USPS-T36-1 subpart d on one face of the box? If so, what is it? [e] Is there any restriction on the material that may be used for the box [so long as it would be mailable without the Delivery or Signature Confirmation service]? If so, please explain. [f] May the box be made of a cardboard similar to that which is used for a Priority Mail flat rate envelope?

RESPONSE:

The following provides responses based on the current implementation plans.

- a. No.
- b. Yes.
- c. Yes.
- d. No.
- e. Assuming that the piece is otherwise mailable under DMM C010, there are no restrictions on the box material.
- f. Yes.

Revised 1/09/02

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-98 Please refer to your response to DBP/USPS-71. [a] Please advise when the wording will be available. [b] Please provide a draft of the proposed wording in a similar manner to that which was provided for the definition of a parcel in Delivery or Signature Confirmation in AMZ/USPS-T36-1. [c] Will the words or concept of under "rare circumstances" and/or "extraordinarily rare" and/or "circumstances beyond the control of the Postal Service" be included in the DMM and/or on the Express Mail label and/or in communications to all postal facilities? If so, provide details. [d] Please explain why the words or concept of under "rare circumstances" and/or "extraordinarily rare" and/or "circumstances beyond the control of the Postal Service" are not included in the proposed DMCS wording.

RESPONSE:

- a) When the Postal Service publishes its proposed implementation rules.
- b) (Objection filed). The proposed DMM language will be similar to the proposed DMCS language; however, the Postal Service is contemplating including a provision limiting refunds for certain types of reasons to situations authorized by USPS Headquarters.
- c) That is possible.
- d) The circumstances in which claims are paid are considered an issue for interpretative rulemaking and/or management discretion.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-99 Please refer to your response to DBP/USPS-71 subpart c. [a] Please advise which words in the proposed DMCS Section 182.51 relate to applying only under "rare circumstances" and/or "extraordinarily rare" and/or "circumstances beyond the control of the Postal Service". [b] If there are no such words, please explain why the proposed DMCS wording does not contain such words or words of similar import. [c] Please confirm that the words "delay or cancellation of flights" contained in proposed DMCS Section 182.51d do not specify the minimum delay that constitutes a delay and therefore a delay of even one minute in a flight would excuse the Postal Service from providing a refund. [d] Please confirm that the words "delay or cancellation of flights" contained in proposed DMCS Section 182.51d do not specify that the delay or cancellation of a flight need be the cause of the failure of timely delivery. [e] Please confirm that the Postal Service has a series of "transportation networks" in place for the acceptance, transportation, and delivery of Express Mail that includes all activities related to the acceptance, transportation, and delivery of Express Mail starting at the acceptance of the article and ends with the ultimate delivery of the article. [f] Please confirm that with the exception of mail to or from the 20 facilities noted in the response to subparts a, b, and c of DBP/USPS-65, Express Mail will arrive at all other facilities 365/6 days a year, will arrive in time to allow for delivery at all authorized addresses within the delivery area of that facility by the scheduled delivery time no later than the second day after mailing, and that the various "transportation networks" are in place to allow for this. [g] Please confirm that there are "transportation networks" in place to allow for Express Mail which is guaranteed for overnight delivery to arrive at all facilities scheduled for that service 365/6 days a year, to arrive in time to allow for delivery at all authorized addresses within the delivery area of that facility by the scheduled delivery time on the day after mailing. [h] Please confirm that with the exception of mail to or from the 20 facilities noted in the response to subparts a, b, and c of DBP/USPS-65, any failure to meet the timely delivery of an Express Mail article would be as a result of one or more "breakdowns in transportation networks". [i] Please confirm that proposed DMCS Sections 182.51 and 182.52 are mutually exclusive, namely, the concept of "extraordinary reasons" does not apply to the circumstances contained in Section 182.51. [j] Please confirm that at the present time a mailer desiring a refund will go to a postal facility and make a request and the postal facility will check on the tracing network and confirm that delivery or attempted delivery was or was not made on time and if it was not made on time will make the refund. [k] Please confirm that the current postal tracking system will not provide any information as to the reason for the failure to be delivered on time. [l] What changes will be made to the tracking system to allow for this information? [m] When will these changes be implemented?

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DBP/USPS-99 (CONTINUED)

[n] Will this information also be made available on the public tracking system? If not, why not? [o] Please explain and discuss any subparts that you are not able to confirm.

RESPONSE:

a-b) See response to DBP/USPS-98(d).

c) The example cited is not the intended application.

d) *The DMCS is not worded as the question posits.*

e) As a general description, it is accurate.

f) Confirmed.

g) Confirmed.

h) The broad interpretation suggested in the question is not the intended application of the proposed change.

i) It can be confirmed that the term "extraordinary reasons" is not included in proposed 182.51.

j) Confirmed.

k) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE
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l, m and n) There is no reason to track the reasons for the delay, since the circumstances in which refunds would be denied would be rare, and local officials will be well aware of the circumstances of particular shipments for which a limitation is cited as a reason to deny a claim. Again, it is emphasized that the circumstances in which refunds would be denied would be rare.

o) See explanations above.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO FOLLOW-UP
INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-102 Please refer to your response to DBP/USPS-73 subpart c. [a] Please confirm, or explain if you are unable to do so, that when Priority Mail travels through the FedEx Memphis Hub, the distance can range from the same distance such as when the mail is transported between Los Angeles and Columbia SC which are on an approximate straight line to a distance which is much greater than the direct distance, such as the example provided in POIR Number 5 / Question Number 8 for flight between Los Angeles and Sacramento - direct distance of 373 miles vs. an approximate distance of 3300 miles between them when flying through Memphis. [b] Please advise the relationship in air transportation costs as related to the distance traveled.

RESPONSE

- (a) Confirmed.
- (b) There is none. Please see USPS-T-17, p. 3. lines 14 - 16.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-103 Please refer to your response to DBP/USPS-81. [a] Please advise the reasons for making each of the changes to the nonmachinable criteria contained in the original Testimony USPS-T-39 as compared to the attachment to DBP/USPS-81 - additions to the criteria, deletions from the criteria, and changes in the wording of a criteria. [b] Is non-rectangular letter size mail even mailable? [c] The surcharge has been added to apply for pieces more than 4-1/4 inches high or 6 inches long, if the thickness is less than 0.009 inches. If part of the mailpiece is less than 0.009 inches thick and the remainder of the mailpiece is 0.009 inches thick or thicker, will the surcharge apply? If not, does the proportion of the mailpiece that is less than 0.009 inches thick vs. the part that is 0.009 inches thick or thicker have any bearing on the response? If so, what bearing does it have? [d] How will payment of the surcharge on a 6 by 9-inch one-ounce letter with a metal clasp reduce the possibility of a jam, damage to the mailpiece, or damage to the equipment? [e] My original subpart c was attempting to make the distinction that the word loose only appeared before coins so that coins could be attached to an insert while a key would require the surcharge whether it was loose or not. Please reanswer. [f] If a non-bulky key could be secured, how does the wording allow for mailing without the surcharge? [g] How lumpy is the lumpy in criterium d? [h] Why does the degree of lumpyness in criterium d depend on the rigidity in criterium e? [i] How does a mailer of a single piece of mail make the determination as to whether or not the letter is too rigid and therefore requires payment of the 12-cent surcharge? Will all retail counters have a device to measure compliance with this criteria? [j] If the 5-degree skew tolerance is applied, how will the mailer of a single piece of mail make that determination as to whether the surcharge is required? Will all retail counters have a device to measure compliance with this criteria? [k] How would that 5-degree skew tolerance apply to handwritten addresses? Would it apply to all lines of the address and to all parts of each line of the address to which it applies? [l] How will the mailer of an article described in subparts l, m, or n of my original interrogatory know that the surcharge does not apply after reading the proposed criteria? [m] The response to subpart x of my original interrogatory appears to answer "no" to all four criteria of the addressing but only identifies the legibility in the following sentence. What is the status of neatness, size, and other characteristics of the addressing?

RESPONSE:

a. The criteria listed in USPS-T-39 were intended to be a comprehensive list of piece characteristics that result in nonmachinability. The attachment to DBP/USPS-81 is the most recent list of criteria to be used for determining the nonmachinable surcharge applicability. Any differences between the two or changes to the surcharge criteria are intended to result in rules that will identify a vast majority of the nonmachinable pieces,

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DAVID B. POPKIN

while being objectively understood and easily implemented. For example, the glossy criteria included in USPS-T-39 does not meet this standard since we can make the piece machinable with LMLM labels and, therefore, is not included in the surcharge criteria.

b. All pieces that are 1/4" thick or less must be rectangular (see DMM C010.1.1). Yet, occasionally non-rectangular pieces do show up in collection boxes since the general public is not fully aware of all existing criteria.

c. Yes, though .009 inches is about the thickness of a piece of cardstock, and it is not likely that a letter with an enclosure that is not of uniform thickness could be less than .009 inches thick in some places.

d. The surcharge will not prevent nonmachinable pieces from potentially disrupting automated processing if processed on equipment. However, the surcharge will go towards compensating for the extra handling costs associated with nonmachinable pieces.

e. Multiple coins loose in an envelope could stack on top of each other, creating a very thick and unwieldy piece. It is less likely that someone would mail multiple keys in an envelope.

f. A non-bulky key (such as a house key) firmly affixed to a piece of cardboard would be mailable, and no surcharge would apply. A bulky key (such as a vehicle key with the thick plastic at the top) in an envelope would pay the surcharge, regardless of whether or not that key was affixed to anything.

g. It is expected that this criterion would only apply to pieces that are obviously lumpy when visually inspected or by touch. Exact criteria will not be defined for "lumpy".

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h. It does not. The criteria for nonmachinability are independent of each other.

i. The Postal Service is currently working internally to determine the best way to objectively measure rigidity in a way that will apply the surcharge consistently to business and retail customers.

j & k. The attachment to DBP/USPS-81 of draft requirements does not include "skew". Common sense is expected to be sufficient to determine whether an address is not parallel to the longest dimension.

l. After reading the proposed criteria, the mailer would know that the surcharge would apply to a self-mailer with the "folded-edge" on the shortest edge or a booklet-type piece with the binding on the shortest dimension regardless of the use of tabs, wafer seals, or other fasteners.

m. Addressing characteristics are not part of criteria for nonmachinability.

Revised October 15, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-1. Please provide a listing of all Postal Inspection Service or Office of the Inspector General audits that either unit has conducted since January 1, 2000.

RESPONSE:

The Postal Inspection Service has ceased performing audits. This function now rests solely with the Office of the Inspector General. A listing of all Office of the Inspector General audits conducted from January 1, 2000 to March 30, 2001 is located on the OIG Web Page: www.uspsoig.gov. A list of the reports issued since March 31, 2001 is provided in the attachment to this response.

nal Reports for the period March 31, 2001 through October 1, 2001

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Audit of Statistical Tests for Fiscal Year 2001 Cost and Revenue Audit - Long Beach District	4/3/01	FF-AR-01-010	01NA016FF005
Audit of Statistical Tests for Fiscal Year 2001 - Cost and Revenue Analysis Capital District	4/4/01	FF-AR-01-009	01NA016FF001
House Committee on Government Reform Testimony	4/4/01	IG-TR-01-002	01K001G000
PostalOne! Business Customer Support Systems Phase One	4/9/01	DA-AR-01-004	00BA005DA000
Review of the Revised Rules Governing Commercial Mail Receiving Agencies	4/9/01	DE-AR-01-002	00PA019FR00
FY 2001 Financial Installation Audit - Central Florida District Accounting Office	4/10/01	FF-AR-01-011	01NA004FF005
FY 2001 Financial Installation Audits - South Georgia District Accounting Office	4/10/01	FF-AR-01-013	01NA004FF001
FY 2001 Financial Installation Audit - Pitt Station Post Office, New York, New York	4/11/01	FF-AR-01-012	01NA005FF005
Fiscal Year 2001 Financial Installation Audit Dallas Stamp Distribution Office(, Grand Prairie, Texas)	4/18/01	FF-AR-01-014	01NA006FF007
Network Security at the San Mateo Computer Operations Service Center	4/18/01	IS-AR-01-001	00EA008IS000
Review of Airfare Cost Savings Factor at Siemens ElectroCom L.P., Contract Pricing Case Number SP-01-018	4/19/01	CA-CAR-01-037	01HA018CA000
Audit of Fiscal Year 2000 Common Area Maintenance Lease Costs with Irvine Retail Properties	4/19/01	CA-CAR-01-038	01HA033CA000
Review of Direct Labor and Indirect Expense Rates Submitted by Key handling Systems, Incorporated Under Solicitation 102590-00-0121	4/23/01	CA-CAR-01-039	01HA034CA000
FY 2001 Financial Installation Audits - Omaha Stamp Distribution Office	4/24/01	FF-AR-01-015	01NA006FF005
Responsibilities of Contracting Officers' Representatives	4/30/01	CA-AR-01-002	99RA009CA000
DCAA Audit Report of Arthur D. Little's Compliance with Cost Accounting Standard 416	4/30/01	CA-CAR-01-040	00HA038CA000
Review of Payment Requests by Neal R. Gross & Co., Inc. Under Contract 102590-98-P-0751	4/30/01	CA-MA-01-002	01HAUSSCA000
Inspection Service Support to Postal Service Threat Assessment Teams	4/30/01	OV-AR-01-002	00JA010V000
Certified Mail Observations at the Los Angeles Processing and Distribution Center	5/2/01	AC-MA-01-002	01NA010AC000
Fiscal Year 2001 Financial Installation Audit - Carol Stream Stamp Distribution Audit	5/2/01	FF-AR-01-017	01NA006FF004

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Security Vulnerability Technical Report - UNIX Server Security Testing at the San Mateo Computer Operations Service Center Volume 8, Purple Network	5/2/01	IS-CS-01-005	00EA008IS000
FY 2001 Audit of Statistical Tests - Cost & Revenue Analysis - Central Florida District	5/3/01	FF-AR-01-018	01NA016FF007
Audit of Statistical Tests for FY 2001 Cost and Revenue Analysis - Honolulu District	5/3/01	FF-AR-01-019	01NA016FF006
Mail Transport Equipment Service Center Decision Analysis Report Performance and Financial Benefits	5/4/01	TR-AR-01-003	00PA004TR000
FY 2001 Financial Installation Audits - District Accounting Office, San Diego	5/7/01	FF-AR-01-020	01NA004FF003
Audit of Compliance with Cost Accounting Standard 409 by Arthur D. Little, Inc.	5/8/01	CA-CAR-01-041	00HA038CA00
Response to a Congressional Inquiry into Allegations of a Hostile Work Environment at a New York Metro Area Post Office	5/11/01	LB-AR-01-018	00JR009LB000
FY 2001 Financial Installation Audit Central Plains District Accounting Office	5/14/01	FF-AR-01-021	01NA004FF009
FY 2001 Audit of Statistical Tests, Cost & Revenue Analysis, North Florida District	5/14/01	FF-AR-01-022	01NA016FF002
FY 2001 Financial Installation Audit - Durham Post Office	5/14/01	FF-AR-01-023	01NA014FF001
FY 2001 Financial Installation Audit Denver Post Office, Denver Pennsylvania	5/14/01	FF-AR-01-024	01NA014FF002
Allegations of a Tense and Stressful Work Environment at a Post Office in the Santa Ana District	5/14/01	LB-AR-01-017	00JF043LB000
Senate Committee on Governmental Affairs Testimony	5/15/01	IG-TR-01-003	01K002IG000
Fiscal Year 2001 Financial Installation Audit - Fort Lauderdale Business Mail Entry Unit	5/17/01	FF-AR-01-025	01NA003FF022
Audit of Indefinite-Delivery, Indefinite-Quantity Proposal Submitted by Security Manufacturing Corporation Contract Pricing Case Number PC-01-035	5/21/01	CA-CAR-01-042	01HA050CA000
Security Vulnerability Technical Report - UNIX Server Security Testing at the San Mateo Computer Operations Service Center (Lime Network), Volume 7	5/21/01	IS-CS-01-006	00EA008IS006
UNIX Server Security Testing at the San Mateo Computer Operations Service Center (Green Network) volume 6	5/21/01	IS-CS-01-007	00EA008IS007
UNIX Server Security Testing at the San Mateo computer Operations Service Center light RED Network Volume 9	5/21/01	IS-CS-01-008	00EA008IS0
Allegations of a Violent Threat in the Office of Human Resources, Consumer Product Safety Commission	5/23/01	LB-LA-01-002	01JQ001LB000
Security Vulnerability Technical Report - Server Security Testing for the Electronic Travel System	5/24/01	IS-CS-01-009	00BA002IS000
FY 2001 Financial Installation Audits - Miami Beach Post Office	5/25/01	FF-AR-01-026	01NA005FF012
FY 2001 Financial Installation Audit - Alabama Stamp Distribution Office	5/25/01	FF-AR-01-027	01NA006FF010

ATTACHMENT TO
DCL 0085-4 RESPONSE

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Supplemental Audit of Redeetermination Claim Submitted by Emery Worldwide Airlines Under the Contract Disputes Act, Contract Pricing Case Number SP-00-	5/29/01	CA-CAR-01-043	00RA031CA000
FY 2001 Financial Installation Audit - Omaha Business Mail Entry Unit	5/29/01	FF-AR-01-028	01NA003FF007
Review of Allegations of Harassment and Abuse at the New London, Connecticut, Post Office	5/29/01	LB-LA-01-003	01JR003LB000
Fiscal Year 2001 Financial Installation Audit - Norwood Park Station	5/31/01	FF-AR-01-029	01NA005FF007
FY 2001 Financial Installation Audit - San Bernardino Self Service Postal Center	5/31/01	FF-AR-01-030	01NA005FF014
Security Vulnerability Technical Report - UNIX Server Security Testing at the San Mateo CUSC (blue network), Volume 3	6/1/01	IS-CS-01-010	00EA0081S009
Audit of Alleged Nepotism in the Arkansas District	6/4/01	LC-AR-01-007	00JA006LC000
Follow-Up Audit of Estimating System at Siemens ElectroCom L.P.	6/5/01	CA-CAR-01-044	01HA041CA000
Audit of Final Vouchers Submitted by Mitretek Systems, Inc. for Task and Delivery Orders Issued Under Contract 102590-96-H-1736	6/5/01	CA-CAR-01-045	01HA049CA000
Audit of FY 1999 Costs Incurred by PriceWaterhouseCoopers, LLP Under Contract Number 102590-95-H-3094, Contract Pricing Case Number SP-00-13	6/7/01	CA-CAR-01-046	00HA019CA000
Audit of Indefinite Quantity Proposal Submitted by Auth-Florence Manufacturing Company, Contract Pricing Case Number PC-01-037	6/7/01	CA-CAR-01-047	01HA052CA00
Audit of Proposal Submitted by IBM Global Services - Federal, Under Contract Number 102590-96-B-3023, Contract Pricing Case Number PR-01-038	6/7/01	CA-CAR-01-048	01HA065CA000
Management Practices in the Alaska District	6/7/01	LB-AR-01-019	00JA003LB000
Audit of Proposal Submitted by New Breed Corporation Under Contract 102590-98-Z-0871, Modification 18, Contract Pricing Case Number PC-01-025	6/8/01	CA-CAR-01-049	01HA035CA000
Audit of Cost Estimating Relationship Factors at Siemens ElectroCom, L.P., Contract Pricing Case Number SP-01-016	6/8/01	CA-CAR-01-050	01HA046CA00
Audit of Statistical Tests For Fiscal 2001 Cost and Revenue Analysis Audit, Triboro District	6/11/01	FF-AR-01-032	01NA016FF010
Audit of Statistical Tests for FY 2001 - C&RA, San Jose District	6/11/01	FF-AR-01-033	01NA016FF004
Audit of Statistical Tests for Fiscal Year 2001 Cost and Revenue Analysis - Northern Virginia District	6/11/01	FF-AR-01-034	01NA016FF012
FY 2001 Financial Installation Audit - Blairs Post Office	6/11/01	FF-AR-01-035	01NA014FF014
Internal Controls Over Money Order Refunds	6/12/01	FT-FA-01-001	01NA019FT000
FY 2001 Financial Installation Audit - Fort Wayne Stamp Distribution Office	6/13/01	FF-AR-01-036	01NA014FF017
FY 2001 Financial Installation Audit - Honolulu District Accounting Office	6/13/01	FF-AR-01-037	01NA004FF006

ATTACHMENT TD
DC/USPS - 1 RESPONSE

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Human Resources and Equal Opportunity Complaint Practices in the Rio Grande District	6/13/01	LB-LA-01-004	00EA013LM001
FY 2001 Financial Installation Audit - Clarksburg Business Mail Entry Unit	6/15/01	FF-AR-01-040	01NA014FF013
FY 2001 Audit of Statistical Tests - Cost & Revenue Analysis, Tennessee District	6/15/01	FF-AR-01-041	01NA016FF008
Security Vulnerability Technical Report - UNIX Server Security Testing at the San Mateo Computer Operations Service Center (PKI/CA Network), Volume 10	6/15/01	IS-CS-01-011	00EA008IS010
FY 2001 Financial Installation Audit - Middlesex Essex Stamp Distribution Office	6/18/01	FF-AR-01-038	01NA014FF015
FY 2001 Financial Installation Audit - Providence SDO	6/18/01	FF-AR-01-039	01NA014FF016
FY 2001 Financial Installation Audit - Hampton Business Mail Entry Unit	6/18/01	FF-AR-01-042	01NA014FF020
Audit of Proposal Submitted by Siemens ElectroCom, L.P. Under Contract Number 512593-01-Z-0164, Contract Pricing Case Number PC-01-030	6/20/01	CA-CAR-01-051	01HA042CA000
Audit of Indirect Expense Forward Pricing Rates Submitted by Siemens ElectroCom L.P.	6/21/01	CA-CAR-01-052	00HA053CA000
Audit of Firm Fixed Price Proposal Submitted by Siemens ElectroCom L.P. Contract Pricing Case number PC-01-048	6/26/01	CA-CAR-01-053	01HA063CA000
FY 2001 Financial Installation Audit - Martin Post Office	6/26/01	FF-AR-01-043	01NA014FF023
Interim Audit Results of FedEx Transportation Agreement (1st letter)	6/26/01	TR-LA-01-001	01NR008TR000
FY 2001 Financial Installation Audit - Moscow Post Office	6/29/01	FF-AR-01-044	01NA 014FF02
Security Vulnerability Technical Rreport - UNIX Server Security Testing at the San Mateo Computer Operations Service Center (Packet Filters), Volume 17	6/29/01	IS-CS-01-012	00EA0081S011
FY 2001 Financial Installation Audit - Pilgrim Station	7/3/01	FF-AR-01-045	01NA014FF028
Efforts to Prevent Identity Theft	7/5/01	EC-MA-01-001	01BS034EC000
Management Oversight of Administrative Leave Used in the Los Angeles and San Diego Districts	7/10/01	LC-AR-01-008	00JA005LC000
Pre-Award Accounting System Survey Audit at Frankel and Co., Contract Pricing Case Number PR-01-041	7/12/01	CA-CAR-01-054	01HA060CA000
Pre-Award Accounting System Survey Audit at Leo Burnett USA, Inc., Contract Pricing Case Number PR-01-045	7/12/01	CA-CAR-01-055	01HA061CA000
Audit of Firm Fixed-Price Indefinite Quantity Proposal submitted by American Locker Security Systems, Incorporated, contract Pricing Case Number PC-01-036	7/13/01	CA-CAR-01-056	01HA053CA000
FY 2001 Financial Installation Audit - Yadkinville Post Office	7/13/01	FF-AR-01-046	01NA014FF029
FY 2001 Financial Installation Audit - Greenville Stamp Distribution Office	7/13/01	FF-AR-01-047	01NA014FF026

<i>Title</i>	<i>Final rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
FY 2001 Financial Installation Audit - Corinth Business Mail Entry Unit	7/13/01	FF-AR-01-048	01NA014FF027
FY 2001 Financial Installation Audit - Greensboro Stamp Distribution Office	7/13/01	FF-AR-01-049	01NA014FF025
Audit of Statistical Tests for FY 2001, Cost & Revenue Analysis - Central New Jersey District	7/13/01	FF-AR-01-050	01NA016FF018
Fiscal Year 2001 Financial Installation Audit - Suncoast District Accounting Office	7/13/01	FF-AR-01-051	01NA004FF008
Price Adjustment Claim for Year-A-Round Corporation	7/17/01	CA-AR-01-003	00HA047CA000
FY 2001 Audit of Statistical Tests, Cost & Revenue Analysis - Rio Grande District	7/17/01	FF-AR-01-055	01NA016FF009
Audit of Costs Incurred at Pantech Construction Company	7/18/01	CA-CAR-01-057	01HA020CA000
Audit of Statistical Tests for FY 2001, Cost & Revenue Analysis - Colorado/Wyoming District	7/18/01	FF-AR-01-052	01NA016FF016
Fiscal Year 2001 Financial Installation Audit - Oak Brook Branch	7/18/01	FF-AR-01-053	01NA005FF015
FY 2001 Financial Installation Audits - Carol Stream Business Mail Entry Unit	7/18/01	FF-AR-01-054	01NA003FF003
Review of the Effectiveness of the Employee and Workplace Intervention Analyst Program in the Central Florida District (EWIA)	7/18/01	LC-MA-01-001	00JA013LC000
Costs Incurred by Aramark Service, Inc. Contract pricing Case Number SP-00-15	7/19/01	CA-CAR-01-058	00HA034CA000
Audit of Claim Submitted by Doyle Construction Company, Incorporated, Under Contract 362575-99-B-0658	7/19/01	CA-CAR-01-059	01HA051CA000
Costs Incurred by Coopers and Lybrand	7/27/01	CA-CAR-01-060	00HA013CA000
FY 2001 Financial Installation Audits - Bethesda Post Office	7/27/01	FF-AR-01-060	01NA005FF002
Bulk Fuel Purchase Plan	7/27/01	TR-AR-01-004	00NA006TR000
Audit of Costs Incurred by Christensen Associates, Incorporated Under Contract Number 102590-95-H-3188	7/30/01	CA-CAR-01-061	01HA068CA000
FY 2001 Financial Installation Audit - Orange Business Mail Entry Unit	7/31/01	FF-AR-01-066	01NA003FF002
Audit of Forward Pricing Direct Labor Rate Proposal for Fiscal Years 2001 through 2005 Submitted by Siemens ElectroCom L.P., Contract Pricing Case	8/2/01	CA-CAR-01-062	01HA047CA000
Security Vulnerability Technical Report - Security Testing of Switches and Servers at Topeka Operations, Topeka, Kansas	8/2/01	IS-CS-01-013	00EA008IS012
Air Carrier Reliability	8/2/01	TR-AR-01-005	01NA001TR000
FY 2001 Financial Installation Audit - Los Angeles Business Mail Entry Unit	8/3/01	FF-AR-01-069	01NA003FF021

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Audit of Statistical Tests for FY 2001 - Cost & Revenue Analysis - Seattle District	8/3/01	FF-AR-01-074	01NA016FF003
FY 2001 Financial Installation Audit - Lodi Contract Postal Unit	8/3/01	FF-AR-01-075	01NA005FF032
FY 2001 Financial Installation Audit - Calverton Post Office	8/7/01	FF-AR-01-057	01NA014FF033
FY 2001 Financial Installation Audit - Ossining Post Office	8/7/01	FF-AR-01-062	01NA014FF040
FY 2001 Financial Installation Audit - Colonia Branch	8/7/01	FF-AR-01-063	01NA014FF047
FY 2001 Financial Installation Audit - Denver District Accounting Office	8/8/01	FF-AR-01-068	01NA004FF019
Interim Audit Resultson Excise Taxes and Third Party Ground Handling Costs Under the FedEx Transportation Agreement (2nd letter)	8/8/01	TR-MA-01-002	01NR008TR001
Delayed Express Mail at a Tampa, Florida Facility	8/10/01	DE-AR-01-003	00NA011DE000
FY 2001 Financial Installation Audit - Gravesend Station	8/10/01	FF-AR-01-059	01NA014FF043
FY 2001 Financial Installation Audits - Denver Business Mail Entry Unit	8/10/01	FF-AR-01-061	01NA003FF005
Audit of Statistical Tests for FY 2001 - Cost & Revenue Analysis - South Jersey District	8/10/01	FF-AR-01-077	01NA016FF017
Consulting and Audit Services Contracts	8/14/01	CA-AR-01-004	00RA050CA00
Review of Purchasing Process for Advertising Contracts	8/14/01	CA-MA-01-003	00HR012CA000
FY 2001 Financial Installation Audit - Camp Hill Post Office	8/17/01	FF-AR-01-056	01NA014FF034
FY 2001 Financial Installation Audit - Columbia Post Office	8/17/01	FF-AR-01-058	01NA014FF035
FY 2001 Financial Installation Audit - Central Village Post Office	8/17/01	FF-AR-01-064	01NA014FF036
FY 2001 Financial Installation Audit - Warren Post Office	8/17/01	FF-AR-01-065	01NA014FF044
Service Investigations Conducted by the Inspection Service	8/22/01	OV-AR-01-003	00JA007OV000
Fiscal Year 2001 Information System controls - User Account and Password Administration in UNIX Operating Systems at Eagan, Minnesota	8/23/01	IS-AR-01-002	01NA002FT000
National Capping Report of Implementation of the Violence Prevention and Response Programs Postal Service-wide	8/23/01	LB-AR-01-020	01JA001LB000
FY 2001 Financial Installation Audits - Manhattanville Station	8/24/01	FF-AR-01-081	01NA005FF004
Audit of Statistical Tests for FY 2001, Cost & Revenue Analysis - Salt Lake City District	8/24/01	FF-AR-01-086	01NA016FF028

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Audit of Stat Tests for FY 2001 - C&RA - Lakeland District	8/24/01	FF-AR-01-087	01NA016FF022
Audit of Statistical Tests for FY 2001 - Cost & Revenue Analysis - Mid-Carolinas Review	8/29/01	FF-AR-01-076	01NA016FF014
Audit of Statistical Tests for FY 2001 - Cost & Revenue Analysis - Fort Worth District	8/29/01	FF-AR-01-099	01NA016FF019
Review of Security Access Controls-Memphis National Customer Support Center	8/29/01	IS-AR-01-003	00BA007IS000
Disposal of Delivery Jeeps in the Capital Metro Area	8/30/01	DE-AR-01-004	00NA010DE000
Fiscal Year 2001 Financial Installation Audit - Naperville Business Mail Entry Unit	8/30/01	FF-AR-01-085	01NA003FF012
Audit of Statistical Tests for FY 2001 - C&RA - Richmond District	8/30/01	FF-AR-01-098	01NA016FF011
FY 2001 Financial Installation Audit - Olive Branch Business Mail Entry Unit	8/31/01	FF-AR-01-070	01NA014FF048
FY 2001 Financial Installation Audit - Nashville Business Mail Entry Unit	8/31/01	FF-AR-01-072	01NA014FF054
FY 2001 Financial Installation Audit - Danville Business Mail Entry Unit	8/31/01	FF-AR-01-073	01NA014FF055
FY 2001 Financial Installation Audits - Southern Maryland BMEU	8/31/01	FF-AR-01-084	01NA003FF008
FY 2001 Financial Installation Audit - Lancaster Business Mail Entry Unit	9/5/01	FF-AR-01-067	01NA014FF050
FY 2001 Financial Installation Audits - New Brunswick Business Mail Entry Unit, Edison, NJ	9/5/01	FF-AR-01-091	01NA003FF006
Audit of Stat Tests for FY 2001 - C&RA - Westchester District	9/5/01	FF-AR-01-106	01NA016FF025
Audit of Statistical Tests for FY 2001 - C&RA - New Orleans District	9/5/01	FF-AR-01-107	01NA016FF020
Audit of Stat Tests for FY 2001 - C&RA - Springfield District	9/5/01	FF-AR-01-108	01NA016FF032
Audit of Statistical Tests for FY 2001 - C&RA - Greater Indiana District	9/5/01	FF-AR-01-109	01NA016FF021
Audit of Statistical Tests for FY 2001 - C&RA - Las Vegas District	9/5/01	FF-AR-01-110	01NA016FF026
Audit of Stat Tests for FY 2001 - Cost & Revenue Analysis - Southeast New England District	9/5/01	FF-AR-01-111	01NA016FF015
Audit of Stat Tests for FY 2001 - C&RA - Albuquerque District	9/5/01	FF-AR-01-113	01NA016FF027
Supplier Diversity Program for Supplies, Services, and Equipment Purchases	9/6/01	CA-AR-01-005	00RA010CA000
Fiscal Year 2001 Financial Installation Audit - Margaret B. Sellers BMEU - San Diego	9/6/01	FF-AR-01-079	01NA003FF001

ATTACHMENT TO
RESPONSE TO OFC/JAN-1

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Audit of Stat Tests for FY 2001 - C&RA- Alaska District	9/6/01	FF-AR-01-094	01NA016FF024
Video Report - Air Carrier Reliability	9/7/01	TR-VR-01-001	01NA001TR001
Pre-Award Accounting system Survey of Bravo Group, Contract Pricing Case Number PR-01-044	9/11/01	CA-CAR-01-063	01HA062CA000
Estimating System of Siemens ElectroCom L.P.	9/11/01	CA-CAR-01-064	99RA017CA001
FY 2001 Financial Installation Audit - Dyersburg Business Mail Entry Unit	9/11/01	FF-AR-01-071	01NA014FF049
FY 2001 Financial Installation Audit - Martinsburg Business Mail Entry Unit	9/11/01	FF-AR-01-097	01NA014FF057
Audit of Airfare Decrement Cost Estimating Relationship Factor at Siemens Dematic Postal Automation L.P., Contract Pricing Case Number SP-01-027	9/13/01	CA-CAR-01-065	01HA077CA000
Audit of Pro Rata Share of Real Estate Taxes for Lease with CP Richard Ellis, Incorporated	9/14/01	CA-CAR-01-066	01HA086CA000
Pre-Award Accounting System Survey of Foote, Cone and Belding - New York, Contract Pricing Case Number PR-01-043	9/14/01	CA-CAR-01-067	01HA058CA000
Audit of Firm-Fixed Price Proposal Submitted by MOS International Incorporated, Contract Pricing Case Number PR-01-058	9/14/01	CA-CAR-01-068	01HA083CA000
Audit of Firm-Fixed Change Proposal Submitted by Lockheed Martin Systems Integration -Owego, Contract Pricing Case Number PC-01-054	9/14/01	CA-CAR-01-069	01HA076CA000
FY 2001 Financial Installation Audit - Erie District	9/14/01	FF-AR-01-114	01NA004FF025
FY 2001 Financial Installation Audits - San Marcos Post Office	9/14/01	FF-AR-01-122	01NA005FF017
Authorization of Funds for Construction Projects	9/17/01	FA-AR-01-001	00HA051FA000
FY 2001 Financial Installation Audit - Charleston Stamp Distribution Office	9/17/01	FF-AR-01-089	01NA014FF
Audit of Siemens ElectroCom L.P. Timekeeping Practices and Procedures	9/18/01	CA-CAR-01-070	01HA038CA000
FY 2001 Financial Installation Audit - Floral Park Post Office	9/18/01	FF-AR-01-078	01NA014FF058
FY 2001 Financial Installation Audit - Station B Jamaica	9/18/01	FF-AR-01-082	01NA014FF075
FY 2001 Financial Installation Audit - Jericho Post Office	9/18/01	FF-AR-01-090	01NA014FF076
FY 2001 Financial Installation Audit - Valley Stream Post Office	9/18/01	FF-AR-01-095	01NA014FF063
FY 2001 Financial Installation Audit - Hagerstown Post Office	9/18/01	FF-AR-01-096	01NA014FF059
Audit of Statistical Tests for FY 2001 - Cost & Revenue Analysis - Royal Oak District	9/20/01	FF-AR-01-115	01NA016FF031

ATTACHMENT TO
RESPONSE TO OIG 00-1

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Audit of Stat Tests for FY 2001 - CRA - Alabama District	9/20/01	FF-AR-01-119	01NA016FF029
Audit of Stat Tests for FY 2001 - CRA - Greensboro District	9/20/01	FF-AR-01-120	01NA016FF013
Audit of Statistical Tests for FY 2001 - Cost and Revenue Analysis - Boston District	9/20/01	FF-AR-01-121	01NA016FF023
Subcommittee on International Security Proliferation and Federal Services testimony	9/20/01	IG-TR-01-004	01IK003IG000
FY 2001 Financial Installation Audit - Akron Stamp Distribution Office	9/21/01	FF-AR-01-101	01NA014FF008
Fiscal Year 2001 Financial Installation Audit - Little Rock Stamp Distribution Office	9/21/01	FF-AR-01-104	01NA014FF004
FY 2001 Financial Installation Audit - Experiment Post Office	9/21/01	FF-AR-01-105	01NA014FF021
FY 2001 Financial Installation Audit - Lansing Business Mail Entry Unit	9/21/01	FF-AR-01-112	01NA014FF093
Audit of Statistical Tests for FY 2001 - C&RA - Oklahoma District	9/21/01	FF-AR-01-123	01NA016FF030
Mail Evaluation, Readability, and Lookup Instrument First Article Test (MERLIN)	9/24/01	DA-MA-01-002	01BA011DA000
Audit of Proposal Submitted by Frankel and Company Under Solicitation Number 102590-00-A-0098, Contract Pricing Case Number PR-01-041	9/26/01	CA-CAR-01-071	01HA060CA00
Audit of Proposal Submitted by Frankel and Company Under solicitation Number 102590-00-A-0098 Contract Pricing Case Number PR-01-044	9/26/01	CA-CAR-01-072	01HA060CA002
Tray Management System Post Acceptance Workhour Savings	9/26/01	DA-AR-01-007	01BF001DA000
Audit of Proposal submitted by Foote, Cone and Belding - New York Under Solicitation Number 102590-00-A-0098, Contract Pricing Case Number PR-01-	9/27/01	CA-CAR-01-073	01HA058CA00
Audit of Proposal Submitted by Bravo group Under Solicitation Number 102590-00A-0098, Contract pricing Case Number PR-01-044	9/27/01	CA-CAR-01-074	
Decision Analysis Report Process	9/27/01	DA-AR-01-005	00BA001DA000
Singulate, Scan, Induction, Unit	9/27/01	DA-AR-01-006	01BA001DA000
Point of Service ONE Stage 3	9/27/01	DA-MA-01-003	01BG003DA000
National Refrigerant Management Plan	9/27/01	FA-AR-01-002	00HA037FA000
Interim Audit Results of Security Risks Associated with the FedEx Transportation Agreement (#3)	9/27/01	TR-MA-01-003	01NR008TR0
USPS.com Management and Security Issues	9/28/01	EC-AR-01-003	01BA002EC001
Cleveland Performance Cluster Process for Administering Continuation of PayLeave Benefits	9/28/01	HC-AR-01-001	00RA058HC005

ATTACHMENT TO
RESPONSE TO DFC/USPS-1

<i>Title</i>	<i>Final Rpt Issued Dated</i>	<i>Final Report Number</i>	<i>Project Number</i>
Columbus Performance Cluster's Process for Administering Continuation of Pay Leave Benefits	9/28/01	HC-AR-01-002	00RA058HC003
Temp Printing Quantities	9/28/01	MK-AR-01-002	00RA055RG000
Transition Planning for the Priority Mail Processing Center Network	9/28/01	MK-AR-01-003	00NA016MK000
Postal Inspection Service Fraud Against Government Program	9/28/01	OV-AR-01-004	00JAO110V001
Annual Payments on Rail Transportation Contracts	9/28/01	TR-AR-01-006	00NA006TR00
<i>Reports Issued is 201</i>			

ATTACHMENT TO
RESPONSE TO DFC/OPS-1

**RESPONSE OF UNITED STATES POSTAL SERVICE TO CARLSON
INTERROGATORIES DFC/USPS-1-2**

DFC/USPS-2. Please provide reports from all Postal Inspection Service or Office of the Inspector General audits that have been conducted on Express Mail, Priority Mail, Certified Mail, Registered Mail, Insured Mail, Return Receipt, Post Office Box, or retail window service, or on stamped cards, since January 1, 2000. If any audit reports are filed as a library reference, pursuant to Rule 31(b)(2)(ix) I request that a copy of these audit reports be mailed directly to me.

RESPONSE:

An audit report conducted by the Office of the Inspector General related to Certified Mail issued on May 2, 2001 is attached. This report is also available on the OIG web page listed above. Another report pertaining to Priority Mail was not received in time to be included in this response. The Postal Service will address this report in subsequent pleading.

May 2, 2001

NICHOLAS F. BARRANCA
VICE PRESIDENT, OPERATIONS PLANNING
AND PROCESSING

SUBJECT: Certified Mail Observations at the Los Angeles
Processing and Distribution Center
(Report Number AC-MA-01-002)

This management advisory report presents an issue that recently surfaced during a survey of certified mail (Project Number 01NA010AC000). The purpose of the survey was to determine if the Postal Service was meeting its delivery standards for certified mail during nonpeak times. During the survey we identified an issue that needs immediate attention. It deals with using scanning equipment that is incompatible with the Signature Capture Program.

Results in Brief

The use of old scanning equipment at the Los Angeles Processing and Distribution Center may impact the Signature Capture Program. The old scanning equipment is not linked to the national database and may jeopardize the system to electronically collect, store, and retrieve delivery records. We suggested that management notify appropriate individuals that using old scanning equipment precludes their participation in the Signature Capture Program. Management agreed with our suggestion and will reinforce the proper procedures for handling signature capture mail. Management's comments are included, in their entirety, in the appendix to this report.

**Objective, Scope, and
Methodology**

Our objective was to determine whether the Postal Service was meeting its delivery standards for certified mail. In conducting our review, we observed caller service personnel in the Los Angeles Processing and Distribution Center scanning certified mail with old scanning equipment. We discussed this issue with the manager of the Main Post Office, Los Angeles, and the manager, Information

Systems, Expedited/Packages Service at headquarters. This review was conducted from December 2000 through May 2001, in accordance with the President's Council on Integrity and Efficiency's Quality Standards for Inspections. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Background

Certified mail is an accountable product that permits a customer to obtain a record of delivery. On July 22, 2000, the Postal Service implemented the Signature Capture Program, which allowed the transition from manually-filed to electronically-filed delivery records. This program provides the customer with easier access to delivery information.

To implement the Signature Capture Program, new equipment was purchased. Mobile data collection devices (handheld scanners) and new Firm Print Workstations are now being used, replacing the older systems, Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System. This older equipment can still be used for registry dispatch functions but the equipment is incompatible with the Signature Capture Program and no longer will be supported.

**Implementation of
Signature Capture
Program**

The implementation of the Signature Capture Program may be impacted by the use of old scanning equipment not linked to the national database. During a recent visit to the Los Angeles Processing and Distribution Center, we observed caller service personnel using the Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System for certified mail. In discussions with the manager, Main Post Office, regarding preparation for the upcoming tax season, we learned the manager had requested additional Delivery Confirmation Receipt System and Enhanced Delivery Confirmation Receipt System equipment to be used for the processing of certified mail. However, we confirmed with the manager, Information Systems, Expedited/Packages Service, that the old scanning equipment is not linked to the national database and thus, the use of the old equipment will prevent the facility from participating in the Signature Capture Program during the upcoming tax season. The manager of the Main Post Office in Los Angeles was not aware that the Signature Capture Program and the older system

equipment were incompatible. We are concerned that similar problems may exist at other locations. If the Signature Capture Program is not uniformly implemented, the processes to electronically collect, store, and retrieve delivery records may be jeopardized.

Suggestion	We suggest the vice president, Operations Planning and Processing: Notify the appropriate individuals that using old scanning equipment for certified mail precludes their participation in the Signature Capture Program resulting in no delivery record for the customer currently or during the upcoming tax season.
Management's Comments	Management agreed with our suggestion and stated they had made repeated efforts to communicate the proper procedures for handling signature capture mail. Management stated that they would reinforce proper procedures with plant managers.
Evaluation of Management's Comments	Management's comments are responsive to our suggestion and their actions taken or planned address the issue identified in this report. We appreciated the cooperation and courtesies provided by your staff during the survey. If you have any questions, please contact Mike Magalski, acting director, at (703) 248-2455, or me at (703) 248-2300.

Debra S. Ritt
Assistant Inspector General
for Business Operations

Attachment

cc: John R. Gunnels

APPENDIX. MANAGEMENT'S COMMENTS

NICHOLAS F. BARRANCA
Vice President, Operations Planning and Processing



April 20, 2001

DEBRA S. RITT
ASSISTANT INSPECTOR GENERAL FOR BUSINESS OPERATIONS

SUBJECT: Transmittal of Draft Management Advisory - Certified Mail Operations at the
Los Angeles Processing and Distribution Center

A joint effort has been made and continues to be made amongst three functional areas--
Operations, Core Business Marketing, and Expedited/Package Services (EPS)--to educate and
reinforce proper procedures for capture of the Signature Confirmation product.

A list of correspondence, both written and electronic, either states or restates the proper
procedures for handling Signature Confirmation mail.

- As a letter of introduction to the upcoming changes even prior to the announcement of the
Signature Confirmation process, we offer correspondence to district and plant managers
dated April 20, 1999, subject: New Bar Code Labels for Accountable Mail. This letter signed
jointly between Operations and Core Business Marketing informs the audience that all
accountable mail types will be incorporated into the Delivery Confirmation electronic
infrastructure.
- Handbook PO-810, July 2000, Signature Capture and Electronic Record Management,
section 1-2 outlines the process, forms, and equipment used for Signature Capture. Section
2-3.3.1 explicitly states that "...DCRS or ...EDCRS must not be used with the signature
capture process/electronic record. The DCRS or EDCRS may only be used for Registry
dispatch functions" (emphasis theirs). This document was published by EPS.
- On March 2, 2001, the manager, Processing & Distribution Center Operations, crafted a letter
to managers, In Plant Support (Area), subject: Processing IRS Mail, specifically states the
methods by which this accountable mail could be processed. Also, the letter reminded the
audience that DCRS and EDCRS "...must not be used with the signature confirmation
process. DCRS and EDCRS may only record items for Registry dispatch functions."
- The March 14, 2001 edition of Operations2001, a weekly electronic communication vehicle
similar to Postallink, contains two separate articles concerning the upcoming tax season and
Signature Confirmation. In the first article, Mr. Donahoe puts into perspective the importance
of handling all accountable mail quickly and correctly, including that going to the IRS. On the
sixth slide, an article titled Update: "Signature Capture Process, Proper Scanning Of Firm
Sheets Critical" reviews proper procedures and equipment for the process. The page
contains one warning in bold, italicized print: "Sites using Electronic Delivery Confirmation
Receipt System (EDCRS or DCRS) for anything other than Registry Dispatch Bills must
discontinue this practice immediately. All delivery data is lost with these systems." The page
also has a teaser: "Using the wrong system--EDCRS or DCRS--will result in loss of delivery
data."

475 L'Enfant Plaza SW, Room 7021
Washington, DC 20060-7000
202-268-5766
Fax: 202-268-2577

**Certified Mail Observations at the Los Angeles
Processing and Distribution Center**

AC-MA-01-002

-2-

Although we have made reasonable, continued efforts to communicate the proper procedures to the field, we will again notify all plant managers individually, in writing, of the proper procedures that need to be followed during the tax season, as well as throughout the year for our regular customers.

Ralph J. Moden

for
Nicholas F. Badranta

Attachments

cc: John Dorsey
David Goldstein
Pat Mendonca
Walt O'Torney
Julie Rios

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS CARLSON

DFC/ USPS-3.

For each of the past three years, please provide all information that is available in summary form about the types of service problems that customers have brought to the attention of the Postal Service using a Consumer Service Card.

RESPONSE:

Consumer Service Card Analysis Program Reports for FY99 and Quarter I and II of FY2000 were provided in Response to DFC/USPS-55 in R2000-1. See USPS-LR-I-236. The remaining data requested will be provided in Library Reference USPS-LR-J-139, Consumer Affairs Tracking System Data for Complaints from Consumer Service Cards for FY2000 (QIII and QIV) and FY2001, Provided in Response to DFC/USPS-3. The Postal Service no longer uses the Consumer Service Card Analysis Program Reports to track service issues from the Consumer Service Card. Instead, the Postal Service uses the Consumer Affairs Tracking System to log complaints from Customer Service cards as well as from other sources.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS CARLSON

DFC/ USPS-4.

Aside from the Consumer Service Card data, please discuss the systems and processes that the Postal Service uses to collect and compile statistics on service complaints from customers.

RESPONSE:

The Postal Service receives complaints from various sources, including phone, email, Consumer Service Cards, personal contact, fax, and the Internet. Complaints that relate to residential, business-office or business-home are logged into the Consumer Advocate Tracking System (CATS). Complaints from the major postal accounts (about 15,000 businesses) are logged into the Business Service Network.

The complaints logged into CATS are broken down further into categories. LR-J-139 shows the breakdown.

Complaints logged into BSN are used primarily to document and resolve the complaint or service issue for the particular customer involved. While there are no formal processes established to compile statistics, there are reports established within the BSN that provide data for analysis based on the type of service issue, class of mail and customer account type.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON**

RESPONSE to DFC/USPS-5 continued:

b. EXFC average number of days for the overnight service standard:

FY 1999 – 1.11 days

FY 2000 – 1.11 days

FY 2001 – 1.12 days

EXFC average number of days for the two-day service standard:

FY 1999 – 2.02 days

FY 2000 – 2.02 days

FY 2001 – 2.07 days

EXFC average number of days for the three-day service standard:

FY 1999 – 2.87 days

FY 2000 – 2.91 days

FY 2001 – 3.03 days

ODIS data are reflected in the attachment to this response.

**ORIGIN-DESTINATION INFORMATION SYSTEM
FIRST-CLASS MAIL SERVICE ACHIEVEMENT
FISCAL YEAR BY CATEGORY**

<i>FY</i>	<i>SERVICE STANDARD</i>	<i>MAIL CATEGORY</i>	<i>PERCENTAGE OF MAIL DELIVERED WITHIN GIVEN STANDARD</i>	<i>AVERAGE DAYS TO DELIVERY</i>
1999	OVERNIGHT	SINGLE PIECE RATE	93	1.1
1999	OVERNIGHT	AUTOMATION PRESORT	92	1.1
1999	OVERNIGHT	AUTOMATION CARRT-SORT	94	1.0
1999	OVERNIGHT	PRESORT FIRST CLASS	90	1.1
1999	TWO-DAY	SINGLE PIECE RATE	87	2.0
1999	TWO-DAY	AUTOMATION PRESORT	87	2.0
1999	TWO-DAY	AUTOMATION CARRT-SORT	89	1.8
1999	TWO-DAY	PRESORT FIRST CLASS	84	2.1
1999	THREE-DAY	SINGLE PIECE RATE	85	2.8
1999	THREE-DAY	AUTOMATION PRESORT	86	2.8
1999	THREE-DAY	AUTOMATION CARRT-SORT	86	2.7
1999	THREE-DAY	PRESORT FIRST CLASS	85	2.8
2000	OVERNIGHT	SINGLE PIECE RATE	92	1.1
2000	OVERNIGHT	AUTOMATION PRESORT	90	1.1
2000	OVERNIGHT	AUTOMATION CARRT-SORT	94	1.1
2000	OVERNIGHT	PRESORT FIRST CLASS	88	1.2
2000	TWO-DAY	SINGLE PIECE RATE	86	2.0
2000	TWO-DAY	AUTOMATION PRESORT	86	2.0
2000	TWO-DAY	AUTOMATION CARRT-SORT	90	1.9
2000	TWO-DAY	PRESORT FIRST CLASS	83	2.1
2000	THREE-DAY	SINGLE PIECE RATE	83	2.8
2000	THREE-DAY	AUTOMATION PRESORT	84	2.8
2000	THREE-DAY	AUTOMATION CARRT-SORT	78	2.9
2000	THREE-DAY	PRESORT FIRST CLASS	82	2.9
2001	OVERNIGHT	SINGLE PIECE RATE	91	1.1
2001	OVERNIGHT	AUTOMATION PRESORT	88	1.1
2001	OVERNIGHT	AUTOMATION CARRT-SORT	93	1.1
2001	OVERNIGHT	PRESORT FIRST CLASS	85	1.2
2001	TWO-DAY	SINGLE PIECE RATE	84	2.0
2001	TWO-DAY	AUTOMATION PRESORT	82	2.1
2001	TWO-DAY	AUTOMATION CARRT-SORT	91	1.9
2001	TWO-DAY	PRESORT FIRST CLASS	79	2.2
2001	THREE-DAY	SINGLE PIECE RATE	79	3.0
2001	THREE-DAY	AUTOMATION PRESORT	78	3.0
2001	THREE-DAY	AUTOMATION CARRT-SORT	81	2.7
2001	THREE-DAY	PRESORT FIRST CLASS	77	3.0

Attachment to Response to
DFC/USPS-5

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON**

DFC/USPS-6.

For each of the past three years, and for each category or type of Priority Mail for which the Postal Service collects data, please provide nationwide data from PETE, ODIS, and any other applicable systems showing:

- a. The percentage of the time that mail is delivered within the number of days specified by the applicable service standard;
- b. The average number of days to delivery.

RESPONSE:

- a. PETE on-time percentage for the overnight service standard:
 FY 1999 – Refer to Docket No. R2000-1, response to UPS/USPS-T-34-19; Tr. 21/9372.
 FY 2000 – 90 percent
 FY 2001 – 89 percent

PETE on-time percentage for the two-day service standard:
 FY 1999 – Refer to Docket No. R2000-1, Tr. 21/9372.
 FY 2000 – 80 percent
 FY 2001 – 75 percent
 ODIS data are reflected in the attachment to this response.

- b. PETE average number of days for the overnight service standard:
 FY 1999 – 1.14 days
 FY 2000 – 1.14 days
 FY 2001 – 1.16 days
 PETE average number of days for the two-day service standard:
 FY 1999 – 2.15 days
 FY 2000 – 2.14 days
 FY 2001 – 2.26 days
 ODIS data are reflected in the attachment to this response.

ORIGIN-DESTINATION INFORMATION SYSTEM
 PRIORITY MAIL SERVICE ACHIEVEMENT
 FISCAL YEAR BY CATEGORY

FY	SERVICE STANDARD	MAIL CATEGORY	PERCENTAGE OF MAIL DELIVERED WITHIN GIVEN STANDARD	AVERAGE DAYS TO DELIVERY
1999	OVERNIGHT	PRIORITY MAIL	85	1.2
1999	TWO-DAY	PRIORITY MAIL	74	2.3
1999	THREE-DAY	PRIORITY MAIL	76	3.0
2000	OVERNIGHT	PRIORITY MAIL	84	1.3
2000	TWO-DAY	PRIORITY MAIL	72	2.4
2000	THREE-DAY	PRIORITY MAIL	70	3.2
2001	OVERNIGHT	PRIORITY MAIL	82	1.3
2001	TWO-DAY	PRIORITY MAIL	68	2.5
2001	THREE-DAY	PRIORITY MAIL	67	3.4

Attachment to Response to
 DFC/USPS-6

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON

DFC/USPS-7.

Please provide documents that explain the operation of the EXFC, PETE, and ODIS systems and the methodology for calculating days to delivery and on-time percentages.

RESPONSE:

The operation and methodology for calculating days to delivery and on-time percentages for EXFC and PETE was provided in Docket No. R2000-1, USPS Library Reference I-326.

The same information pertinent to ODIS can be found in Docket No. R2001-1, USPS Library Reference J-141.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

DFC/USPS-8.

Please explain the extent to which EXFC scores for overnight, two-day, and three-day First-Class Mail delivery and PETE scores for Priority Mail delivery directly affect postal managers' compensation.

RESPONSE:

All postal managers' participate in the Postal Service's Pay for Performance Program.

This program covers all career non-bargaining employees, excluding Postal Inspectors and Office of Inspector General staff, and takes a portion of an employee's pay and makes it contingent upon the attainment of certain performance measures. Certain employees gave up premium overtime payments to participate in this program and none of the participants now receives cost-of-living pay increases paid to bargaining employees and across the board general increases. Neither do the participating employees receive locality pay adjustments that other Federal Government agencies pay their employees.

Under this program, pay-for-performance incentives are earned based on an Economic Value Added calculation and by achieving specific customer, employee, and business goals. For the Fiscal Year (FY) 2001 program, one third of any potential incentive is based on achieving a 93 percent external First-Class (EXFC) overnight threshold and meeting or exceeding the Priority Mail two-day surface transportation (PETE) delivery scores set for each Area and Performance Cluster. The PETE national target is 94 percent.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON

EXFC overnight has been the primary customer measure since FY 1997. The PETE goal was combined with EXFC overnight in FY 1998. In some past years, other_mail delivery scores have been combined with EXFC and PETE like the EXFC two to three day delivery, ease of use, and air Priority Mail goals. These are not included in the current calculation.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO CARLSON
INTERROGATORY DFC/USPS-9**

DFC/USPS-9. For each type of retail terminal, please discuss with specificity the extent to which these terminals provide correct information to customers or postal employees on the service standards for First-Class Mail and Priority Mail.

RESPONSE:

In general, the several forms of retail terminals undergo a quarterly update cycle. Hence, changes to information available through retail terminals can only be implemented on that frequency. However, especially with the older method of updating IRT information, other types of anomalies can also be present. The Postal Service uses two different files to update the respective terminals.

One is the Priority Mail 3-Day Exception File, which only contains 3-digit origin-destination ZIP Code pairs for which the service standard is three days. This file, which constitutes the older method of providing service standard information through retail terminals, permits a terminal to show "3 days" for 3-day service standards and, by default, "2 days" for 1- and 2-day Priority Mail service standards. For First-Class Mail, no service standard data were available so the terminals default in all cases to "3 days."

The other file, the National Service Standard File, contains First-Class Mail and Priority Mail service standard data for all origin-destination pairs at the 3-digit ZIP Code level. It has been used in NCR POS ONE terminals since January 2001. As a result, NCR POS ONE terminals now show, for both First-Class Mail and Priority Mail, "3 days" if the service standard is three days, "2 days" if the service standard is two days, and "1 day" if the service standard is one day. The terminals display the service standards for both First-Class and

RESPONSE OF UNITED STATES POSTAL SERVICE TO CARLSON
INTERROGATORY DFC/USPS-9

Priority Mail if the customer has not already decided on a mail class. Otherwise the service standard for the selected mail class is displayed.

IBM POS ONE terminals will begin using the National Service Standard File this month (October 2001). Until then, IBM POS ONE terminals continue to rely upon the Priority Mail 3-Day Exception File. For First-Class Mail service standards, the system is hard-coded to show, as a crude approximation, "1 day" if the destination ZIP Code is 0-1 zones away, "2 days" if the destination ZIP Code is 2 zones away, and "3 days" if the destination ZIP Code is 3-8 zones away.

While two types of IRTs are still in use (Unisys IRT, MOS IRT), they are being phased out in favor of POS ONE terminals. The Unisys IRTs rely upon the 3-Day Exception File method of updating service standard information because of hardware limitations. The extremely rare MOS IRTs cannot currently be updated and are scheduled to be removed from service altogether by Thanksgiving of 2001.

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CARLSON INTERROGATORIES

DFC/USPS-10: Please list and describe all the packaging materials that the Postal Service provides for Priority Mail.

RESPONSE:

See the attached chart.

PRIORITY MAIL PACKAGING			
Boxes	Box 4	7 x 7 x 6	Small squared box.
	Box 7	12 x 12 x 8	Medium squared box.
	1092	12-1/8 x 13-3/8 x 2-3/4	Standard Priority Mail box
	1095	12-1/4 x 15-1/2 x 3	Large Priority Mail box
	1096L	9-1/4 x 6-1/4 x 2	Box for two standard size videos
	1096S	8-5/8 x 5-3/8 x 1-5/8	Box for one standard size video
	1097	11-1/4 x 14 x 2-1/4	Mid-size Priority box
	1098S	6 x 25	Small triangular tube (Express Mail or Priority Mail)
	1098M	6 x 38	Medium triangular tube (Express Mail or Priority Mail)
Envelopes	EP14	11-5/8 x 15-1/8	Large tyvek envelope
	EP14B	6 x 10	Small cardboard envelope
	EP14F	12-1/2 x 9-1/2	2 lb Flat Rate cardboard envelope - holds whatever you can fit into the envelope
	EP14G	12-1/2 x 9-1/2	Cardboard - Ideal for documents which weigh 1lb or less.
	EP14H	5 x 10	Small cardboard window envelope
Labels	Label 23	22 x 11	Tray label - drop shipment
	Label 106	12 x 2	Outside pressure sensitive Priority Mail identity label
	Label 106A	2 x 18 1/2 yds	Tape 2" wide
	Label 107	3-1/2 x 2	Sticker (pressure sensitive 50/pad)
	Label 107R	3-1/2 x 2	Sticker (pressure sensitive 440/roll)
	Label 228	5-3/8 x 4	Address label
	Label 228C	6-7/8 x 4	Address label (continuous form labels)
Tag	Tag 159	8 x 3-1/2	Drop shipment tag

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-11. Please provide all facts and information indicating that postal employees are or are not properly completing Form 3811, Domestic Return Receipt.

RESPONSE:

The Postal Service does not track either proper or improper completion of Form 3811 by postal employees as a separate category.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS F. CARLSON

DFC/USPS-12. Please provide all information concerning time to delivery and other aspects of delivery performance that is or may be available from an analysis of data collected from the scanning of bar-coded labels for Express Mail, Certified Mail, Registered Mail, Insured Mail, Return Receipt for Merchandise, Delivery Confirmation, and Signature Confirmation.

RESPONSE:

Delivery performance information is available only when acceptance and delivery scans are obtained and analyzed. The only analyses are done for Express Mail, and for Priority Mail with retail option Delivery Confirmation. The Express Mail data show the following percents of Express Mail that was delivered within its service standard: for FY 1999, 90.9 percent, FY 2000, 90.7 percent, and FY 2001, 88.4 percent. The analysis for Priority Mail will be provided soon.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS F. CARLSON**

DFC/USPS-13. Please provide data describing the extent to which delivery employees scan Delivery Confirmation bar codes. Also, please identify the measurement system.

RESPONSE:

For Quarter 4 of FY 2001, delivery scans were obtained on 95.8 percent of Delivery Confirmation barcodes. Some of the missed scans resulted from problems introduced by customers, such as the placement of the Delivery Confirmation barcode on the back of a package, or the lack of any barcode. The measurement system is to calculate, as a proportion of all Delivery Confirmation items with an acceptance record or electronic file, those items that received an appropriate delivery scan.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-15. Please explain the extent to which Sunday delivery of Express Mail, and the guarantee thereof, has been curtailed, changed or eliminated since September 11, 2001. Please explain the reasons for these changes and specify whether these changes are permanent.

RESPONSE:

Currently, there have been no permanent changes made to Express Mail guarantees as a result of the events of September 11. However, for a brief period, due to heightened security as a result of those events and some limitations on the availability of transportation, certain non-local Express Mail deposited or brought to a post office on Saturday temporarily did not receive an overnight service guarantee for Sunday delivery. Rather, it received a two-day service guarantee for delivery on Monday. Customers approaching Express Mail retail windows on Saturday were informed of the applicable service guarantee for their packages, whether overnight or two-day. Subsequently, transportation restrictions were lifted for Express Mail and Express Mail Sunday service levels were restored to those existing prior to September 11.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-17. Please provide all audits and reports conducted since 1998 concerning collection times on collection boxes.

RESPONSE:

The Postal Service is unaware of any such audits or reports.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-18. Except for adjustments related to changes in airline schedules, please describe the changes, if any, in air transportation that the Postal Service has made for First-Class letters, flats, and SPR's and Priority Mail as a result of the events on September 11, 2001.

RESPONSE:

Currently, there have been no permanent changes in air transportation for First-Class letters, flats and SPR's and Priority Mail as a result of the events on

September 11. However, certain Priority Mail that used to travel by commercial passenger air temporarily travels by other modes of transportation. The modes selected are those that will provide the best service under the circumstances.

Both the Federal Aviation Administration and the Postal Service have determined that more detailed information on which Priority Mail travels on commercial passenger air versus other modes of transportation should not be disclosed in the interests of national security.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-19. Please provide all memoranda and directives issued by Postal Service headquarters in 2000 or 2001, including those transmitted by electronic mail, relating to removal of collection boxes or collection receptacles or closing or restricting access to any types of collection boxes or receptacles (e.g., closing lobby parcel drops for security reasons).

RESPONSE:

No such documents have been identified.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON

DFC/USPS-T28-2.

- a. Please confirm that the Postal Service changed service standards for First-Class Mail in 2000 and 2001. If you do not confirm, please explain.
- b. Please provide the approximate volume of First-Class Mail that, as a result of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001, now receives two-day service instead of three-day service.
- c. Please provide the approximate volume of First-Class Mail that, as a result of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001, now receives three-day service instead of two-day service.
- d. Please confirm that the changes in First-Class Mail service standards that the Postal Service implemented in 2000 and 2001 have, all else equal, lowered the value of First-Class Mail service. If you do not confirm, please explain fully and provide all documents that support your inability to confirm this statement.
- e. Except for Alaska and Hawaii, please confirm that the overnight and two-day delivery areas for First-Class Mail presently generally are limited to geographic distances that the Postal Service can reach via ground transportation. If you do not confirm, please explain.
- f. Please confirm that, prior to 2000 and 2001, the Postal Service used air transportation to achieve two-day delivery for First-Class Mail between many three-digit ZIP Code pairs (including those in states other than Alaska and Hawaii). If you do not confirm, please explain.
- g. Please confirm that the Postal Service did not provide evidence to the Commission in Docket No. R2000-1 that it was implementing changes in First-Class Mail service standards on a largely nationwide basis. If you do not confirm, please provide copies of the documents or evidence announcing the changes.
- h. Please confirm that some of the changes in First-Class Mail service standards that the Postal Service implemented in 2000 had been implemented before the evidentiary record in Docket No. R2000-1 was closed. If you do not confirm, please explain.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON

RESPONSE to DFC/USPS-T28-2:

- a. Confirmed, that in 2000 and 2001, the Postal Service finalized changes in its 2-day and 3-day First-Class Mail service standards which were initiated as part of Phase 2 of the plan reviewed by the Commission in Docket No. N89-1.
- b. During the changes were implemented in FY2000 and 2001, based on ODIS volume data for FY95-97, it was estimated that approximately 6,028,745 pieces per day of First-Class Mail volume would shift from having a three-day service standard to a two-day service standard, or approximately 1.87% of national average daily volume.
- c. During the changes were implemented in FY2000 and 2001, based on ODIS volume data for FY95-97, it was estimated that approximately 10,674,059 pieces per day of First-Class Mail volume would shift from having a two-day service standard to a three-day service standard, or approximately 3.32% of national average daily volume.
- d. Response to be provided by witness Moeller.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS CARLSON

RESPONSE to DFC/USPS-T28-2 (continued):

- e. Although there is a greater reliance on surface transportation to meet First-Class Mail 2-day service standards than there was two years ago in the continental United States, air service is still used in a number of instances where, logistically, volume and other considerations compel the use of air service instead of trucks to meet 2-day service standards.
- f. As indicated in response to subpart (e), air service is still used to meet 2-day service standards, but to a lesser degree than before.
- g. Subject to further examination, the Docket No. R2000-1 record does not appear to include any discussion of a variety of topics, including changes of any magnitude in First-Class Mail origin-destination pair service standards.
- h. Depending on the date that the Docket No. R2000-1 evidentiary record was closed, it could be that some of the year 2000 changes in 2-day and 3-day First-Class Mail service standards which finalized Phase 2 of the realignment plan reviewed by the Commission in Docket No. N89-1 were implemented before a number of milestones in the year 2000, including the date on which the Commission closed the Docket No. R2000-1 evidentiary record.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF KEYSpan ENERGY**

KE/USPS-1 Please refer to the institutional responses to Parts D and E of Interrogatory MMA/USPS-T20.

- A. Please fill in the volumes for the base year or the latest annual period for which volume figures are available for First-Class single piece letter shapes.

Volumes of First-Class Single Piece Letter-Shape Mail

Type of Address	Volume Entered	Volume Barcoded by USPS	Volume Not Barcoded	Total Volume
Prebarcoded/QBRM		0	0	
Metered				
Handwritten				
Permit Imprint				
Total				

- B. Please fill in the following table with the appropriate percentages for the base year or the latest annual period for which data are available for First-Class single piece letter shapes.

Percentages of First-Class Single Piece Letter-Shape Mail

Type of Address	% Volume Entered	% Volume Barcoded by USPS	% Volume Not Barcoded	Total
Prebarcoded/QBRM		0	0	
Metered				
Handwritten				
Permit Imprint				
Total				

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF KEYSpan ENERGY**

- C. Please fill in the volumes for the test year after rates for First-Class single piece letter shapes.

**Volumes of First-Class Single Piece Letter-Shape Mail
(Test Year After Rates)**

Type of Address	Volume Entered	Volume Barcoded by USPS	Volume Not Barcoded	Total Volume
Prebarcoded/QBRM		0	0	
Metered				
Handwritten				
Permit Imprint				
Total				

- D. Please fill in the following table with the appropriate percentages for the test year after rates for First-Class single piece letter shapes.

**Percentages of First-Class Single Piece Letter-Shape Mail
(Test Year After Rates)**

Type of Address	% Volume Entered	% Volume Barcoded by USPS	% Volume Not Barcoded	Total
Prebarcoded/QBRM		0	0	
Metered				
Handwritten				
Permit				
Total				

- E. Please provide the data that results in your estimate that 5.5% of First-Class metered letters are not barcoded, if those numbers have not been provided above.
- F. Please provide the data that results in your estimate that 9.1% of First-Class single piece letters are not barcoded, if those numbers have not been provided above.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF KEYSpan ENERGY

RESPONSE:

- A. – D. See response to KE/USPS-T39-7 for other available data. The total volume of First-Class Mail letters with postal applied barcodes for the base year was 39,230,428,000¹ (also includes postal barcodes on Presorted FCM). Equivalent Test Year estimates are not available. Also, the total volume of First-Class Mail Single-Piece letters was 52,287,221,000² in the Base Year, and it is projected that the Test Year After Rates volume will be 46,865,402,000². Data are not available specific to the volume of metered, handwritten (some of which is also metered) and permit imprinted in First-Class Mail Single-Piece letters.
- E. No barcode – 2,757,607. Total – 50,076,946.
- F. No barcode – 4,484,033. Total – 49,440,002.

¹MODS

²USPS-T29, Attachment C

MMA/USPS-3.

Please refer to USPS witness Schenk's response to Part C of Interrogatory MMA/USPS-T43-7. There she claims that FY93 volumes comparable to the BY00 volumes she provided in worksheet "Delivery Volumes" of Library Reference USPS –LR-J-117 are not available to her knowledge. If available, please provide the FY93 First-Class letter-shaped volumes separately for single piece and presorted that were delivered by (1) rural carriers, (2) city carriers, and (3) to post office boxes. If such volumes are not available for FY93, please provide the best estimates that are available for FY93 and provide actual volumes for the closest FY period prior to and after FY93 for which actual data are available.

Response:

The data included in this response were not readily available. Obtaining the data involved contacting a witness in R-94 and obtaining the output containing the requested data. After an exhaustive search, the R94-1 witness found copies of relevant printouts in his personal files. Data are normally only archived for five years.

City Carrier First Class Mail Single Piece Letters	23,815,756,197
City Carrier First Class Mail Presorted Letters	22,324,832,895
Rural Carrier First Class Mail Single Piece Letters	3,204,542,000
Rural Carrier First Class Mail Presort Letters	3,113,859,000

Please note that the rural letters refer to the measurement definitions utilized for the rural carrier cost system, not the DMM definition for letters. There is no crosswalk available to convert the FY 1993 rural letter volumes to DMM letter volumes.

There are no estimates available for the volumes of mail delivered to PO Boxes for FY 1993.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

MMA/USPS-4 Please refer to your response to Part I of Interrogatory OCA/USPS-145. There you discuss potential cost differences between First-Class and Standard Mail processing costs if very large mailings were offered to the Postal Service.

- A. Please discuss any operational problems that might occur if the Postal Service were to receive a large mailing of 1 million non-presorted, non-barcoded letters at a window, dock or BMEU.
- B. Would the Postal Service meet its delivery standards under these circumstances?
- C. How large would the mailing have to be before the Postal Service would fail to meet its delivery standards?
- D. At what time would all the letters have to be processed by in order to meet its delivery standards?

Response:

- A. It depends. The primary factors would be the geographic location where the mail was entered and the nature of the mail. Your question encompasses one million pieces of non-machinable First Class Mail dropped without warning at a small, geographically remote plant in December without prior warning as one extreme, and one million pieces of OCR readable Standard letters at a large urban plant in July with plenty of warning at the opposite extreme. In the first instance, the plant might use their limited manual capability to sort the mail into 3-digit ZIP Code ranges suitable for dispatch to large plants in the appropriate areas. If the mail was machinable but not OCR readable, it could overwhelm a Remote Encoding Center which might respond by encoding the mail to only the first 5 digits of the ZIP Code to get as much processed on time as possible. If the mail is OCR readable with sufficient plant capacity on the night in question, the mailing would be handled in the

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

overtime authorized as necessary. Obviously, all of these tactics work better with prior warning. For Standard Mail, the processing differences described in OCA/USPS-145 apply. Also see response to GCA/USPS-T-29-25b.

B. It depends. See part a.

C. It depends. See part a.

D. In witness Kingsley's testimony (USPS-T10, pages 28 and 29) from Docket No.

R2000-1, the processing schedule for First-Class Mail is described. For Standard Mail, the color-coding standards require origin processing on the next day.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

MMA/USPS-6 Please confirm that the Postal Service does not know the following information concerning bulk metered mail (BMM) for either the base year or test year in this case from any data collection sources or from a special, in-depth study.

- A. Total volume;
- B. Average weight;
- C. Whether or not BMM is accepted by a window clerk;
- D. Average number of pieces per mailing;
- E. Average number of trays per mailing;
- F. Average number of pieces per tray;
- G. Volume or percentage that is machinable;
- H. Volume or percentage that is automation-compatible;
- I. Volume or percentage that has handwritten addresses;
- J. Volume or percentage that is delivery point sequenced;
- K. Volume or percentage that is delivered to a post office box;
- L. Volume or percentage that is barcoded by the Postal Service;
- M. Volume or percentage that is brought to a post office in trays;
- N. Volume or percentage that is plant loaded;
- O. Volume or percentage that is prebarcoded;
- P. Average unit cost for acceptance;
- Q. Average unit cost for mail processing;
- R. Average unit cost for delivery;
- S. Average unit cost for window service;
- T. Average unit cost for transportation;
- U. Average unit cost for recycling trays to BMM mailers;

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

RESPONSE TO MMA/USPS-6 (CONTINUED)

- V. Average unit cost for processing and delivering BMM letters that are UAA;
- W. Whether the average unit UAA delivery cost for BMM letters is higher or lower than the unit UAA delivery cost for an Automation letters;
- X. Why BMM mailers do not take advantage or workshare discounts;
- Y. The accuracy, completeness and reliability of BMM addresses;
- Z. Likely sources for BMM;
- AA. The reasons why the average delivery cost for First-Class single piece letters is 50% more than the Postal Service's estimated BMM delivery cost in this case;
- BB. Whether trucks of plant loaded BMM can bypass intermediary postal facilities and go directly to a HASP;
- CC. Whether the proportion of prebarcoded BMM is higher or lower than the proportion of prebarcoded metered letters;
- DD. Whether BMM is, in fact, the most likely type of mail that will shift from the single piece category to the workshare category; and
- EE. What volume or portion of the letters that can be expected to shift from single piece to workshare between the base and test years that are BMM.

RESPONSE:

- (A) Confirmed.
- (B) Confirmed.
- (C) Notwithstanding the absence of a data collection system or a special study, field observations suggest that the overwhelming bulk of BMM letters is deposited at either a loading dock or a Bulk Mail Entry Unit (BMEU). DMM regulations, however, place no restrictions on the BMM letters point of entry.
- (D) Confirmed. In addition, the Postal Service does not maintain this data for any presort letters rate categories.
- (E) Confirmed. In addition, the Postal Service does not maintain this data for any presort letters rate categories.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

RESPONSE TO MMA/USPS-6 (CONTINUED)

- (F) Confirmed. In addition, the Postal Service does not maintain this data for any presort letters rate categories.
- (G) Not confirmed. Notwithstanding the absence of a data collection system or a special study, field observations suggest that the overwhelming bulk of BMM letters is machinable.
- (H) Not confirmed. Notwithstanding the absence of a data collection system or a special study, field observations suggest that the overwhelming bulk of BMM letters is not barcoded, similar to the sample mail pieces included in the response to MMA/USPS-T22-15, Attachment 4.
- (I) Not confirmed. Notwithstanding the absence of a data collection system or a special study, field observations suggest that the overwhelming bulk of BMM letters contain a "clean," machine printed address, similar to the sample mail pieces included in the response to MMA/USPS-T22-15, Attachment 4.
- (J) Not confirmed. The actual Delivery Point Sequencing (DPS) percentages for all First-Class rate categories, as well as BMM letters, are not known. Estimates can be found in USPS LR-J-60.
- (K) Not confirmed. The actual percentages of post office box addresses for all First-Class rate categories, as well as BMM letters, are not known. Estimates can be found in USPS LR-J-60.
- (L) Not confirmed. An estimate can be found in USPS LR-J-60, page 15.
- (M) Not confirmed. BMM letters, by definition, are entered in trays.
- (N) Not confirmed. The term "plant load" does not apply to BMM letters.
- (O) Not confirmed. Please see the response to MMA/USPS-6(H).
- (P) Not confirmed. BMM letters are not subject to formal acceptance and verification procedures.
- (Q) Confirmed.
- (R) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

RESPONSE TO MMA/USPS-6 (CONTINUED)

- (S) Confirmed.
- (T) Confirmed.
- (U) Not confirmed. The meaning of this phrase is unclear.
- (V) Confirmed. Please see the response to MMA/USPS-T22-33(P).
- (W) Confirmed. Please see the response to MMA/USPS-T22-33(P).
- (X) Not confirmed. The Postal Service has been given some indication as to why. Please see the response to MMA/USPS-T22-16(A1).
- (Y) Confirmed. The Postal Service does not have data related to BMM letters address quality. However, BMM letters are generally considered to have "clean," machine printed addresses. In addition, the Postal Service does not maintain this data for any presort letters rate categories.
- (Z) Not confirmed. Please see USPS-T-22, page 19 at 3-24. In addition, please see USPS LR-J-155.
- (AA) Confirmed.
- (BB) Not confirmed. The term "plant load" does not apply to BMM letters.
- (CC) Not confirmed. Please see the response to MMA/USPS-6(H).
- (DD) Not confirmed. The Postal Service shares the Commission's view expressed in PRC Op. R2000-1 at [5089]:

The Commission also views a benchmark as a "two-way street." It represents not only the mail most likely to convert to worksharing, but also to what category current worksharing mail would be most likely to revert if the discounts no longer outweigh the cost of performing the worksharing activities.

In addition, please see USPS-T-22, page 19 at 10-26.

- (EE) Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS MILLER**

MMA/USPS-T22-3 On page 3 of your Direct Testimony you refer to USPS LR-J-50 as a source for wage rates. Please fill in the average clerk/mailhandler wage rates for the remaining boxes as shown in the table below. Please make corrections to the rates already provided, if necessary.

**Average Clerk / Mailhandler Wage Rates
Used And Projected By The United States Postal Service
In Docket Nos. R2000-1 And R2001-1**

DOCKET NO.	BASE YEAR	FISCAL YEAR	DATA SOURCE	AVERAGE CLERK - M/H WAGE RATE
R2000-1	1998	1998 (Actual)	USPS LR-I-127	\$ 24.88
R2000-1	1998	1999 (Projected)	USPS LR-I-127	\$ 25.90
R2000-1	1998	2000 (Projected)	USPS LR-I-127	\$ 26.95
R2000-1	1998	2001 (Projected)	USPS LR-I-127	\$ 27.97
R2000-1	1999	1999 (Actual)-Order 1294	USPS LR-I-421	\$ 25.88
R2000-1	1999	2000 (Projected)-Order 1294	USPS LR-I-421	\$ 26.99
R2000-1	1999	2001 (Projected)-Order 1294	USPS LR-I-421	\$ 28.45
R2001-1	2000	2000 (Actual)	USPS LR-J-50	\$ 27.07
R2001-1	2000	2001 (Projected)	USPS LR-J-50	\$ 28.44
R2001-1	2000	2002 (Projected)	USPS LR-J-50	\$ 29.57
R2001-1	2000	2003 (Projected)	USPS LR-J-50	\$ 30.77

RESPONSE:

In the wage rate column of the original table the term "M/H" was used, which typically denotes "mailhandlers." It is assumed that the aggregate clerk/mailhandler wage rates are what have actually been requested. Therefore, the table has been changed accordingly. In addition, these figures represent the average wage rates for all clerks and mailhandlers. The models in USPS LR-J-60 rely on de-averaged test year wage rates for "Remote Encoding Center (REC)" employees and "other mail processing" employees.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS MILLER**

MMA/USPS-T22-4 On page 5 of your Direct Testimony you discuss management plans to boost the percentage of letters that can be barcoded in the Remote Computer Read System (RCR) to 93.2% and reference the Decision Analysis Request ("DAR") entitled "Letter Recognition Enhancement Program" a redacted version of which has been filed as Library Reference USPS LR-J-62.

- B. Please explain the reasons why, in FY 1999, 50% of the letters could not be read and barcoded by the RCR.
- C. Please explain how the Postal Service intends to increase the percentage rate from the 69% it expects to achieve in FY 2001 to the 93.2% it expects to achieve in FY 2003.
- D. Please explain the reasons why, in FY 2003, 6.8% of the letters will not be read and barcoded by the RCR.

RESPONSE:

- (B) The Remote Computer Read (RCR) finalization rates in 1999 reflected the technology that existed at that time. In fact, system-wide deployment of the RCR systems had only been completed in July 1997. At that time, RCR could essentially only recognize and encode machine printed addresses. The encode rate for handwritten mail pieces was only 2 percent. However, soon after their deployment was completed, the Postal Service launched a series of aggressive RCR recognition improvement efforts. These efforts resulted in encode rates for handwritten mail pieces that improved to 23% by February 1998, and 53% by February 1999.
- (C) The Postal Service expects the system recognition rate to improve to 85 percent later this year. Please note that the "system recognition rate" refers to the combined Multi Line Optical Character Reader Input Sub System / Remote Computer Read (MLOCR-ISS/RCR) finalization rate and does not refer to the finalization rate of the RCR system itself. The Letter Recognition Enhancement Program (USPS LR-J-62) was approved by the Board of Governors in May and will further boost the aggregate MLOCR-ISS/RCR finalization rate to 93.2%. The supplier has an

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RESPONSE OF MMA/USPS-T22-4 (CONTINUED)

incentive, or "pay for performance" contract, wherein they will be compensated for the level of improvement actually achieved.

- (D) The Postal Service will never be able to finalize 100% of letters and cards that are processed by the MLOCR-ISS and RCR systems. A small percentage will always be unreadable. Under the Letter Recognition Enhancement Program (USPS LR-J-62), the Postal Service has targeted an aggregate finalization rate of 93.25. If the supplier were able to exceed expectations, however, the Postal Service has the funding to cover a 96.2% aggregate finalization rate. Were that scenario to occur, the percentage of mail that would not be finalized by the MLOCR-ISS/RCR system is 3.8%.

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MMA/USPS-T22-6 On page 7 of your Direct Testimony you state that postal automation technology "could also result in worksharing related savings estimates that shrink over time, if the impact of these changes are not offset by increased wage rates."

- A. Have you tested your conclusion that worksharing cost savings are likely to shrink over time? If yes, please provide the results of this analysis. If no, please explain why not.
- B. In Docket No. R2000-1, in its response to Order 1289, the Postal Service provided Attachment A, page 2, which included time series unit costs in constant dollars for First-Class single-piece and presort. Please confirm the following data from the table. If you cannot confirm, please provide the correct costs and explain.

**Comparison of First-Class Single Piece and Presort Unit Processing
And In-Office City Carrier Costs For Letter-Shaped Mail
(Constant 1989 Cents)**

YEAR	NONPRESORT	PRESORT	DIFFERENCE
1989	10.36	5.46	4.90
1990	9.71	5.36	4.35
1991	9.51	5.28	4.23
1992	8.99	5.07	3.92
1993	8.86	5.02	3.84
1994	9.09	5.01	4.08
1995	9.40	4.37	5.03
1996	9.55	3.98	5.57
1997	9.08	3.48	5.60
1998	8.66	3.45	5.21
1999	8.30	3.39	4.91

- C. Please update the table shown in Part B to include FY 2000 and cost projections through TY 2003. Please provide support for your answer.

RESPONSE:

Part A is answered by witness Miller.

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- B. Confirmed with the exception of two of the costs for the year 1995. The NONPRESORT unit cost for 1995 is "9.46" cents rather than "9.40" cents. See Docket No. R2000-1, TR46/21815. This leads to a slightly higher DIFFERENCE of "5.08" cents rather than "5.03" cents. I have made the correction below.

**Comparison of First-Class Single Piece and Presort Unit Processing
And In-Office City Carrier Costs For Letter-Shaped Mail
(Constant 1989 Cents)**

YEAR	NONPRESORT	PRESORT	DIFFERENCE
1989	10.36	5.46	4.90
1990	9.71	5.36	4.35
1991	9.51	5.28	4.23
1992	8.99	5.07	3.92
1993	8.86	5.02	3.84
1994	9.09	5.01	4.08
1995	9.46	4.37	5.08
1996	9.55	3.98	5.57
1997	9.08	3.48	5.60
1998	8.66	3.45	5.21
1999	8.30	3.39	4.91

- C. Unit costs for FY2000 to FY2003 are not available on the same basis as provided in the table shown in Part B. The costs in this table (as corrected in the response to part B) were based on the processing cost methodology used by the Postal Service prior to Docket R97-1. See Docket No. R2000-1, TR46/21807-21812. Unit processing and city carrier in-office labor costs based on the current costing methodologies can be

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obtained for First-Class nonpresort and presort letters for the years FY2000 and FY2003. Comparable estimates for FY1998 and FY1999 are available from Docket No. R2000-1. These costs are summarized in the Attachment to this response using both the Postal Service and the Postal Rate Commission methodology for mail processing costs. The trend results for DIFFERENCE are essentially the same under either methodology. The calculations for these two tables are shown in USPS LR-J-164.

**ATTACHMENT
MMA/USPS-T22-6**

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**Comparison of First-Class Single Piece and Presort Unit Processing
And In-Office City Carrier Costs For Letter-Shaped Mail
(Constant 1998 Cents)**

FY	NONPRESORT	PRESORT	DIFFERENCE
----	------------	---------	------------

USPS Version:

1998	9.83	4.20	5.63
1999	9.42	4.11	5.31
2000	8.99	3.66	5.33
2003	8.29	3.40	4.89

PRC Version:

1998	10.54	4.37	6.18
1999	10.13	4.28	5.84
2000	9.76	3.89	5.87
2003	8.99	3.61	5.38

Source: See USPS LR-J- 164.

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MMA/USPS-T22-7 On page 9 of your Direct Testimony you indicate why you have modified the classification of two cost pools, namely 1suppf1 and 1suppf4.

- A. Please confirm that these two cost pools, when combined, cost metered letters and automation letters .4428 and .1011 cents, respectively. If you cannot confirm, please explain.
- B. Please confirm that your data shows that, for these two cost pools, meter letters cost .3417 cents more than automation letters. If you cannot confirm, please explain.
- C. Please explain fully why metered letters cost on average more than 1/3 of a cent more than automation letters for these two cost pools.
- D. Please confirm that, in its Docket No. R2000-1 Opinion (PRC LR-18) the Commission found that the 1suppf1 and 1suppf4 cost pools combined were found to be .2926 cents for metered letters and .1217 cents for automation letters, indicating a "fixed" difference of .1709 cents. If you cannot confirm, please explain.
- E. In Library Reference USPS LR-J-84, p. 8, your analysis is duplicated using the PRC cost methodology. Please explain why the cost pools for 1suppf1 and 1suppf4 are each zero.

RESPONSE:

Parts A and B are answered by witness Miller and Part C is answered by witness Smith.

- D. Confirmed.
- E. Despite outward appearances, the costs for these cost pools are not zero. The rows for "MODS 99, 1SUPP_F1" and "MODS 99, 1SUPP_F4" are not applicable or relevant. Instead of these rows the costs are provided in the rows or cost pools "MODS 18, 1MISC" and "MODS 18, 1SUPPORT" for 1suppf1 and likewise in cost pools "MODS 48, LD48 OTH" and "MODS 48, LD48_ADM" for 1suppf4.

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MMA/USPS-T22-20 Please refer to Library Reference USPS LR-J-117 and page 7 of your Direct Testimony. In the library reference, USPS witness Schenk found that the unit delivery cost for an average First-Class single piece letter is 6.037 cents. You estimate the unit delivery cost for metered mail is 4.016 cents. You also note that postal technology now and in the future tends to reduce cost differences that might exist between prebarcoded, machine printed, and handwritten.

- B. What is the average weight for all single piece letter-shaped mail?
- C. What is the average weight for all metered letter-shaped mail?
- D. What percent of metered letters is not barcoded?
- E. What percent of all First-Class single piece letters is not barcoded?

RESPONSE:

- (B) 0.48 ounces.
- (C) RPW data by shape are not available by individual indicia.
- (D) 5.5%
- (E) 9.1%

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MMA/USPS-T22-28 Please refer to page 20 of your Direct Testimony and page 1 of Library Reference USPS LR-J-60, where you assume that the unit delivery cost for metered letters would be the same as for non-automation, machinable mixed AADC letters.

- C. What percent of First-Class single piece letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- D. What percent of First-Class metered mail letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- E. What percent of First-Class non-automation machinable AADC letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- F. What percent of First-Class presorted letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.

RESPONSE:

- (C) The Postal Service does not have data responsive to this request.
 - (D) The Postal Service does not have data responsive to this request.
 - (E) The Postal Service does not have data responsive to this request.
 - (F) The Postal Service does not have data responsive to this request.
-

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MMA/USPS-T22-39 Please refer to pages 41 and 43 of USPS-LR-J-60 where you derive the unit cost estimate for nonstandard single piece and nonstandard presort letters.

C. Please explain why the Postal Service proposes to charge nonstandard single piece letters less than 2-ounce single piece letters, when your cost analysis indicates that the nonstandard letters cost the Postal Service more to process.

D. Please explain why the Postal Service proposes to charge nonstandard presort letters less than 2-ounce presorted letters, when your cost analysis indicates that the nonstandard letters cost the Postal Service more to process.

RESPONSE:

(C) The nonstandard surcharge cost estimates do not use a methodology that warrants a comparison to mail pieces at additional weight steps. The nonstandard surcharge has only applied to the first-ounce weight step since its inception. In PRC Op. MC73-1, the Commission stated on page 26,

A surcharge is recommended only for mail in the first weight steps of first-class, airmail, and single piece third-class. This is because the purpose of the surcharge is to compensate the Service for the added costs of handling nonstandard mail. Above the first weight step revenues are sufficient to cover extra costs.

(D) Please see the response to MMA/USPS-T22-39(C).

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MMA/USPS-T22-42 Please refer to your response to Interrogatory MMA/USPS-T22-2 where you indicate your understanding that workshare mailers must meet the mail preparation requirements of the DMM.

- A. Please explain your understanding of the CASS certification process that automation mailers' address lists are subjected to. In your explanation, please discuss the differences, in terms of availability of automation discounts, between addresses that are:
 1. Codeable;
 2. Confirmed;
 3. Non-confirmed; and
 4. Invalid.
- B. Please confirm that mailers of BMM letters do not have to undergo CASS certification prior to mailing.
- C. Please explain the additional costs incurred by the Postal Service if an address on a BMM letter is:
 1. Confirmed;
 2. Non-confirmed; and
 3. Invalid.
- D. Please explain your understanding of Delivery Point Validation ("DPV") and whether the Postal Service plans to make DPV a mandatory requirement in order for letters to be eligible for Automation discounts. As part of your answer, please provide copies of all USPS documents discussing whether the Postal Service plans to make DPV a mandatory requirement in order for letters to be eligible for Automation discounts and the resulting benefits for the USPS.
- E. Please confirm that, in order qualify for Automation rates, the addresses must be printed such that:
 1. The spacing between each letter is 1 to 3 points wide;
 2. The height of each letter must be between 8 and 18 points;
 3. The height of an uppercase letter must be at least 8 point;

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RESPONSE TO MMA/USPS-T22-42 (CONTINUED)

4. The thickness of each letter must be uniform, between $\frac{3}{4}$ and 2 points wide;
 5. The font must be simple, without serifs;
 6. The space between two words must be at least 1 point;
 7. The space between two lines must be at least 2 points;
 8. The skew or slant of an address can be no more than ± 5 degrees;
 9. No dark colored or intricate backgrounds are allowed;
 10. There must be $\frac{1}{8}$ of clear space around the address;
 11. The address must be placed no less than $\frac{1}{2}$ " from the left side;
 12. The address must be placed no more than $\frac{1}{2}$ " from the right side;
 13. The address must be placed no more $2\frac{3}{4}$ " from the bottom;
 14. The address must be placed no less than $\frac{5}{8}$ " from the bottom;
 15. The envelope may not be less than $3\frac{1}{2}$ " high;
 16. The envelope may not be more than $6\frac{1}{8}$ " high;
 17. The envelope may not be less than 5 " wide;
 18. The envelope may not be more than $11\frac{1}{2}$ " wide;
 19. The aspect ratio must be between 1.3 and 2.5;
 20. The first bar of the barcode must start between $3\frac{1}{2}$ " and $4\frac{1}{4}$ " inches from the right side;
 21. The barcode clear zone must have no printing or background;
 22. The barcode clear zone runs $4\frac{3}{4}$ " long and $\frac{5}{8}$ " high from the right side.
 23. The barcode must fit between $\frac{3}{16}$ " and $\frac{7}{16}$ " from the bottom, preferably starting from $\frac{1}{4}$ " from the bottom; and
-

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RESPONSE TO MMA/USPS-T22-42 (CONTINUED)

24. The barcode must end no closer than 3/10 " from the right side;

RESPONSE:

- (A) Any mailing claimed at an automation rate must be produced from address lists properly matched and coded with Coding Accuracy Support System (CASS)-certified address matching software. Please see DMM Sections A800 and A950.
- (A1) The Postal Service typically uses the term "codeable" to refer to an address that obtains a successful ZIP+4 match using CASS-certified methods.
- (A2) The Postal Service typically uses the term "confirmed" to refer to an address that has been determined to be a valid delivery point. The CASS certification process does not currently validate addresses for specific delivery points.
- (A3) The Postal Service typically uses the term "non-confirmed" to refer to an address that has not been determined to be a valid delivery point.
- (A4) In address matching terms, the Postal Service does not typically use the term "invalid."
- (B) Confirmed. However, BMM letters are typically processed on systems like the Optical Character Reader (OCR) and Remote Computer Read (RCR) that can correct address deficiencies (e.g., an incorrect ZIP Code).
- (C) Given that BMM letters do not undergo CASS certification, these terms do not apply to BMM letters.

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RESPONSE TO MMA/USPS-T22-42 (CONTINUED)

(D) Delivery Point Validation (DPV) is a finer level address checking mechanism in which the delivery point for each address would be confirmed as valid. The current CASS certification process checks address ranges only. At this time, the Postal Service has no plans to make this a requirement for automation discount eligibility. However, the Postal Service has made DPV an option that software vendors can include in their products.

(E1) Please see DMM Section C830.2.5.

(E2) Please see DMM Section C830.2.3.

(E3) Please see DMM Section C830.2.3.

(E4) Please see DMM Section C830.2.2.b.

(E5) Please See DMM Section C830.2.1.

(E6) Please see DMM Section C830.2.6.

(E7) Please see DMM Section C830.2.7.

(E8) Please see DMM Section C830.2.8.

(E9) Please see DMM Section C830.3.5.

(E10) Please see DMM Section C830.4.1.

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RESPONSE TO MMA/USPS-T22-42 (CONTINUED)

(E11) Please see DMM Section A010, Exhibit 4.5.

(E12) Please see DMM Section A010, Exhibit 4.5.

(E13) Please see DMM Section A010, Exhibit 4.5.

(E14) Please see DMM Section A010, Exhibit 4.5.

(E15) Please see DMM Section C810.2.1.a.

(E16) Please see DMM Section C810.2.1.a.

(E17) Please see DMM Section C810.2.1.b.

(E18) Please see DMM Section C810.2.1.b.

(E19) Please see DMM Section C810.2.2.

(E20) Please see DMM Sections C840.2.3, C840.2.4, and C840.2.5.

(E21) Not confirmed. This interrogatory pertains to automation rate mailings. If a barcode is located on the lower right hand corner of a mail piece, the bar code clear zone would contain printing (i.e., the barcode).

(E22) Please see DMM Section C830.5.2.

(E23) Please see DMM Sections C840.2.3, C840.2.4, and C840.2.5.

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RESPONSE TO MMA/USPS-T22-42 (CONTINUED)

(E24) Please see DMM Sections C840.2.3, C840.2.4, and C840.2.5.

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MMA/USPS-T22-48 Please refer to your response to Interrogatory MMA/USPS-T22-18. There you state that you have no way to determine whether workshare mailers have need for window service.

- A. Please provide copies of USPS written guidelines, instructions, or rules that indicate where mailers must present their eligible First-Class automation letters. Is a window of a post office an option?
- B. Please state the average test year after rates window service cost for
 - 1. A First-Class single piece letter, and
 - 2. A First-Class presorted letter.
- C. For the two unit costs that you provide in response to Part B, please state the reasons, if you know, why the unit costs are different.

- E. Why are collection cost data not available?

RESPONSE:

- (A) Please see DMM Section D100.2.2.
- (B1) The window service cost estimate for a "single-piece letter" is calculated below. This estimate represents the costs for a "letter" as defined by the CRA and does not represent the costs for letter-shaped mail only.

$$\$478,346,000 * (100 \text{ cents}/\$) / 46,865,402,000 \text{ pieces} = 1.021 \text{ cents/pc}$$

- (B2) The window service cost estimate for a "presort letter" is calculated below. This estimate represents the costs for a "letter" as defined by the CRA and does not represent the costs for letter-shaped mail only.

$$\$33,963,000 * (100 \text{ cents}/\$) / 51,322,082,000 \text{ pieces} = 0.066 \text{ cents/pc}$$

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RESPONSE TO MMA/USPS-T22-48 (CONTINUED)

- (C) Please see USPS LR-J-1, page 3-13 for a description regarding the cost methodology used to develop cost segment 3.2.

* * *

- (E) Please see the response to MMA/USPS-T42-18(c).

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MMA/USPS-T22-76

Please refer to Library Reference USPS-LR- J-84. The table below compares (in Column 1) First-Class Mail cost avoidances for certain rate categories determined by using a modified version of Library Reference USPS J-84 to (Column 2) the discounts proposed for such rate categories in the amended December 26, 2001 settlement proposal ("Settlement"). For purposes of this interrogatory, USPS LR J-84 is modified by reclassifying four "nonworksharing related fixed" cost pools ("1 MISC" -- cost pool no. 36; "1 SUPPORT" -- cost pool no. 37; LD 48 OTH -- cost pool no. 44; and LD 48 ADM" -- cost pool no. 45, as shown on page 8 of USPS-LR-J-84(attached hereto as part of Attachment A) to the "worksharing related fixed" classifications applied in Docket No. 2000-1. Library Reference UPSS-LR J-84 also is modified by the use of the aggregate Non-Automation Presort Letters Delivery unit cost estimate. The resulting cost avoidances are shown on page 1 of Library Reference USPS-LR-J-84, which is also attached as part of Attachment A to this interrogatory, and in Column 1 below.

- A. Please confirm that the aforementioned reclassification of the cost pools and the substitution of the delivery cost estimate indicated above would result in the USPS LR J-84 cost avoidance calculations as shown in Column 1 of the Table below. If not, please provide the correct figures as well as the derivation of those numbers.
- B. Please confirm that the cost avoidance calculations shown in Column 1 of the Table exceed the discounts in the proposed Settlement, as shown in Column 2 of the Table.

Comparison of Workshare Cost Savings
Using the Docket No. R00-1 Methodology
With USPS Proposed Workshare Discounts

Rate Category	Workshare Cost Savings Docket No. R00-1 Methodology	USPS Proposed Discounts
Mixed AADC	7.994	6.1
AADC	9.076	6.9
3-Digit	9.439	7.8
5-Digit	10.711	9.2

RESPONSE:

(A) Confirmed.

(B) Confirmed.

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MMA/USPS-T28-1 Please provide, for the Test Year Before Rates, an exhibit similar to Exhibit USPS-28A but with attributable costs using the Commission's cost methodology rather than the Postal Service's proposed cost methodology. Please provide the source for the attributable costs.

RESPONSE:

The USPS-T-28 exhibits are in USPS-LR-J-138. The requested exhibit may be produced by entering the costs provided in USPS-LR-J-75, Volume F, Table E.

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MPA/USPS-2. Please refer to Docket No. R2000-1, USPS-LR-I-332, Table 1. In this table, the Postal Service estimated that three changes in mail preparation standards would have the combined effect of reducing Periodicals costs by \$14.885 million: (1) elimination of CRRT skin sacks; (2) LOO1 requirement; and (3) requirement to combine automation/nonautomation pieces in the same containers at the 5-digit level.

(a) Please confirm that the Postal Service did increase the sack minimum for Periodicals CRRT sacks to 24 pieces on January 7, 2001. If not confirmed, please explain fully.

(b) Please confirm that the Postal Service did require the use of the LOO1 sort scheme for Periodicals on January 7, 2001. If not confirmed, please explain fully.

(c) Please confirm that the Postal Service did require automation and nonautomation pieces to be placed in the same 5-digit containers on January 7, 2001. If not confirmed, please explain fully.

(d) Has the Postal Service updated its cost savings figures for these changes in mail preparation standards since it developed its Docket No. R2000-1 estimates? If so, please provide the updated cost savings estimates.

(e) Did the Postal Service include any cost savings from these changes in mail preparation standards in the Docket No. R2001-1 roll forward? If so, please provide a citation to the record where the Postal Service included these savings.

Response:

(a) Confirmed.

(b) Confirmed.

(c) Confirmed.

(d) No, the Postal Service has not updated these particular cost savings figures for the changes in mail preparation standards discussed in this question.


(e) It should be first noted that most, if not all, the assumptions underlying the cost development in the Order No. 1294 update in Docket No. R2000-1 changed with the

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Response continued:

development of the Docket No. R2001-1 filing. Among other things, the base is different, the economy is different and the operating environment is different. For example, the mail preparation cost savings included in the Order No. 1294 Update were \$9,211 thousand (See USPS-LR-I-408, page 3) and even if none of the aforementioned assumptions had changed, the results would be less than \$9,211 thousand. The Docket No. R2000-1 calculations were based on assuming implementation for an entire test year and the implementation date referenced in parts (a-c) of this question, January 7, 2001, occurs approximately four months into the test year. Thus, the recalculated FY 2001 savings, using the identical assumptions other than the implementation date, would be less by the value of four months of savings.

Despite the tenuous nature of a comparison between the Docket No. R2000-1 Order No.1294 Update and the Docket No. R2001-1 filing, Attachment 1 to this response attempts to lay out the Periodicals reductions as shown in the Update and the reductions as shown in the Docket No. R2001-1 filing. The left section shows the R2000-1 Order No. 1294 Update reductions for the year 2001 and the right section shows the R2001-1 reductions from Fiscal Year 2001 through the Test Year 2003. To the extent the mail preparation savings discussed in the interrogatory are included in the R2001-1 rollforward, they can be considered a portion of the estimated Breakthrough



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Response continued:

Productivity Initiatives (BPI) shown for Clerks and Mailhandlers. Similarly, to the extent City Carrier reductions are included in the R2001-1 rollforward, they can be considered a portion of the estimated BPI shown for City Carriers.

Periodicals ONLY -- All Amounts in 000s of Dollars

R2000-1 Order No. 1294 Update	
Source	FY 2001
LOT (USPS-LR-I-307)	(23,000)
MOU (DMA/USPS-1)	(7,000)
Total City Carrier	(30,000)
Aggressive Targets (DMA/USPS-2)	(1,999)
Add AFSM (DMA/USPS-ST42-2)	(4,000)
New Equipment (DMA/USPS-ST42-3)	(182)
Bundle Breakage (MPA/USPS-ST42-10)	(11,000)
Mail Prep (USPS-LR-I-332 without piggyback)	(9,211)
Total Clk/MH	(26,392)
All Other (USPS-LR-I-410, Volume D, Part I)	(56,661)
Grand Total	(113,053)

R2001 Reductions				
Source	FY 2001	FY 2002	FY 2003	Total
LOT (USPS-T-12 Exhibit 12A)	0	0	(26,710)	(26,710)
Operational Programs & BPI (Patelunas WP-A, WP-C, WP-E)	(2,796)	(2,812)	(2,459)	(8,067)
Total City Carrier	(2,796)	(2,812)	(29,169)	(34,777)
AFSM 100 - 2nd Buy (USPS-T-12, Appendix A)	(2,664)	(20,564)	(1,533)	(24,761)
AFSM 100 - 1st Buy (USPS-T-12, Appendix A)	(21,666)	(5,679)	-	(27,345)
Bundle Breakage (USPS-T-12, Exhibit 12A)	0	0	(7,875)	(7,875)
Other Mail Processing (USPS-T-12, Appendix A)	(3,409)	(2,217)	(21,243)	(26,870)
Estimated BPI (Patelunas WP-A, WP-C, WP-E)	(7,352)	(5,272)	(4,707)	(17,331)
Total Clk/MH	(35,091)	(33,733)	(35,358)	(104,182)
All Other (Grand Total minus City Carriers+Clk/MH)	(15,843)	(1,450)	705	(16,588)
Grand Total (Patelunas WP-A, WP-C, WP-E plus LOT & Bundle Breakage Final Adjustments)	(53,730)	(37,995)	(63,822)	(155,547)

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MPA/USPS3. Please refer to the attached memorandum from Michael Spates to Ralph Moden regarding Flat Casing Methods. In this memorandum, Mr. Spates states, "We anticipate that over the next six months local management can convert somewhere in the neighborhood of 50k routes from the DPS composite bundle work method to the DPS VFC work method. It is estimated that this action has the potential to save ten minutes per route per day or approximately \$70 million in the first full year." He further states that, "[t]he remaining 38k routes will be converted over a slightly longer period of time."

- (a) Has the Postal Service included these cost savings in its Docket No. R2001-1 roll forward? If so, please provide a citation to the record where the Postal Service included these savings.
- (b) In which month did the "first full year" that Mr. Spates was referring to begin?
- (c) When does the Postal Service expect to convert the "remaining 38k routes"?
- (d) Has the Postal Service updated Mr. Spates' cost reduction estimate since this memorandum was sent to Mr. Moden? If so, what is the Postal Service's new cost reduction estimate and when does it expect to realize the savings?
- (e) Does the Postal Service still believe that 50 percent of the savings will accrue to flats and fifty percent to letters? If not, what is the Postal Service's current view on the distribution of these cost savings?

Response:

- (a) The conversion, and resulting savings estimates, referenced in the memo began in May 2000. The conversion occurred more quickly than anticipated and was completed by Quarter 1 of Fiscal Year 2001. As such, most of the savings would be included in the Base Year 2000 costs that appear in the testimony of witness Meehan (USPS-T-11). Any further savings occurring after the beginning of

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Response continued:

Fiscal Year 2001 can be considered a portion of the Breakthrough Productivity Initiatives in R2001-1, which can be found in USPS-LR-J-49.

- (b) The first full year commenced in May 2000.
- (c) All of the conversion had been completed by the first quarter of Fiscal Year 2001.
- (d) No, there have been no updates to Mr. Spates's cost reduction estimate.
- (e) Yes, the Postal Service still believes that 50 percent of the savings will accrue to flats and 50 percent to letters.

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MPA/USPS-4. Please refer to your response to MPA/USPS2(e) where the Postal Service's estimate of cost savings resulting from the implementation of the L001 requirement, 24-piece CRRT sack minimums, and the requirement that automation and nonautomation pieces be combined in containers at the 5digit level is discussed. You state, "The Docket No. R2000-1 calculations were based on assuming implementation for an entire test year." Please refer further to USPS-LR-J-61, Period.xls, worksheet WAGE RATES and USPS-LR-I-332, method-Pallet-bb-dadc.xls, worksheet Wages.

(a) Please confirm that these new requirements will be implemented before the beginning of Test Year 2003 and therefore will be in effect for the entire test year. If not confirmed, please explain fully.

(b) Please confirm that the Postal Service's Docket No. R2000-1 cost savings estimate used a Test Year wage rate of \$28.244. If not confirmed, please provide the Test Year wage rate.

(c) Please confirm that the Test Year wage rate used by USPS witness Miller (USPS-T-24) for activities other than Labor Distribution Code 15 (Remoted Encoding Centers/Video Coding System) in USPS-LR-J-61 is \$30.840. If not confirmed, please provide the Test Year wage rate.

Response:

(a) Confirmed.

(b) Confirmed.

(c) Confirmed.

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MPA/USPS-5. Please refer to your response to MPA/USPS2(e) where you state, "Among other things, the base is different, the economy is different, and the operating environment is different."

(a) Please confirm that the mail preparation improvements identified in MPA/USPS-2 will go into effect after the end of the base year. If not confirmed, please explain fully.

(b) Please confirm that the state of the economy has no effect on the workhour savings that will result from improved mail preparation. If not confirmed, please explain fully how the economy will influence the workhour savings that will result from improved mail preparation.

(c) Please confirm that the cost savings from the changes in mail preparation requirements identified in MPA/USPS-2 result primarily from improved containerization. If not confirmed, please explain fully.

(d) Taking into account your response to subpart (c) of this interrogatory, please identify all differences in the Postal Service operating environment and the operating environment that was envisioned when the Postal Service filed USPS-LR-I-332 in Docket No. R2000-1 that will significantly change the cost savings resulting from the improved mail preparation requirements identified in MPA/USPS-2. For each difference, please describe in detail why the difference will significantly change the cost savings estimate.

Response:

(a) Confirmed.

(b) Not confirmed. Workhour savings resulting from improved mail preparation are dependent on the volume of mail. If the state of the economy has some influence on mail volume and that mail volume decreases, the workhour savings would be less. For example, even with improved mail preparation of Periodicals, the volume decrease forecasted in this case results in a decrease in workhour savings.

(c) Confirmed.

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Response continued:

- (d) The operating environment as used in the response to MPA/USPS2(e) refers not to the mail flows through operations, but rather it refers to the overall environment the Postal Service finds itself in. This definition is used in conjunction with the two earlier points that the base is different and the economy is different. An important example of this expanded definition is the budget process operating between the field and Headquarters. Prior to BPI, or Bold Actions, cost savings initiatives were more defined for the field by Headquarters. Initiatives were targeted on functions, specific operations, type of facility, etc. Under BPI/Bold Actions, more discretion is left to the field to achieve overall savings targets. Initiatives are more general because the field knows what functions and which plants offer the best opportunities to realize the savings.

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MPA/USPS-6. Please refer to your response to MPA/USPS2(e) where you state, "To the extent the mail preparation savings discussed in the interrogatory are included in the R2001-1 rollforward, they can be considered a portion of the estimated Breakthrough Productivity Initiatives (BPI) shown for Clerks and Mailhandlers." Please refer further to USPS-LR-J-49, Exhibits A and E.

(a) Please provide the Postal Service's official definition of BPI.

(b) Does the Postal Service consider cost reductions resulting from decreases in mail volume (which reduce total USPS workload) part of BPI cost savings? If your response is anything other than an unqualified "no", please explain your response fully.

(c) Does the Postal Service consider cost reductions resulting from changes in mail mix from high-cost mail (e.g., Basic Nonautomation flats) to low-cost mail (e.g., 5-Digit Automation flats), which reduce total USPS workload, a part of BPI cost savings? If your response is anything other than an unqualified "no", please explain your response fully.

(d) Does the Postal Service consider cost reductions resulting from improved mail preparation (e.g., improved containerization), which reduces total USPS workload, a part of BPI cost savings? If your response is anything other than an unqualified "no", please explain your response fully.

(e) When the Postal Service developed the BPI Other Program and Cost Reduction Program cost reduction estimates that were included in Docket No. R2001-1, did it explicitly include the cost savings that will result from (i) the implementation of a L001 requirement for Periodicals, (ii) the increase in Periodicals CRRT sack minimums to 24 pieces, and (iii) the implementation of the requirement for periodicals mailers to combine automation and nonautomation pieces in containers at the 5-digit level? If so, please provide the workpapers that the Postal Service used to include these cost savings.

(f) Please explain in detail the method that the Postal Service used to distribute total BPI Other Program and Cost Reduction Program cost savings to mail classes and subclasses.

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Response:

(a) Breakthrough Productivity Initiative (BPI) is the former name for what is now termed "Bold Actions". Please refer to pages 5 and 8 of the FY 2002 Integrated Financial Plan, provided as Attachment I to OCA/USPS-T6-7.

(b) No.

(c, d) Yes, but only in a limited sense. The shift from high-cost mail to low-cost mail that results from deliberate actions of the Postal Service could qualify as BPI. Examples of such deliberate actions are: working directly with the mailing community to modify mailing behaviors (both at a local and a national level), implementing incentives to influence shifts to the low-cost mail, and implementing disincentives for continuing to use high-cost mail. Also, it is difficult for the Postal Service to quantify the savings that might result from mail preparation requirements because it does not know what mailers will participate or their level of participation. For example, with the advent of Line-of-Travel, some mailers stopped making carrier route sortations, which resulted in higher cost mail for the Postal Service.

With those caveats in mind, the Order No. 1294 mail preparation cost savings are contemplated in the cost savings in this case as laid out in MPA/USPS-2, Attachment 1. They are incorporated either explicitly or in the form of providing the means for field managers to achieve cost saving reductions. For instance, it might be difficult to specify to each of the thousands of postal facilities affected by the five-digit scheme change what

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Response continued:

their portion of the total savings would be. Instead, it is grouped with a variety of programs that provide an opportunity for savings.

(e) No.

(f) In the rollforward, the BPI cost reductions and other programs are distributed as shown on the following table:

<u>Cost Segment</u>	<u>Components</u>
2	4, 7, 9, 13, 14, 16, 17, 18, 15, 680, 26, 29, 30, 31, 32, 600, 601, 674, 675, 676, 677, 678, 33
3	35, 40, 66, 421, 422, 423, 467, 468, 469, 470, 471, 41, 227, 228
6&7	43, 44, 45, 46, 48, 49, 50, 52 53, 54
10	69, 70
11	74
12	84, 685, 82, 83, 85, 86, 543, 88 545, 548
14	142, 143
15	168
16	177
18	193

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MPA/USPS-7. Please refer to your response to MPA/USPS-3(a) where you state, "The conversion; and resulting savings estimates, referenced in the memo began in May 2000. The conversion occurred more quickly than anticipated and was completed by Quarter 1 of Fiscal Year 2001. As such, most of the savings would be included in the Base Year 2000 costs that appear in the testimony of witness Meehan (USPS-T-11). Any further savings occurring after the beginning Docket No. R2001-1 of Fiscal Year 2001 can be considered a portion of the Breakthrough Productivity Initiatives in R2001-1, which can be found in USPS-LR-J-49."

(a) When the Postal Service developed the BPI Other Program and Cost Reduction Program cost reduction estimates that were included in Docket No. R2001-1, did it explicitly include the cost savings that will result from the conversion of routes to the Delivery Point Sequencing Vertical Flats Casing (DPS VFC) work method? If so, please provide the workpapers that the Postal Service used to include these cost savings.

(b) If your response to subpart (a) is yes, when developing the BPI Other Program and Cost Reduction Program cost reduction estimates that were included in Docket No. R2001-1, what percentage of the savings from converting routes to the DPS VFC work method did the Postal Service assume were reflected in Base Year 2000 costs? If you cannot provide a precise estimate, please provide your best guess.

(c) Please identify by month the total number of routes that were converted to the DPS VFC work method from the beginning of the conversion to its completion in the first quarter of Fiscal Year 2001. If you cannot provide a precise estimate, please provide your best guess.

(d) Please confirm that the \$70 million cost savings estimate developed by Mr. Spates related only to converting the first 50k routes. If not confirmed, please explain fully.

Response:

(a) No.

(b) Not applicable.

(c) There was no monthly tally of the number of routes converted. On February 1, 2001 a count was taken and at that point 95,663 routes had been

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Response continued:

converted. Dividing that total by ten months yields an average of 9,566.3 per month.

(d) Confirmed.

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MPA/USPS-8. Please refer to USPS-LR-J-49, Exhibit H and confirm that the Test Year (TY) 2003 wage rate for city carriers is \$32.70 (\$58,002/1,774 workhours). If not confirmed, what is the TY 2003 wage rate for city carriers? Docket No. R2001-1.

Response:

Confirmed.

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MPA/USPS-9. Please refer to MPA/USPS-2, Attachment 1, which contains a comparison of R2001-1 Reductions and R2000-1 Order No. 1294 Update Cost Reductions.

(a) Please identify the cost reduction programs that were included in the row titled "All Other (USPS-LR-I-410, Volume D, Part I)."

(b) Please confirm that the TY2001 cost savings shown in the R2000-1 Order No. 1294 Update, Total City Carrier and Total Clerk/Mail Handler rows of Attachment 1 exclude the cost savings that were included in the Postal Service's original Docket No. R2000-1 filing. If not confirmed, please explain fully.

(c) Please confirm that in the Postal Service's original Docket No. R2000-1 filing, the Postal Service included TY2001 cost savings for the following clerk/mailhandler cost reduction programs. If not confirmed, please explain fully.

- (i) Flat Mail Optical Character Reader
- (ii) Accelerate Automated Flat Sorting Machine (AFSM) Buy into 2001
- (iii) Additional AFSM to Upper Bound
- (iv) Improve Function 4 Productivity
- (v) Increase Manual Flat Productivity

Response:

(a) The "All Other" line is the "Grand Total" line minus the "Total City Carrier" and "Total Clk/MH" lines. The "Grand Total" line consists of the Total Cost Segment 3 amount of 72,796 minus the 26,392 amount on the "Total Clk/MH" line (further detail on these cost reductions is available on page 2 of USPS-LR-I-408). The "Grand Total" line also contains the Total Cost Segments 6 and 7 amount of 31,861 minus the 30,000 amount on the "Total City Carrier" line (further detail on these cost reductions is available on page 3 of USPS-LR-I-408). Additionally, the "Grand Total" line contains the Cost Segment 11 cost reduction of 42 for TMS and MTEC (further detail on

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Response continued:

these cost reductions is available on page 2 of USPS-I-408). Lastly, the "Grand Total" line contains 8,354 of Cost Segment 14 transportation cost reductions.

(b) Confirmed.

(c) Confirmed.

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MPA/USPS-10 Please refer to the attachment to the United States Postal Service's response to POSTCOM/USPS-T39-10. Please provide in electronic form a Flats Performance Achievement spreadsheet for each accounting period for which data is available.

Response: The requested electronic files have been provided in USPS-LR-J-176.

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MPA/USPS-12. Please refer to the Postal Service's responses to MPA/USPS-3 and MPA/USPS-7 where it discussed the conversion of routes to the delivery point sequence vertical flat casing (DPS VFC) work method.

(a) How many routes in total were converted to the DPS VFC method?

(b) On what date was the conversion completed?

Response:

- (a) The count of 95,663 provided in the response to MPA/USPS-7(c) is the best available figure.
- (b) The statement "All of the conversion had been completed by the first quarter of Fiscal Year 2001" provided in response to MPA/USPS-3(c) is the most precise date available.

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MPA/USPS-13. Please refer to the Postal Service's responses to MPA/USPS-3(a) where it stated, "As such, most of the savings would be included in the Base Year 1000 costs that appear in the testimony of witness Meehan (USPS-T-11)." Please quantify the Base Year 2000 cost savings that resulted from converting routes to the delivery point sequence vertical flat casing (DPS VFC) work method and provide your underlying calculations in an electronic spreadsheet format.

Response:

It is impossible to quantify the Base Year 2000 cost savings that resulted from converting routes to the delivery point sequence vertical flat casing (DPS VFC) work method. The Base Year 2000 costs are as presented in the case and they reflect any savings that resulted from any of the Postal Service's efforts.

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REDIRECTED FROM WITNESS TAUFIQUE

MPA/USPS-T34-35. Please describe all Postal Service plans to ensure that it will capture the savings from increased dropshipping that are estimated to result from your proposed rate design.

RESPONSE:

The Postal Service is planning to train both its own personnel and mailers regarding the implementation of this classification change. Normal rate and classification procedures include dissemination of communications material and various methods of training provided to mail acceptance and operations personnel. These methods include national training sessions for all managers of Business Mail Acceptance and satellite broadcasts of live and pre-taped training programs. The communications material includes facility posters, scripted service talks, multimedia presentations and updated postal publications and manuals.

New discounts provide formidable challenges in assuring that worksharing savings are immediately realized. The dropship proposal is illustrative of this. The Postal Service's proposal provides incentives for more Periodicals mailers to dropship. However, it is particularly difficult to measure precisely the extent of additional dropshipping as customers, including their printers and consolidators, are still working through how they can best use these discounts.

As such, the Postal Service's plans are to work with the Periodicals associations and printers to get their assessments of the amount of additional dropshipping

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MPA/USPS-T34-35, Page 2 of 2

they believe will occur, and the timing of the increased activity. Those assessments can be factored into operational productivity goals. However, the accuracy of the mailer assessments is important. The more accurate the estimates are, the better we can adjust operations to minimize costs.

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REDIRECTED FROM WITNESS KINGSLEY

MPA/USPS-T39-7 Please confirm that periodicals mail that is entered at the Destination Delivery Unit, Destination Sectional Center Facility, and Destination Area Distribution Center does not incur plant load costs. If not confirmed, please explain fully.

Response:

A large mailing, with the vast majority as destination entered, does not incur plant load costs for the dropshipped portion. However, the residual portion of the mailing may have included plant load volumes.

**RESPONSE OF UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS SCHENK**

MPA/USPS-T43-1. In Section II of your testimony, you discuss your methodology for calculating cost savings from reduced bundle breakage.

- (a) Please confirm that the Postal Service recently promulgated new standards for the packaging of flats, that these new standards became effective on July 1, 2001, and that these standards were designed to improve package integrity. If not confirmed, please explain fully.
- (b) Please refer to the "Additional Efforts To Reduce Package Breakage and Associated Costs" section of the Federal Register notice titled "Preparation Changes for Securing Packages of Mail." (February 20, 2001, page 10870) and confirm that the mailing industry and the Postal Service are working on multiple fronts to improve package integrity. If not confirmed, please explain fully.
- (c) Has the Postal Service undertaken a data collection effort to precisely quantify the extent to which these joint USPS-mailing industry efforts have improved package integrity? If so, please provide the data. If not, does the Postal Service have plans to collect this information and when will this data collection occur?

RESPONSE:

- (a) Confirmed.
 - (b) Confirmed.
 - (c) The Postal Service has not undertaken a data collection effort regarding the joint USPS-mailing industry efforts to improve package integrity. It had planned to begin data collection in October 2001. However, the events of September 11, 2001 and its aftermath have delayed the start of the effort until January or February 2002.
-

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
MAGAZINE PUBLISHERS OF AMERICA REDIRECTED FROM WITNESS SCHENK**

MPA/USPS-T43-5. Please refer to Section III of your testimony.

- (b) Please confirm that implementing the LOT requirement does not require significant changes to city-carrier operational procedures. If not confirmed, please explain fully.

RESPONSE:

- (b) Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-1 Please refer to Page 28, lines 7 to 9, of your testimony.
Please provide the Postal Service's best information regarding:

- a. The total number of routes;
- b. The number of routes that use vertical flats cases (which you characterize as "most" routes); and
- c. The number of routes that (sic) uses (sic) horizontal flats cases.

Response:

- a. The number of city routes at the end of FY 2000 totaled 168,119.
The number of rural routes at the end of FY 2001 totaled 69,066.
- b. Routes using the vertical flat cases are determined locally and are not tracked exactly on a national basis.
- c. Routes using the horizontal flat cases are determined locally and are not tracked exactly on a national basis.

RESPONSE OF UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-2 Please describe the physical characteristics of, and how sorting of Standard A Enhanced Carrier Route mail is performed using:

- a. Vertical flats cases
- b. Horizontal flats cases

Response:

Standard Enhanced Carrier Route mail can be either letters or flats and come in delivery sequence.

- a. In a vertical flat case scenario, all letters and flats are cased together. This includes Standard Enhanced Carrier Route mail.
- b. In a horizontal flat case scenario, letters and flats are cased separately. This is true even with Standard Enhanced Carrier Route mail.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-3 Please describe the letter casing arrangements for First Class and Standard A mail in offices with:

- a. Vertical flats cases
- b. Horizontal flats cases

Response:

- a. In vertical flat case offices the letters are cased with the flats.
- b. In horizontal flat case offices, the letters are cased separately.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-4 Has the Postal Service conducted any study of the cost savings associated with walk-sequencing since the Shipe study that was in evidence in Docket No. R90-1? If so, please provide copies of all such studies.

Response:

No.

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NAA/USPS-T39-5 Please provide the best information available regarding the average or typical number of delivery points for each of the following types of routes, and indicate the source of the number:

- a. Single Delivery Residential
- b. Multiple Delivery Residential
- c. Business and Mixed

Response: Postal Service HQ does not track the "average or typical" number of delivery points by type of route.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-6 Please refer to Page 28, lines 7 to 9, of your testimony. On the routes with a large proportion of centralized delivery that use a horizontal flats case, how many in-office handlings of flats are typically required?

Response:

Typical handlings are as follows:

- 1 – Case flats.
- 2 – Sweep flats and separate multiple streets that were cased in single separations.
- 3 – Collate in sequenced mailings.
- 4 – Collate in additional walk-sequence-saturated mailings (if necessary).
- 5 – Prepare mail to take out on route (i.e., "strapping out").

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-7 Please describe the physical dimensions, layout, and capacity of vertical flats cases.

Response:

Carrier cases come in three types (type "124", "143" and "144"). Vertical flats cases (VFC) are a configuration of existing carrier cases. Each type can have either four, five, or six shelves for VFC and can accommodate between 4.5 feet and 13.5 feet of flats depending on the type/shelve combination. Vertical flats cases are typically used in combinations of two to four cases. Depending on the number and type of cases used, they will require between 39 and 79 square feet of floor space for the group of cases.

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NAA/USPS-T39-8

How many separations do vertical flats cases contain?

Response:

Each shelf typically has 40 one-inch separations with one or two deliveries per separation. Therefore, a four-shelf will accommodate up to 320 possible delivery points, a five-shelf case up to 400, and a six-shelf up to 480.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-9

How many separations do horizontal flats cases contain?

Response:

Shelves are moveable and arranged according to local needs, but commonly there are 24 separations, arranged four per shelf in a six shelf case.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-10

How many addresses are served by each separation in a vertical flats case?

Response:

One or two addresses per separation. One address per separation is recommended if space is available.

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NAA/USPS-T39-11

How many addresses are served by each separation in a horizontal flats case?

Response:

The number of addresses per separation in a horizontal flats case is locally determined based on space, delivery points, and the number of streets or block faces. It is unlikely that more than ten percent of the delivery points would be sorted to a single separation.

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REDIRECTED FROM WITNESS KINGSLEY

NAA/USPS-T39-12

Please provide the best information available regarding the average or typical number of delivery points on:

- a. Park and loop routes
- b. Curblin routes

Response:

- a. The average number of delivery points for park and loop 1) city routes: 475, 2) highway contract routes: 105, and 3) rural routes: 501.
- b. The average number of delivery points for curblin 1) city routes: 532, 2) highway contract routes: 195, and 3) rural routes: 440. See response to VP/USPS-10 for average number of delivery points for city routes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-1 In First-Class Letters and Sealed Parcels, Regular, please confirm that there is substantial averaging of costs by shape (i.e., letter-shaped, flat-shaped, and nonletter/nonflat-shaped). If you do not confirm, please explain.

RESPONSE:

It can be confirmed that the costs for First-Class single-piece presort letters, flats, and sealed parcels are averaged and reported as First-Class Mail "single-piece letters" in the Cost and Revenue Analysis (CRA). It can also be confirmed that the costs for First-Class nonautomation presort letters, flats and sealed parcels are averaged and reported as part of First-Class Mail "presort letters" in the CRA. See USPS LR-J-2.

The use of the term "substantial" is questionable, however, as the vast majority (nearly 90%) of these mail pieces are letter-shaped. See USPS LR-J-112 Table 11.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-2

- (a) Please confirm that shape (i.e., letter-shaped, flat-shaped, and nonletter/nonflat-shaped) is a cost-driving factor in First-Class Letters and Sealed Parcels, Automation-Presort. If you do not confirm, please explain.
- (b) Please confirm that shape is a cost-driving factor in First-Class Letters and Sealed Parcels, Regular. If you do not confirm, please explain.
- (c) Please confirm that shape should be recognized in the rate structure of First-Class Letters and Sealed Parcels, Regular. If you do not confirm, please explain.
- (d) Please confirm that a more complex rate design (different rates for each weight/shape cell) for pieces weighing over one ounce would more closely align costs with rates. If you do not confirm, please explain.

RESPONSE:

(a) It can be confirmed that shape is a cost driver for First-Class Mail single-piece and nonautomation presort letters, flats, and sealed parcels mail processing (USPS LR-J-53) and delivery unit costs (USPS LR-J-117).

(b) It can be confirmed that shape is a cost driver for First-Class Mail automation presort letters, flats, and sealed parcels mail processing (USPS LR-J-53) and delivery unit costs (USPS LR-J-117).

- ~~(c) Redirected to witness Robinson for response.~~
- ~~(d) Redirected to witness Robinson for response.~~

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
OCA/USPS-4**

In the First-Class Letters and Sealed Parcels subclass,

- (a) Please confirm that as the weight of mail increases, the proportion of letter-shaped pieces decreases and the proportion of flat-shaped and nonletter/nonflat shaped pieces increases. If you do not confirm, please explain.
- (b) Please confirm that flat-shaped pieces are more costly to process and handle than letter-shaped pieces, and nonletter/nonflat-shaped pieces are more costly to process and handle than flat-shaped pieces. If you do not confirm, please explain.

RESPONSE:

(a) In general, this can be confirmed. See USPS LR-J-112 Table 11.

(b) Confirmed. This response assumes this question refers to the "processing and handling" costs associated with mail processing tasks. See USPS-T-15, Attachment 15, page 1.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-5 For First-Class 1) letters, 2) flats, and 3) nonletters/nonflats, please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for any processing equipment to be deployed by the Postal Service through the test year.

RESPONSE:

Mail processing equipment manufacturers must design their equipment around the standards contained in the Domestic Mail Manual (DMM). Once this equipment is purchased and deployed, tests are not typically conducted to evaluate the extent to which specific pieces of equipment may be able to handle variations in DMM standards. If attempts were made to process mail that exceeds DMM standards on equipment designed around those standards, the equipment could be damaged. In addition, DMM standards are necessary to ensure that mail can be processed through the entire network. Consequently, the ability of one or more pieces of equipment to accommodate a small amount of variation is irrelevant.

Length, Thickness, and Height: Mail processing equipment manufacturers must design their equipment around the standards contained in the Domestic Mail Manual (DMM) section C050 Exhibit 2.0 for machinable letters, flats, and parcels.

Weight: Mail processing equipment manufacturers must design their equipment around the weight standards contained in DMM sections C810.2.4, C820.2.4 and C050.4.0 for machinable letters, flats, and parcels, respectively.

Aspect Ratio: The aspect ratio requirement applies to letters only. Mail processing equipment manufacturers must design their equipment around the standard contained in DMM section C810.2.2.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-6 Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at page 2, lines 4-5.

- (a) Please define the term *mailstream*.
- (b) Is shape the defining characteristic of Postal Service processing mailstreams? Please explain.
- (c) Please confirm that there are only three distinct processing mailstreams, e.g., letters, flats and parcels. If you do not confirm, please explain.
- (d) Is manual processing considered a separate mailstream? Is manual processing of letters, flats and parcels considered three separate mailstreams? Please explain.
- (e) Is the processing of bundles, sacks and trays considered three separate mailstreams? Please explain.
- (f) Is Priority Mail considered a separate mailstream? Please explain.

RESPONSE:

(a) The term "mailstream" refers to a grouping of mail pieces based on specific mail piece characteristics. This term is typically used when referring to the processing steps required to sort and finalize the mail pieces within a given mailstream. The term is somewhat generic and can be used in many different contexts. For example, one could refer to the "letters mailstream" when referring to the processing steps required to sort and finalize all letters. One could also use this term in a more limited sense, such as the "First-Class single-piece letters mail stream."

(b) On a macro level, yes. On a micro level, there are mailstreams within the larger shape mailstream. For example, within letter processing, operations typically manages and thinks in terms of an automated and a manual mailstream.

(c) On a macro level, this can be confirmed, but not on a micro level. For example, parcels have various mailstreams depending on class and processing category (machinability). Within the larger overall parcel mailstream, there are

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

**Package Services machinable, non-machinable, and irregular parcel
mailstreams, which differ from separate flows for First Class and Priority parcels.**

(d) Again, it depends on the context in which the term "mailstream" is being used. In most instances, it can be confirmed that manual letters, flats, and parcels are considered to be as few as three mailstreams. However, one could refer to the First-Class manual letters mailstream versus the Standard Mail manual letters mailstream when discussing the processing steps required to sort and finalize mailpieces.

(e) No. A "mailstream" typically refers to the mailpieces themselves, as defined by specific mailpiece characteristics. The operations required to process bundles, sacks, or trays would typically be subset of all mail processing operations required to sort and finalize the mail pieces in a given "mailstream," assuming the mail pieces within that mailstream were entered in bundles, sacks, or trays.

(f) Yes, in the context of mail processing operations.

10/19/01

**SUPPLEMENTAL RESPONSE OF THE POSTAL SERVICE TO AN
INTERROGATORY OF THE OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-7. The following interrogatory refers to a case study, "Pushing the Envelope, The U.S. Postal Service Digs Deep to Deliver What Customers Really Want," by Francia Smith, Lizbeth Dobbins, and Janet Tonner. A copy of the article is attached. The case study indicates that "Postal Service managers have access to as many as 180,000 business-satisfaction surveys and 200,000 residential surveys every three months. And while customer satisfaction surveys have been around for a long time, what makes these different – and a great model for any service company – is that the results are linked by ZIP Code to precise locations and operations at the Postal Service."

(b) For each year and each three month period in FY 2000 and FY 2001, please provide by postal region, a copy of the survey results referred to in the case study.

RESPONSE:

(b) Objection and joint motion for protective conditions filed on October 9, 2001. The joint motion was granted on October 12. See Presiding Officer's Ruling No. R2001-1/2. The Postal Service is providing the FY 2000 and 2001 national results for class-specific questions of its Business Customer Satisfaction Survey in LR-J-148 under the protective conditions.

**RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES OF
THE OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-7. The following interrogatory refers to a case study, "Pushing the Envelope, The U.S. Postal Service Digs Deep to Deliver What Customers Really Want," by Francia Smith, Lizbeth Dobbins, and Janet Tonner. A copy of the article is attached. The case study indicates that "Postal Service managers have access to as many as 180,000 business-satisfaction surveys and 200,000 residential surveys every three months. And while customer satisfaction surveys have been around for a long time, what makes these different – and a great model for any service company – is that the results are linked by ZIP Code to precise locations and operations at the Postal Service."

- (a) Please provide copies of the 180,000 business-satisfaction surveys and 200,000 residential surveys that are performed every three months.
- (b) For each year and each three month period in FY 2000 and FY 2001, please provide by postal region, a copy of the survey results referred to in the case study.

RESPONSE:

- (a) Attached are a copy of the U.S. Postal Service Customer Satisfaction Survey (Attachment A) and a copy of the U.S. Postal Service Business Satisfaction Survey (Attachment B).
- (b) Objection and joint motion for protective conditions filed on October 9, 2001.

U.S. POSTAL SERVICE CUSTOMER SATISFACTION SURVEY

S504E

To be completed by an individual knowledgeable about the household's mail. Please base your answers only on *your household's direct experience during the past 30 days* – not on what you have heard from others, experienced in the workplace, learned from the news, or on experiences older than 30 days. Your answers to these questions will be kept confidential and will only be used to identify groups of similar respondents for statistical purposes.

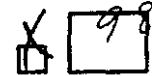
Please follow the steps below carefully when completing this survey:

- Use a blue or black ink pen that does not soak through the paper.
- Make solid marks that fit in the response boxes. (Make no stray marks on the survey.)

RIGHT WAY ▶



WRONG WAY ▶



Mail You Receive

- 1 Based on your experiences during the *past 30 days*, please rate the Postal Service on each of the following aspects of your mail delivery. (PLEASE MARK ONE ANSWER BY PUTTING AN "X" IN THE APPROPRIATE BOX ☒ FOR EACH STATEMENT.)

	Excellent ▼	Very Good ▼	Good ▼	Fair ▼	Poor ▼	Don't Know ▼
a. Delivery of mail to the correct address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Delivery of mail in good condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Delivery of mail about the same time each day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Carrier was professional and courteous	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. The security of your mail (that it will remain unopened and safe from theft and/or loss)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. The security of mail in your mailbox	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Overall quality of your mail delivery service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- 2 During the *past 30 days*, have you experienced the following situation with Postal Service deliveries to your residence? (IF "NO," MARK THE "NOT AT ALL" BOX. IF "YES," MARK THE BOX ☒ INDICATING HOW MANY TIMES.)

In the past 30 days?	Not at all ▼	Once ▼	2-3 times ▼	More than 3 times ▼	Don't Know ▼
a. Received mail intended for a different address	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Received statements, bills or correspondence addressed to a previous resident	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Received damaged mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Received magazines or newspapers later than expected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Received advertising mail too late to take advantage of coupons or sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Mail delivered after 5:00 p.m.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Carrier did not pick up your outgoing mail	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Letter or package delivered to your home was left in an unsafe place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In the *past 30 days*, what happened if no one was at home when your Postal carrier had a package to deliver to your household? (MARK ONLY ONE.)

You got a notice of attempted delivery and...

- ☐ you picked up your package at the post office
☐ you requested redelivery

Carrier left the package...

- ☐ with someone (Examples: neighbor, rental office, etc.)
☐ in a locked box or locker
☐ for you (Examples: on porch, near mailbox, etc.)
☐ Not applicable, no package received (*Go to Q #5*)
☐ Not applicable, someone was home (*Go to Q #5*)

4 Thinking about your answer to question #3, please rate how well this delivery method met your needs.

Excellent	Very Good	Good	Fair	Poor	Don't Know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Mail You Send

5 Based on your experiences in the *past 30 days*, please rate the U.S. Postal Service on each of the following:

	Excel- lent	Very Good	Good	Fair	Poor	Does not apply
a. Ease of buying stamps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Ease of mailing letters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Ease of mailing a package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Easy to decide which mailing options to use (Examples: Priority Mail, insurance, registered mail, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Ease of deciding which mailing form to use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Ease of returning merchandise you ordered ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Convenient location of a post office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Convenient location of a mail collection box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Level of confidence that mail you send is received ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. The time it usually takes for a letter you send to be delivered in your local area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. The time it usually takes for a letter you send to be delivered in other parts of the country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6 Where do you normally buy stamps? (MARK THOSE THAT APPLY.)

- ☐ Post office counter
☐ Grocery store or other store
☐ Vending machine
☐ From carrier (where available)
☐ ATM
☐ Order by Mail
☐ Order by Telephone (1-800-STAMP24)
☐ Order by Internet (Stamps On Line)

7 How do you typically mail a package with the Postal Service? (MARK ONLY ONE.)

- ☐ Bring to post office counter
☐ Use self-service equipment at post office (vending, scales)
☐ Leave for carrier
☐ Call Postal Service to pick up
☐ Other
☐ Not Applicable

Post Office

8 During the *past 30 days*, how many times did you visit a post office? (MARK ONLY ONE.)

- ☐ Not at all (*Go to Question #12*)
☐ 1-2 times
☐ 3-5 times
☐ More than 5 times

9 During your *most recent* visit to the post office...

	Yes	No	Don't Know
a. Did the clerk greet you pleasantly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Did the clerk ask you questions to find out what you needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Was the clerk able to clearly explain the mailing services and products you needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Did the clerk suggest additional mailing services or products?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes," was the suggestion helpful? ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Did the clerk thank you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Were stamp vending machines in working order?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ☐ No wait/No line
☐ Less than 1 minute
☐ 1 – 3 minutes
☐ 4 – 5 minutes
☐ 6 – 10 minutes
☒ More than 10 minutes
☐ Don't know/Can't recall

- | | Excell-
lent
▼ | Very
Good
▼ | Good
▼ | Fair
▼ | Poor
▼ | Don't
Know
▼ |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Waiting time in line | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Convenience of hours | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Availability of parking .. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Clerks were courteous
and pleasant | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Professional appearance
of clerks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Clerks worked efficiently
and valued your time | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Clerks provided the
information needed to
complete your tasks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h. Signs and displays
were helpful | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Lobby was clean and
well maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Overall rating of the
post office you visited
most often | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 12** If you know, provide the ZIP Code of the post office you visit most often.
- Not sure/Don't know ☐

- ☐ Individual mail slot or mailbox at your door
- ☐ Individual curbside mailbox
- ☐ Mailbox within cluster of boxes inside a building
- ☐ Mailbox within cluster of boxes outside a building or home
- ☐ In a box at a post office (P.O. box)
- ☐ Rented box somewhere other than at a post office

- ☐ Yes, for an individual
☐ Yes, for the household
☐ No (*Go to Question # 16*)

► If "Yes," please provide the 5-digit ZIP Code you forwarded your mail from.....

- [illegible]

- ☐ No (Go to Question #19)
- ☐ Yes, to get information
- ☐ Yes, to report a problem

- ☐ Telephoned post office
- ☐ Telephoned a toll-free number
- ☐ Written correspondence
- ☐ E-mail/Internet
- ☐ Went to Post Office
- ☐ Spoke with carrier

- [illegible]

- 19 Please rate the Postal Service advertising you have seen or heard in the past 30 days?
- | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Excel-
lent | Very
Good | Good | Fair | Poor | None
seen/
heard |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 20 Have you accessed any Postal Service Internet page in the past 30 days such as www.usps.com?
- ☐ Yes
- ☐ No, have not accessed site in past 30 days (Go to Q #21)
- ☐ No, have no Internet connection (Go to Q #21)

- ▶ If "Yes," please rate:
- | | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Excel-
lent | Very
Good | Good | Fair | Poor | Don't
Know |
| a. Usefulness of site | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Ease of finding the information you needed .. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Postal site(s) as compared to other sites ... | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Overall Performance

- 21 Thinking about all aspects of U.S. Postal Service performance during the past 30 days, please rate the service you have received.

Excellent	Very Good	Good	Fair	Poor	Don't Know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 22 Compared to other companies you have recently done business with (e.g., grocery stores, banks, department stores, other delivery services), rate the Postal Service on:

	Much better	Some- what better	About the same	Some- what worse	Much worse	Don't know
a. Waiting time in line ..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Courteous and helpful employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Value for price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Easy to use/ Convenient	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Services and products meet your needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Reliable service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Secure/Trusted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Overall performance..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 23 Thinking about the past 30 days, how satisfied are you with the U.S. Postal Service?

Very Satisfied	Somewhat Satisfied	Neither	Somewhat Dissatisfied	Very Dissatisfied	Don't Know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Demographics

- 24 Do you operate a business from your home?
☐ Yes ☐ No
- 25 Is anyone in your household employed by the U.S. Postal Service or by a national company which specializes in shipping or delivery of mail or packages?
☐ Yes ☐ No
- 26 About how many packages or pieces of mail do you send in an average month using the Postal Service? (MARK ONE)
☐ 0-10 pieces ☐ 21 or more pieces
☐ 11-20 pieces ☐ Don't know
- 27 Which do you use more frequently to mail packages?
☐ Postal Service ☐ Other delivery service
- 28 Have you purchased any merchandise over the Internet in the past 30 days?
☐ Yes ☐ No
- 29 What is your age?
☐ Under 25 years ☐ 45-54 years
☐ 25-34 years ☐ 55-64 years
☐ 35-44 years ☐ 65 or older
- 30 Gender? ☐ Male ☐ Female
- 31 What is the highest level of education that you have completed?
☐ Did not complete high school
☐ High school graduate/GED
☐ Some college or technical school
☐ Undergraduate degree
☐ Graduate degree
- 32 Would you allow the Postal Service to contact you via e-mail with additional questions to improve service? (INFORMATION WILL NOT BE SHARED OUTSIDE THE POSTAL SERVICE.)
☐ Yes What is your e-mail address?

☐ No
- 33 Additional comments:
Is this a: ☐ Compliment ☐ Suggestion ☐ Problem

Thank you for completing this survey!

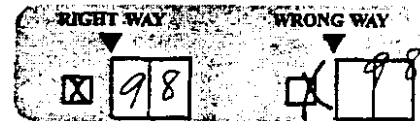
U.S. POSTAL SERVICE BUSINESS CUSTOMER SATISFACTION SURVEY

S1013

Survey Instructions

Please follow the steps below carefully when completing this survey.

- Use a blue or black ink pen that does not soak through the paper.
- Make solid marks that fit in the response boxes. (Make no stray marks on the survey.)



General Ratings

- 1** Thinking about the service your business received from the U.S. Postal Service in the past 30 days, how would you rate the U.S. Postal Service on each of the following: (PLEASE MARK ONE ANSWER BY PUTTING AN "X" IN THE APPROPRIATE BOX ☒ FOR EACH STATEMENT.)

	Excellent	Very Good	Good	Fair	Poor	Don't Know
a. Providing products and services to meet the needs of your business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Having rules and regulations that are easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Having employees who interpret rules and regulations consistently	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Providing products and services that are a good value for the price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Notifying your business of changes to rules and regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Having employees who go out of their way to meet your mailing needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Having courteous and friendly employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Having employees who are knowledgeable about U.S. Postal Service products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1 (continued)

	Excellent	Very Good	Good	Fair	Poor	Don't Know
i. The length of time it usually takes for a First-Class letter mailed in your local area to be delivered in your local area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. The length of time it usually takes for a First-Class letter mailed in your local area to be delivered in other parts of the country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Delivery of mail to the correct address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Delivery of mail in good condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. The security of First-Class mail (that your mail will remain unopened and safe from theft and loss)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 2** Based on your company's experiences in the past 30 days, please rate the following U.S. Postal Service facilities.

	Excellent	Very Good	Good	Fair	Poor	Don't Know
a. Post Office your business uses most	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Postal Business Center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Business Mail Entry Unit (BMEU)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Rates and Classification Center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

please continue on next page ↑

Mail Your Business Receives

1 Thinking about mail delivered to your company by a U.S. Postal Service carrier during the past 30 days, how would you rate the U.S. Postal Service on:

- a. Time of day mail is delivered to your location ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Consistency of delivering mail to your location within a half hour of the same time each day ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Appearance of your letter carrier ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

4 During the past 30 days, did you typically receive your mail at this location:

- ☐ Before noon
- ☐ After noon
- ☐ Carrier does not deliver mail to this location
- ☐ Don't Know

5 During the past 30 days

(If "No," MARK THE "NOT AT ALL" BOX. IF "YES," MARK THE BOX INDICATING HOW MANY TIMES.)

How often in past 30 days?

- a. Have you received mail intended for a different address? ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Have you received damaged mail? ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

6 During the past 30 days, has any of your business's mail been delivered to a Postal Service post office box?

- ☐ Yes ☐ No (please go to Question #7.)

If "Yes," have the following occurred in the past 30 days? (If "No," MARK THE "NOT AT ALL" BOX. IF "YES," MARK HOW MANY TIMES.)

- a. Delivery of mail later than the posted time ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Received mail not addressed to your post office box ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

7 Does your business use caller service for receiving mail?

- ☐ Yes ☐ No

Mail Your Business Sends

8 Thinking about the mail your company sent through the U.S. Postal Service in the past 30 days, how would you rate the U.S. Postal Service on:

- Outgoing Mail
- a. Convenience of mail pick up times ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Reliability of mail pick up times ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Number of pick up times ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

9 Based on your company's experience in the past 30 days, please rate the following U.S. Postal Service products and services your business used for sending mail:

- a. Priority Mail ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Express Mail ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Full rate First-Class Mail ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- d. Discounted First-Class Mail (presorted, bar-coded) ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- e. Periodicals (e.g., magazines, newspapers) ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- f. Standard Mail (A) (advertising) ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- g. Standard Mail (B) (parcels) ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- h. International Mail ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

10 During the past 30 days, have you experienced errors by the U.S. Postal Service in processing money in your postage account(s)?

- ☐ Never
- ☐ Once a week or less
- ☐ 2 to 3 times a week
- ☐ Nearly every day
- ☐ Not Applicable

Post Office Experiences

11 During the past 30 days, how many times did you visit a post office for business needs?

- ☐ Not at all (please go to Question #14.)
- ☐ 1-2 times
- ☐ 3-5 times
- ☐ More than 5 times

12 What is the ZIP Code of the post office you visit most?

- ☐ Don't know

13 Please rate the post office you visit most on:

- a. Convenience of hours when post office is open ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Waiting time in line ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Helpfulness of window clerks ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Contact with the USPS

14 In the past 30 days, have you contacted the U.S. Postal Service about any aspects of your service?

- ☐ Yes ☐ No (please go to Question #18)

15 Who was the contact with?

(MARK ALL THAT APPLY)

- ☐ Postal Carrier
☐ Account Representative
☐ Consumer Affairs Office
☐ Personnel at Business Mail Entry Unit
☐ Personnel at your local postal office
☐ National Service Center (Call Center)
☐ Postmaster
☐ Postal Business Center
☐ Other _____

16 What was the purpose of the contact?

(MARK ALL THAT APPLY)

- ☐ To request information about U.S. Postal Service products or services
☐ To seek clarification/information on U.S. Postal Service rules or regulations
☐ To seek assistance on a business mailing problem
☐ To make a complaint
☐ Other _____

17 Please rate the U.S. Postal Service on:

- a. Ease of getting through to a person when you phoned ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Ability to meet your needs/solve your problem ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Accuracy of the information you received ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- d. Speed with which your request/complaint was handled ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Bulk Rate/Discounted Mail

18 In the past 30 days, has your company sent out any bulk rate or other discounted mail, such as presorted or prebarcoded mail? (PLEASE INCLUDE MAIL SENT THROUGH A THIRD PARTY/VENDOR)

- ☐ Yes ☐ No (please go to Question #20)

19 Please rate the U.S. Postal Service on:

- a. Providing you with the equipment needed for preparing mailings ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- b. Level of service provided by employees accepting mailings ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
- c. Delivering mail within the expected number of days ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Questions to Classify Your Answers

20 Which one of the following job titles best describes your position?

- ☐ Corporate Officer/Owner
☐ Financial Operations
☐ Mail Operations
☐ Administrative/Clerical
☐ Other _____

21 The following are business purposes for sending mail via the U.S. Postal Service. Please indicate which three business purposes best describe how the mail is used by your business. (MARK UP TO THREE THAT APPLY)

- ☐ Payments
☐ Catalogs
☐ Newspapers
☐ Communications
☐ International
☐ Direct Mail
☐ Magazines
☐ Retail products & services
☐ Two-Day Delivery
☐ Standard Delivery (parcels)
☐ Bills and Statements (e.g., accounts, invoices)
☐ Overnight Package Delivery (e.g., Express Mail)
☐ Reduced rate packages (library rate)
☐ Other _____

22 Please estimate your location's annual expenditures on U.S. Postal Service products and services.

- ☐ Less than \$1,000 ☐ \$50,000 - \$99,999
☐ \$1,000 - \$9,999 ☐ \$100,000 or more
☐ \$10,000 - \$49,999 ☐ Don't know

please continue on next page ↑

24 Do you prepare or send mail for other companies?
☐ Yes ☐ No

24 Do you contract with an outside company (e.g., presort house, mailing service, or printer) to prepare or send mail for your company?
☐ Yes ☐ No (please go to Question #26)

25 How much of your mail is prepared and/or sent by an outside company?
☐ 0% - 25% ☐ 51% - 75%
☐ 26% - 50% ☐ 76% - 100%

Overall Performance

26 Thinking about all aspects of U.S. Postal Service performance during the past 30 days, please rate the service your business has received?
☐ Excellent
☐ Very Good
☐ Good
☐ Fair
☐ Poor
☐ Don't Know

27 Do you intend to increase your use of the following products and services over the next 12 months?

	Yes	No	Do not currently use
a. Priority Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Express Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Standard Mail (A) (advertising)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Standard Mail (B) (parcels)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

28 Would you recommend the following products and services to your business associates?

	Yes	No	No experience with product
a. Priority Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Express Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Standard Mail (A) (advertising)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Standard Mail (B) (parcels)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

29 During the past 30 days, have you experienced serious problems with Postal Service products or services? (If "NO," MARK THE "NOT AT ALL" BOX. If "YES," MARK THE BOX INDICATING HOW MANY TIMES.)
☐ Not at all
☐ Once
☐ 2-3 times
☐ More than 3 times
☐ Don't know

30 If "Yes," please describe problem(s)

31 What, if anything, could the U.S. Postal Service do to increase your overall satisfaction with the quality of products and services it provides to your company.

Your answers to these questions will be kept confidential and will only be used to identify groups of similar respondents for statistical purposes.

Thank you for completing this survey!

Please return completed survey to:
 The Gallup Organization
 P.O. Box 82570
 Lincoln, NE 68501-9571

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-8 Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at pages 9 and 10, lines 21-30, and 1-9, respectively.

- (a) For each bulleted item, (i) give an example, (ii) provide the volume, or an estimate of the volume, or a percentage of the manual letter-shaped volume, and (iii) the unit cost of processing.
- (b) Bullet six identifies nonmachinable letter-shaped mailpieces that do not bend in transport. Are there other types of letter-shaped mailpieces processed manually because of problems in transport (e.g., glossy envelopes)? Please explain.
- (c) Has the Postal Service become aware of any other examples of nonmachinable letter-shaped mailpieces since the preparation of her testimony?

RESPONSE:

- (a) The criteria referenced in witness Kingsley's testimony pertain to the mail piece characteristics that influence the machinability of letter-size mail.

<u>Category</u>	<u>Example(s)</u>
(i) Nonstandard aspect ratio	square greeting card or a long and short "bookmark-type" item
Polybagged/wrapped items	cards or inserts that are combined and enclosed in shrinkwrap or polywrap instead of an envelope
Closure devices	protrusions like a button, string, or clasp on an inter-office or flat envelope
Non-rectangular mail piece	round, irregular, triangular

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

RESPONSE TO OCA/USPS-8 (Continued)

Rigid enclosures	pencils, pens, loose coins
Overly stiff mail pieces	metal insert or plastic "jewel-type" case
Flimsy mail pieces	tissue-type paper with pull-out type insert
Mis-oriented address	address parallel to shortest (instead of longest) dimension
Folded short edge	short piece that is long and folded in half
Booklets with bound short edge	small catalogue
Glossy postcards	postcard with glossy picture image on non- address/message side
Labeled "manual only" processing	for marketing purposes, mailer wants the piece to "open up" in recipient's hand when they pick it up, to prompt a higher response rate

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

RESPONSE TO OCA/USPS-8 (Continued)

- (ii) Data are only available for letters that do not meet the aspect ratio requirement. The FY 2000 volume is 61,785,883 (USPS LR-J-60, page 45).
 - (iii) Data are only available for letters that do not meet the aspect ratio requirement. The test year 2001 unit cost estimate is 18.934 cents (USPS LR-J-60, page 45)
- (b) Virtually all of the items listed in the reference above either impact or are impacted by the transport belts, except letters with mis-oriented addresses, glossy postcards and trays labeled for "manual only" processing.
- (c) Not at this time. The vast majority of the list came from requirements in DMM C810.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-9. Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at page 5, footnote 9. Please confirm that the increase from 68 percent currently to an expected 93 percent in FY 03 is reflected in the roll forward. If you do not confirm, please explain.

Response: Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-10 Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at page 11, lines 14-15.

- (a) Please confirm that 8.9 percent of all letters in AP12, FY 01 did not have 9- or 11-digit barcodes. If you do not confirm, please explain.
- (b) Please confirm that the 8.9 percent of all letters not barcoded to nine or eleven digits are processed manually. If you do not confirm, please explain.
- (c) Please identify what factors are preventing the 8.9 percent of all letters not currently barcoded from being barcoded, and describe how the Postal Service plans to have barcodes applied to these letters.

RESPONSE:

- (a) Confirmed.
- (b) Not confirmed. Letters without nine-digit or eleven-digit barcodes may be processed manually through some operations, but not necessarily all operations. For example, letters with 5-digit barcodes can still be sorted to the ZIP Code in automated outgoing or incoming primary operations, but would then have to be processed manually in an incoming secondary operation.
- (c) Not all zones are sorted to carrier route on automation due to their very small size or distance from a facility with automation. In these instances, only a 5-digit barcode would be necessary. USPS-T-39 (page 11, lines 23-24) states that, of the automation incoming secondary volume, four percent is sorted to 5-digit. Factors that prevent all letters from being barcoded for automated zones include, but are not limited to, pieces that are non-machinable or contain insufficient address information. The Postal Service's proposal to surcharge non-machinable letters may shift more letter volume to meet machinable characteristics and hence more barcodes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
OFFICE OF THE CONSUMER ADVODCATE**

OCA/USPS-11. Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at page 23, lines 11-12, which states that the Linear Integrated Parcel Sorters (LIPS) machine "is not part of a national program and is procured locally."

- a. Please identify all processing equipment "not part of a national program" that is used in the processing of First-Class Mail.
- b. For each piece of processing equipment identified in part (a) of this interrogatory, please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for 1) letters, 2) flats, and 3) nonletters/nonflats.

Response:

- a. The LIPS program and a mixed mail sorter (handles letters and flats) are the only locally procured equipment purchased by the field.
- b. See response to OCA/USPS-5.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-12 Please refer to the testimony of Michael Miller (USPS-T-22), and USPS LR-J-60, Part A., "First-Class Mail Letters/Cards." There are 17 cost model spreadsheets for letters/cards: First-Class Single-Piece Handwritten Letters; First-Class Single-Piece QBRM Letters; First-Class Single-Piece Metered Letters; First-Class Mail Nonauto Machinable Mixed Mix AADC/AADC Presort Letters; First-Class Mail Nonauto Machinable 3-Digit Presort Letters; First-Class Mail Nonauto Nonmachinable MACD Presort Letters; First-Class Mail Nonauto Nonmachinable ADC Presort Letters; First-Class Mail Nonauto Nonmachinable 3-Digit Presort Letters; First-Class Mail Nonauto Nonmachinable 5-Digit Presort Letters; First-Class Mail Auto Mixed Mix AADC Presort Letters; First-Class Mail Auto Presort Letters; First-Class Mail Auto 3-Digit Presort Letters; First-Class Mail Auto 5-digit Presort Letters (Other Sites); First-Class Mail Auto 5-Digit Presort Letters (CSBCS/Manual Sites); First-Class Mail Auto Carrier Route Presort Letters; First-Class Mail Nonstandard Single-Piece Letters; and, First-Class Mail Nonstandard Presort Letters. Each cost model spreadsheet identifies the following operations: Entry Activities; Outgoing RBCS; Outgoing Primary; Outgoing Secondary; Incoming RBCS; Incoming MMP; Incoming SCF/Primary; 5-Digit Barcode Sort; and Incoming Secondaries.

- (a) Please identify each piece of mail processing equipment for each operation in the 17 cost model spreadsheets.
- (b) For each piece of mail processing equipment identified in response to part (a), please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for First-Class letter-shaped mail.
- (c) Please identify all instances where the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for First-Class letter-shaped mail provided in response to part (b) are greater than the standards for First-Class letter-shaped mail contained in the DMCS and DMM.
- (d) Please confirm that the 17 cost model spreadsheets represent different mailstreams for the processing of all letter-shaped First-Class Mail. If you do not confirm, please explain and identify all mailstreams for the processing of letter-shaped First-Class Mail.

RESPONSE:

- (a) Each cost spreadsheet in USPS LR-J-60 contains the identical operations.

As shown below, the operations listed next to the same reference number use the same equipment. In addition, this list does not include all support equipment.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
RESPONSE TO OCA/USPS-12 (Continued)**

<u>Operation</u>	<u>Equipment</u>
(1) Package sorting	Conveyors, hampers, pouch racks
(2) Outgoing ISS/RCR Incoming ISS/RCR	AFCS-ISS: USPS-T-39, page 3 at 20 DIOSS: USPS-T-39, page 9 at 21 MLOCR-ISS: USPS-T-39, page 4 at 17 RCR: USPS-T-39, page 5 at 21
(3) Outgoing REC Incoming REC	Video Display Terminals (VDT): USPS-T-39, page 5 at 20
(4) Outgoing OSS Incoming OSS	DBCS-OSS: USPS-T-39, page 6 at 20 DIOSS: USPS-T-39, page 9 at 21 MPBCS-OSS: USPS-T-39, page 5 at 24
(5) Outgoing LMLM Incoming LMLM	LMLM: USPS-T-39, page 7 at 30
(6) Outgoing Primary (Auto) Outgoing Secondary (Auto) Incoming MMP (Auto) Incoming SCF/Primary (Auto)	DBCS: USPS-T-39, page 6 at 9 MPBCS: USPS-T-39, page 7 at 14
(7) Outgoing Primary (Manual) Outgoing Secondary (Manual) Incoming MMP (Manual) Incoming SCF/Primary (Manual)	Letter Cases: USPS-T-39, page 10 at 24
(8) 5-Digit Barcode Sort	DBCS: USPS-T-39, page 6 at 9 MPBCS: USPS-T-39, page 7 at 14
(9) Auto Carrier Route	DBCS: USPS-T-39, page 6 at 9 MPBCS: USPS-T-39, page 7 at 14
(10) Auto 3-Pass DPS	CSBCS: USPS-T-39, page 7 at 1
(11) Auto 2-Pass DPS	DBCS: USPS-T-39, page 6 at 9 MPBCS: USPS-T-39, page 7 at 14
(12) Man Inc Sec (Plant) Man Inc Sec (DU)	Letter Cases
(13) Box Section Sort	Letter Cases

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
RESPONSE TO OCA/USPS-12 (Continued)**

(b), (c) See response to OCA/USPS-5.

(d) It is not possible to either confirm or not confirm this statement. As discussed in the response to OCA/USPS-6(a), the term "mailstream" is a generic term that can be used in several different contexts. The cost models that are contained in USPS LR-J-60 were created to support specific rate proposals in this docket and are not an exhaustive list of models that could be used to depict every possible grouping ("mailstream") for letters and cards.

Revised 10/16/01

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-13 Please refer to the testimony of Michael Miller (USPS-T-24), and USPS LR-J-61, Part A., "First-Class Mail Flats." There are nine cost model spreadsheets for flats: Nonauto Presort; Mixed ADC Nonauto Presort; ADC Nonauto Presort; 3-Digit Nonauto Presort; 5-Digit Nonauto Presort; Mixed MADC Auto Presort; ADC Auto Presort; 3-Digit Auto Presort; 5-Digit Auto Presort. Each cost model spreadsheet identifies the following operations: Outgoing primary Package); Incoming MMP (Package); Incoming Primary (Package); Incoming Secondary (Package); Outgoing Primary (Piece); Outgoing Secondary (Piece); Incoming MMP (Piece); Incoming SCF (Piece); Incoming Primary (Piece); and, Incoming Secondary (Piece).

- (a) Please identify each piece of mail processing equipment for each operation in the 9 cost model spreadsheets.
- (b) For each piece of mail processing equipment identified in response to part (a), please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for First-Class flat-shaped mail.
- (c) Please identify all instances where the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for First-Class flat-shaped mail provided in response to part (b) are greater than the standards for First-Class flat-shaped mail contained in the DMCS and DMM.
- (d) Please confirm that the nine cost model spreadsheets represent different mailstreams for the processing of all flat-shaped First-Class Mail. If you do not confirm, please explain and identify all mailstreams for the processing of flat-shaped First-Class Mail.

RESPONSE:

(a) Each cost spreadsheet in USPS LR-J-61 contains the same operations. As shown below, the operations listed next to the same number use the same equipment. In addition, this list does not include all support equipment.

<u>Operation</u>	<u>Equipment</u>
(1) Package sorting Mechanized (All processing levels)	LIPS: USPS-T-39, page 23 at 11 SPBS: USPS-T-39, page 22 at 26
(2) Package sorting Manual (All processing levels)	Conveyors, hampers, pouch racks USPS-T-39, page 24 at 1.

Revised 10/16/01

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

RESPONSE TO OCA/USPS-13 (Continued)

<u>Operation</u>	<u>Equipment</u>
(3) AFSM100 Auto (All processing levels)	AFSM100: USPS-T-39, page 15 at 20
(4) VCS Keying (All processing levels)	Video Display Terminals (VDT): USPS-T-39, page 15 at 27
(5) FSM881 Auto (All processing levels)	FSM881: USPS-T-39, page 14 at 23
(6) FSM1000 Auto (All processing levels) FSM1000 Keying (All processing levels)	FSM1000: USPS-T-39, page 15 at 4
(7) Manual (All processing levels)	Flats Cases: USPS-T-39, page 17 at 14

(b), (c) See response to OCA/USPS-5.

(d) It is not possible to either confirm or not confirm this statement. As discussed in the response to OCA/USPS-6(a), the term "mailstream" is a generic term that can be used in several different contexts. The cost models that are contained in USPS LR-J-61 were created to support specific rate proposals in this docket and are not an exhaustive list of models that could be used to depict every possible grouping ("mailstream") for flats.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE
OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-14: *Please provide a copy of the USPS window clerk training manual. Include in your response all information, scripts, and other material developed to implement the Postal Service's "greet, inquire, suggest, thank (GIST) system of quality retail service. " See Docket No. R2000-1, USPS-LR-I-200 at 3.*

RESPONSE:

The requested materials are being filed as USPS-LR-J-144, Window Clerk Training Materials, Provided in Response to OCA/USPS-14.

Response of United States Postal Service
to
Interrogatories of Office of the Consumer Advocate

OCA/USPS-15. Please provide tabulations of **total base-year revenue and volume-variable costs** by the following categories of **First-Class Letters and Sealed Parcels**. If data for some cells of the tabulations are not available, please provide the most recent available data for as many cells as possible. If any of the requested information has already been filed, please provide a citation (by tabulation cell) to document title, page number, line number, and column number. This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

- (a) All mail.
- (b) Please provide a break-down of the response to Part *a* of this interrogatory by shape (*i.e.*, by letter-shaped mail, flat-shaped mail, and non-letter/non-flat mail).
- (c) Please provide a break-down of the response to Part *b* of this interrogatory on the basis of whether mail is subject to the non-standard surcharge.
- (d) Please provide a break-down of the response to Part *c* of this interrogatory by whether mail is discounted.
- (e) Please provide a break-down of the response to Part *d* of this interrogatory by whether mail is automation compatible.
- (f) Please provide a break-down of the response to Part *b* of this interrogatory by whether mail is discounted.
- (g) Please provide a break-down of the response to Part *b* of this interrogatory by whether mail is automation compatible.
- (h) Please provide a break-down of the response to Part *f* of this interrogatory by whether mail is automation compatible.
- (i) Please provide a break-down of the response to Part *g* of this interrogatory by whether mail is discounted.
- (j) Please provide a break-down of the response to Part *h* of this interrogatory on the basis of whether mail is subject to the non-standard surcharge.
- (k) Please provide a break-down of the response to Part *i* of this interrogatory on the basis of whether mail is subject to the non-standard surcharge.

Response of United States Postal Service
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Response:

- (a) The total base year postage revenue for First-Class Letters and Sealed Parcels is \$34,327.1 million. See Direct Testimony of Bradley V. Pafford (USPS-T-3), Table 1 page 9. This estimate is obtained by adding Single Piece First-Class Letters, Flats and IPPs, Total Presort Non-Cards and Auto Carrier Route Presort Letters. Total base year volume variable costs of \$16,935.2 million for First-Class Letters and Sealed Parcels can be found in Exhibit C, column C, of USPS-T-11.
- (b) The requested revenue breakdown is \$29,325.6 for letters, \$5,336.0 million for flats and \$671.6 million for non-letter, non-flat mail. The requested cost breakdown will be filed in LR-J-105. See also USPS LR-J-46.
- (c) The requested revenue breakdown for the portion of the figure subject to the nonstandard surcharge is \$33.7 million for letters, \$205.9 million for flats and \$25.0 million for non-letter, non-flat mail. The requested cost breakdown for flats and parcels will be filed in LR-J-105. See also USPS LR-J-46. The requested cost breakdown for letters is not available.
- (d) The requested revenue breakdown for the discounted portion of the figure subject to the non-standard surcharge is \$5.6 million for letters, \$37.2 million for flats and \$2.3 million for non-letter, non-flat mail. The requested

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cost breakdown for flats and parcels will be filed in LR-J-105. See also USPS LR-J-46. The requested cost breakdown for letters is not available.

- (e) No data are available by the category "automation compatible."
- (f) The requested revenue breakdown for the portion of the figure in OCA/USPS-15b that is discounted is \$12,129.6 million for letters, \$537.3 million for flats and \$6.2 million for non-letter, non-flat mail. Except for the QBRM discounted mail that is included in First-Class Single Piece, the requested cost breakdown for the portion of the figure in OCA/USPS-15b that is discounted will be filed in LR-J-105. See also USPS LR-J-46.
- (g) see e) above.
- (h) See e) above.
- (i) See e) above.
- (j) See e) above.
- (k) See e) above.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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OCA/USPS-16. Please provide tabulations of total **test-year** revenue and volume-variable costs on the bases requested in Interrogatory OCA/USPS-15. This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

Response:

a) Test year postage revenue for First-Class Letters Subclass by Rate Category can be found on page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29). The volume variable costs for First-Class Single Piece Letters and Presort Letters can be found in witness Patelunas's (USPS-T-12) Exhibit USPS-12G (Current Rates) and Exhibit USPS-12I (After Rates).

b) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. For available cost data, please refer to USPS-LR-58. The data for Single-Piece Letters can be found in workbook Lr58asp.xls on the following sheets:

SP Letters (detailed)	SP Letters (combined)
SP Flats (detailed)	SP Flats (combined)
SP Parcels (detailed)	SP Parcels (combined).

The data for Presort Letters can be found in workbook Lr58PRE.xls on the following sheets:

Presort Letters (detailed)	Pre Letters (combined)
Presort Flats (detailed)	Pre Flats (combined)
Presort Parcels (detailed)	Pre Parcels (combined).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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Response continued:

- c) Please refer to the information provided in response to part b) of this question -- all First-Class flats and parcels weighing less than one ounce are, by definition, nonstandard. The data are not available for nonstandard letters.
- d) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. The requested cost data are the presorted portion of the First-Class flats and parcels weighing less than one ounce that was provided in response to part c) of this question.
- e) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."
- f) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. Except for the QBRM discounted mail that is included in First-Class Single Piece, the requested cost data is the presorted portion of the First-Class mail that was provided in response to part b) of this question.
- g) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."

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Response continued:

- h) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."
- i) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."
- j) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."
- k) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue is available. No cost data are available by the category "automation compatible."

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OCA/USPS-17. Please provide tabulations of **base-year rates (or average revenue per piece) and unit volume-variable costs** for the categories of First-Class Letters and Sealed Parcels on the bases requested in interrogatory OCA/USPS-15. This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

Response:

- (a) Total base year postage revenue per piece for First-Class Letters and Sealed Parcels is \$0.35. See Direct Testimony of Bradley V. Pafford (USPS-T-3), Table 1 page 9, as discussed in OCA/USPS-15a and Table 2 page 11. The base year average unit volume variable cost of \$0.173 for First-Class Letters and Sealed Parcels can be found in Exhibit C, column E of USPS-T-11.
- (b) The requested breakdown of the figure in OCA/USPS-17a is \$0.30 for letters, \$0.96 for flats and \$1.34 for non-letter, non-flat mail. The requested cost breakdown will be filed in LR-J-105. See also USPS LR-J-46.
- (c) The requested breakdown for the revenue subject to the non-standard surcharge is \$0.44 for letters, \$0.44 for flats and \$0.50 for non-letter, non-flat mail. The requested cost breakdown for flats and parcels can be found in LR-J-105. See also USPS LR-J-46. The requested cost breakdown for letters is not available.
- (d) The requested breakdown for the discounted portion of the revenue subject to the non-standard surcharge is \$0.38 for letters, \$0.34 for flats

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and \$0.38 for non-letter, non-flat mail. The requested cost breakdown for flats and parcels will be filed in LR-J-105. See also USPS LR-J-46. The requested cost breakdown for letters is not available.

- (e) No data are available by the category "automation compatible."
- (f) The requested breakdown for the portion of the figure in OCA/USPS-17b that is discounted is \$0.27 for letters, \$0.73 for flats and \$0.62 for non-letter, non-flat mail. Except for the QBRM discounted mail that is included in First-Class Single Piece, the requested cost breakdown for the portion of the figure in OCA/USPS-15b that is discounted will be filed in LR-J-105. See also USPS LR-J-46.
- (g) See e) above.
- (h) See e) above.
- (i) See e) above.
- (j) See e) above.
- (k) See e) above.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
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OCA/USPS-18. Please provide **test-year** rates (or average revenue per piece) and unit volume-variable costs for the categories of First-Class Letters and Sealed Parcels on the bases requested in interrogatory OCA/USPS-15. This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

Response:

- a) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for test year postage revenue and volume for First-Class Letters Subclass by Rate Category. Please refer to witness Patelunas's (USPS-T-12) Exhibit USPS-12G (Current Rates) and Exhibit USPS-12I (After Rates) for the volume variable costs for First-Class Single Piece Letters and Presort Letters, and Exhibit USPS-12A for the associated volumes.
- b) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. Please refer to the response to OCA/USPS-16b) for the available cost data.
- c) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. Please refer to the response to OCA/USPS-16c) for the available cost data.

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Response continued:

- d) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. Please refer to the response to OCA/USPS-16d) for the available cost data.
- e) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."
- f) Please refer to page 1 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. Please refer to the response to OCA/USPS-16f) for the available cost data.
- g) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."
- h) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."
- i) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."
- j) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."

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Response continued:

k) Please refer to page 1 of 2 Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available. No cost data are available by the category "automation compatible."

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OCA/USPS-19. Please provide the tabulations requested in interrogatories OCA/USPS-15-18 separately for First-Class **Cards, Post Cards, and Postal Cards**. This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

Response:

(a)-(k) The requested data are not available by the categories First-Class Cards, Post Cards and Postal Cards. In the RPW system, the latter two items are not separate rate components of the general "Cards" category. Additionally, with respect to the questions on mail shape asked above, all items in the Cards category have a card shape. Note also that cards are never assessed a nonstandard surcharge so data on this aspect are not available. Finally, information on cards is not available by the category "automation compatible." The following provides as much information for cards as is available given the above. Revenue for all First-Class cards is \$1,006.1 million. See Direct Testimony of Bradley V. Pafford (USPS-T-3), Table 1 page 9 and Table 2 page 11. Revenue per piece for all First-Class cards is \$0.18 per piece. Total base year volume variable costs for First-Class Cards can be found in Exhibit C, column C of USPS-T-11. The total average unit volume variable cost for First-Class Cards can be found in Exhibit C, column E of USPS-T-11.

For test year data, please refer to page 2 of 2 of Attachment D of the testimony of witness Robinson (USPS-T-29) for whatever test year postage revenue and associated volume is available for First-Class Cards Subclass by Rate Category. Please refer to witness Patelunas's (USPS-T-12) Exhibit USPS-12G (Current Rates) and Exhibit

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Response continued:

USPS-12I (After Rates) for the volume variable costs for First-Class Single Piece Cards and Presort Cards, and Exhibit USPS-12A for the associated volumes.

Response of United States Postal Service
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OCA/USPS-20. Please provide a tabulation of **base-year volumes of First-Class Letters and Sealed Parcels** by ounce increment by shape (*i.e.*, letter-shaped mail, flat-shaped mail, and non-letter/non-flat mail). This information is sought for use in preparation of the OCA's direct case. Accordingly, it is not directed to any particular witness.

Response: See USPS-LR-J-112, Tables 11 and 12, pages 30 and 31, respectively.

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OCA/USPS-21. Please refer to the response of the Postal Service to interrogatory DBP/USPS-22 in Docket No. C2001-1, September 10, 2001. The Postal Service states,

[T]echnology resources affecting the ability to meet the outgoing processing workload have changed materially in recent years. Improvements in equipment capabilities, such as handwriting recognition, have enhanced the Postal Service's ability to process outgoing letter-shaped mail, of which the vast majority of collection mail consists. The achieved throughputs on the equipment have increased, with the result that the capacity exists to handle more collection mail within a shorter operating window. Emblematic of these changes in the operating environment over the last several years has been the Postal Service's ability to send less mail to the Remote Encoding Centers, and, in fact, to begin closing RECs over this period.

- (a) Please identify all "improvements in equipment capabilities" that occurred between the base year in R2000-1 and the base year in this docket.
- (b) Please identify all "improvements in equipment capabilities" that occurred in FY 2001.
- (c) Please identify all "improvements in equipment capabilities" that the Postal Service expects will occur between the base year and the test year of this docket. Please provide citations to roll-forward documentation showing how the "improvements in equipment capabilities" translate into reduced expenses in the test year.
- (d) Please provide citations to roll-forward documentation showing how improvements in "handwriting recognition" translate into reduced expenses in the test year.
- (e) Please provide the change in cost avoidance between the base years of R2000-1 and this docket, for each worksharing discount in First-Class Mail, resulting from improvements in "handwriting recognition."
- (f) Please provide the proportion and absolute volume of handwritten First-Class letter-shaped mail that was successfully barcoded by "handwriting recognition" equipment in the most recent AP, quarter, and fiscal year for which data are available.
- (g) Please provide the proportion and absolute volume of handwritten First-Class letter-shaped mail that is projected to be successfully barcoded by "handwriting recognition" equipment in the test year of this docket.
- (h) Please provide the proportion and absolute volume of handwritten First-Class card-shaped mail that is projected to be successfully barcoded by "handwriting recognition" equipment in the test year of this docket.

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Response:

- (a) All "improvements in equipment capabilities" that occurred between the base year in R2000-1 (Base Year 1998) and the base year in this docket (Base Year 2000) are best represented by the cost reductions programs existing between those years. The relevant cost reductions in the Docket No. R2000-1 filing can be found in USPS-LR-126, Exhibit E. The cost reductions were updated in response to Order No. 1294, and a comparison between the filing and the update can be found in Exhibit USPS-ST-44Z of the supplemental testimony of witness Patelunas (USPS-ST-44).
- (b) All "improvements in equipment capabilities" that occurred in FY 2001 can be found in USPS-LR-J-49. Exhibit E, page 1.
- (c) All "improvements in equipment capabilities" that the Postal Service expects will occur between the base year and the test year of this docket can be found in USPS-LR-J-49, Exhibit E, pages 1-3. The first sentence of the quoted response to DBP/USPS-22 in Docket No. C2001-1, September 10, 2001, states
[T]echnology resources affecting the ability to meet the outgoing processing workload have changed materially in recent years. As such, the response refers to mail processing, and all mail processing cost reductions and how the cost reductions are reflected in classes of mail and special services is shown in the testimony of witness Patelunas (USPS-T-12), Appendix A.
- (d) Please refer to witness Patelunas (USPS-T-12), Appendix A. Pages 6-8 show the savings in thousands of workhours (the same information is available on

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Response continued:

pages 1-3 of Exhibit E of USPS-LR-J-49). Pages 9-11 of USPS-T-12, Appendix A, display the dollar savings by program (in thousands), grouped by distribution key. The "handwriting recognition" savings are associated with the "RCR 2000" and "Recognition Improvement" programs within distribution key 1446, RBCS.

Pages 20-22 show the expenses by year for each distribution key.

- (e) Handwritten mail pieces are not extended a discount. Consequently, any improvements in the ability of mail processing equipment to finalize mail pieces with handwritten addresses would only have an impact on worksharing related savings estimates when handwritten letters costs are used as a benchmark.

The First-Class Mail presort rate categories use Bulk Metered Mail (BMM) letters costs as the benchmark. In reality, a small portion of these mail pieces would contain handwritten addresses. However, it is not possible to determine the extent to which this portion of BMM letters would have affected BMM letters costs as a result of improved handwriting recognition technologies. Consequently, it is not possible to determine the extent to which these improvements would have affected the worksharing related savings estimates for the First-Class Mail presort rate categories between Docket Nos. R2000-1 and R2001-1.

The Qualified Business Reply Mail (QBRM) worksharing related savings estimate uses handwritten letters costs as a benchmark. The comparison of Docket No.

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Response continued:

R2000-1 and R2001-1 results, however, is problematic for two reasons.

First, the Postal Service has changed the way it views these improvements and the models were subsequently changed. Namely, the Postal Service now focuses on the aggregate Multi Line Optical Character Reader Input Sub System / Remote Computer Read (MLOCR-ISS/RCR) finalization rate, rather than focusing solely on the RCR finalization rate.

Second, the wage rates and other inputs used between dockets have changed. Consequently, a comparison of the savings would be meaningless.

In order to evaluate the extent to which letter recognition enhancement technologies have affected costs, one could modify the cost model inputs and evaluate the results in the cost models contained in USPS LR-J-60. Such an analysis was described in USPS-T-22, page 27 at 20-27.

- (f) These data are not available.
- (g) These data are not available.
- (h) These data are not available.

RESPONSE OF UNITED STATES POSTAL SERVICE
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OCA/USPS-21A. Please provide the following information for Priority Mail for the most recent year-long period available. If some of the requested data are only available for a shorter period, please provide the data for the longest possible period.

- (a) Volume by weight increment (please treat flat rate separately) by shape (*i.e.*, by letter-shaped mail, flat-shaped mail, and non-letter/non-flat mail).
- (b) The volume data requested in Part a of this interrogatory further broken down by presort level.
- (c) Proportion and absolute volume that receives its first sort on flat sorting equipment, by weight increment (please treat flat rate separately) by shape (*i.e.*, by letter-shaped mail, flat-shaped mail, and non-letter/non-flat mail).
- (d) The volume data requested in Part c of this interrogatory further broken down by whether the Postal Service applies a bar code.
- (e) The volume data requested in Part c of this interrogatory further broken down by whether the mailer applies a bar code.

RESPONSE:

(a): The available data responsive to this interrogatory are reproduced in the attached tables. The data are for GFY 2000.

(b)-(e): Not available. No data are available for Priority Mail disaggregated by presort level. No data are available that would allow disaggregation of volumes according to whether first sortations were performed on flat-sorting machines.

BREAKDOWN OF GFI-2000 VOLUME OF PRIORITY MAIL BY SHAPE
WITHIN POUND INCREMENT
FLAT RATE PRIORITY EXCLUDED

Pound Increment	Letter Volume	Flat Volume	Other Shape Volume	Combined Volume
1	12,894,842	148,023,980	193,796,794	354,715,616
2	879,663	121,491,038	306,182,939	428,653,640
3	115,623	8,466,037	138,198,670	146,780,330
4	24,299	1,127,501	61,812,887	62,964,687
5	17,741	368,550	31,615,511	32,001,802
6	8,709	128,340	17,768,409	17,905,458
7	5,778	74,369	11,540,291	11,620,438
8	2,552	25,905	8,042,507	8,070,964
9	7,794	32,809	5,322,010	5,362,613
10	295	16,707	3,958,424	3,975,426
11	1,697	10,207	3,040,268	3,052,172
12	0	17,061	2,375,030	2,392,091
13	758	7,267	1,781,572	1,789,597
14	0	2,899	1,293,818	1,296,717
15	216	9,804	1,207,784	1,217,804
16	39	4,338	832,973	837,350
17	0	314	752,998	753,312
18	0	2,443	562,314	564,757
19	0	608	533,692	534,300
20	0	0	440,157	440,157
21	0	271	379,636	379,907
22	0	633	370,793	371,426
23	0	710	305,701	306,411
24	0	314	278,416	278,730
25	0	1,230	214,313	215,543
26	0	1,165	181,073	182,238
27	0	0	163,551	163,551
28	0	923	145,407	146,330
29	0	0	96,506	96,506
30	0	767	182,779	183,546
31	0	0	113,220	113,220
32	0	306	95,345	95,651
33	0	276	81,214	81,490
34	0	0	76,835	76,835
35	0	265	99,117	99,382
36	0	13	69,949	69,962
37	0	513	38,505	39,018
38	0	0	71,356	71,356
39	0	0	48,747	48,747
40	0	0	36,331	36,331
41	0	0	51,378	51,378
42	0	0	18,040	18,040
43	0	0	28,277	28,277
44	0	0	27,047	27,047
45	0	0	32,728	32,728
46	0	0	27,922	27,922
47	0	720	13,070	13,790
48	0	0	8,599	8,599
49	0	102	16,323	16,425
50	0	0	15,784	15,784
51	0	0	8,105	8,105
52	0	0	15,108	15,108
53	0	0	9,536	9,536
54	0	0	14,319	14,319
55	0	0	8,575	8,575
56	0	0	14,037	14,037
57	0	0	10,001	10,001
58	0	0	7,083	7,083
59	0	0	2,747	2,747
60	0	0	28,375	28,375
61	0	0	13,882	13,882
62	0	0	952	952
63	0	0	2,522	2,522
64	0	0	852	852
65	0	0	2,959	2,959
66	0	0	1,677	1,677
67	0	0	2,193	2,193
68	0	0	1,271	1,271
69	0	0	2,747	2,747
70	0	0	1,843	1,843

Attachment to
Response to
OCA/USPS-21A(a)
page 1 of 2

BREAKDOWN OF GFY-2000 FLAT RATE PRIORITY VOLUME
BY POUND INCREMENTS -- ALL SHAPES ASSUMED TO BE FLATS

Pound Increment	VOLUME
1	92,108,160
2	20,580,238
3	3,948,137
4	717,294
5	152,818
6	55,486
7	19,327
8	9,818
9	2,058
10	6,423
11	719
12	7,561
13	493
14	6,939
15	589
16	0
17	26,210
18	0
19	0
20	650
21	0
22	499
23	0
24	0
25	0
26	0
27	0
28	0
29	0
30	0
31	2,579
32	0
33	0
34	0
35	0
36	0
37	0
38	0
39	0
40	0
41	0
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	663
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0

Attachment to
Response to
OCA/USPS-2(A(4))

page 2 of 2

RESPONSE OF UNITED STATES POSTAL SERVICE
TO OCA INTERROGATORIES

OCA/USPS-22. For FY 2000 and FY 2001, please provide a copy of the advertising copy as well as a copy of each radio and TV script used to market (a) Priority Mail and (b) Express Mail.

RESPONSE:

Due to the absence of key personnel at the Postal Forum, the Postal Service has not been able to locate and assemble all of the requested documents. The Postal Service will continue to search for the requested information and will provide it when available.

Revised 2/25/01

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE
OFFICE OF THE CONSUMER ADVOCATE
[ERRATUM, October 24, 2001]

OCA/USPS-23: Please explain the difference between a POS (point of sale) terminal and an IRT (integrated retail terminal).

RESPONSE:

Both POS ONE and IRT terminals assist retail personnel in providing information and services at retail counters. As such, they essentially perform the same job. The Postal Service began using IRTs in the early 1980s, and began deploying POS ONE terminals in December 1997.

Naturally with the forward march of technology, the more recent POS ONE terminals provide additional assistance not available with the IRTs. Among the POS ONE hardware improvements are an integrated slip printer, color monitors, and enhanced scanning methods. For mailing transactions, POS ONE offers more detailed and clearer mailing service information. Most stamp and retail product sales can be captured by the POS ONE system via barcode-scanning rather than by the manual entry that is necessary when using the IRTs. Finally, POS ONE captures more transactional data than IRT terminals.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-24. For the following interrogatory, please assume that a postal patron arrives at a Postal Service window to ship a piece of Priority Mail.

- (a) What information is keyed into the clerk's terminal?
- (b) After the clerk keys in the information noted in part (a) of this interrogatory, please explain what information is subsequently provided on the "CRT" or monitor to the window clerk.
- (c) With regard to your responses to parts (a) and (b) of this interrogatory, please provide a printout of each screen display.

RESPONSE:

(a) For information keyed into the retail associate's terminal, please refer to, respectively, Exhibits 1-3, "Priority Mail Workflow on Unisys IRT", "Priority Mail Workflow on IBM POS ONE System", and "Priority Mail Workflow on NCR POS ONE System".

(b) For information displayed on the retail associate's monitor, please refer to Exhibits 1-3.

(c) Screen prints of IBM and NCR POS ONE screens are being provided in hard copy as Exhibits 4 and 5, respectively. Screen prints are not available from the Unisys IRTs, but a sample Priority Mail screen obtained from a software document is being provided as Exhibit 6.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 1: PRIORITY MAIL WORKFLOW ON UNISYS IRT

Employee Input into IRT	Resulting Info Display
Employee selects <PRIOR BY WEIGHT> or <PRIOR FLAT RATE> key. (Work flow is identical for the two selections.)	List of available special services.
Employee keys in destination ZIP Code.	Postage rate and list of available special services. If destination has 3-day service standard, "3-Day Service Area; Advise Customer" message appears.
<p><i>This step is skipped if customer does not want to purchase any special services.</i></p> <p>Employee selects the appropriate special service key(s).</p>	Postage rate and list of available special services remain visible. "3-Day Service Area" message (if present) disappears during entry of special service values and scanning of Delivery/Signature Confirmation barcodes.
<p><i>This step is skipped if employee does not select <Delivery Confirmation> or <Signature Confirmation>.</i></p> <p>Employee keys in number of appropriate menu selection:</p> <ol style="list-style-type: none"> 1. Delivery Confirmation 2. Signature Confirmation 	Same as above, with fees shown for any selected non-value-dependent special services.
<p><i>This step is skipped if employee does not select <Delivery Confirmation> or <Signature Confirmation>.</i></p> <p>Employee scans the barcoded Delivery Confirmation or Signature Confirmation label number or keys it in.</p>	Same as above.
<p><i>This step is skipped if employee does not select <Register>, <Insure>, or <COD>.</i></p> <ul style="list-style-type: none"> • For registered mail employee keys in article value. • For insured mail employee keys in amount of insurance. • For COD employee keys in insurance amount or COD amount, whichever is higher. 	Fees for registered, insured, or COD service included in postage and fee display. "3-Day Service Area" message returns to screen if it applies.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 1: PRIORITY MAIL WORKFLOW ON UNISYS IRT (Continued)

Employee Input into IRT	Resulting Info Display
Employee selects <PVI> key to sell PVI label for postage, <POSTAGE STAMPS> key to sell stamps as postage, or <RESET> key if customer already has sufficient postage on the item (customer meter strip or previously-purchased stamps).	Transaction complete; all information disappears from screen except total amount customer owes for mailing.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 2: PRIORITY MAIL WORKFLOW ON IBM POS ONE SYSTEM

Employee Input into IBM POS ONE Terminal	Resulting Info Display
Employee selects <Priority Mail> button.	
Employee keys in destination ZIP Code.	City and state for ZIP Code entered, plus list of special services available for selection and the fees for those that are not value-dependent.
<ul style="list-style-type: none"> If customer does not want to purchase any special services, employee selects <Done> button. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Employee selects button(s) indicating desired special service(s), followed by <Done> button. 	Depends on employee selection: Postage rate and special service options not shown on value-input and barcode-scanning screens (most services require one or the other).
<p><i>This step is skipped if employee does not select <Delivery Confirmation> or <Signature Confirmation>.</i></p> <p>Employee scans barcoded label number or keys it in.</p>	List of available special services and their fees (if not value-dependent), with already-selected services highlighted and exact fees shown. Postage rate also shown.
<p><i>This step is skipped if employee does not select <Registered Mail> or <Insurance> or <COD>.</i></p> <ul style="list-style-type: none"> For <Registered Mail> employee enters the article value. For <Insurance> employee enters the insurance amount. For <COD> employee enters the insurance amount or the COD amount, whichever is higher. 	List of available special services and their fees (if not value-dependent), with already-selected services highlighted and exact fees shown. Postage rate also shown.
Employee selects <Done> button to indicate that all desired special services have been selected.	Mailing – Summary screen appears, showing probable date of arrival (including day and date).
<p>Depending upon type of postage being used, employee selects appropriate button:</p> <p style="padding-left: 40px;"><Done> *</p> <p style="padding-left: 40px;"><Sell Stamps></p> <p style="padding-left: 40px;"><Postage Affixed>**</p> <ul style="list-style-type: none"> Prints PVI label. <p>** Used if customer has all or part of postage already affixed to article.</p>	Rate, fee, and probable date of arrival disappear from screen. Total postage owed by customer is shown.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 2: PRIORITY MAIL WORKFLOW ON IBM POS ONE SYSTEM
(Continued)

Employee Input into IBM POS ONE Terminal	Resulting Info Display
<i>This step is skipped if employee has not previously selected <Registered Mail> <Insurance>, <Certified Mail> or <Rtn Receipt (Merch)>.</i> Employee inserts insured or registered receipt in slip printer for completion.	Transaction complete.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 3: PRIORITY MAIL WORKFLOW ON NCR POS ONE SYSTEM

Employee Input into NCR POS ONE Terminal	Resulting Info Display
Employee keys in destination ZIP Code.	City and state matching the entered ZIP Code.
Employee selects <Priority Mail> key.	<p>Priority Mail options, their postage rates, and one of the following service standards for each of the two Priority Mail options:</p> <ul style="list-style-type: none"> • 1 Day • 2 Days • 3 Days • No Service Standard * <p>* Displayed for APO/FPO ZIP Codes.</p>
Employee selects either <Priority Mail> key or <Priority Mail Flat Rate> key. (Ensuing work flows and service standards are identical for the two choices.)	Special services available for selection and their fees. Postage rate and service standard information not visible.
<ul style="list-style-type: none"> • If customer does not want to purchase any special services, employee selects <Continue> key. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Employee selects key(s) indicating desired special service(s), followed by <Continue> key. 	No rate, fee or service standard information visible during special service selection.
<p><i>This step is skipped if employee does not select <Registered>, <Insured> or <COD>.</i></p> <ul style="list-style-type: none"> • For <Registered> employee enters value. • For <Insured> employee enters insurance amount. • For <COD> employee enters article value and COD amount. 	Same as above.
<ul style="list-style-type: none"> • If customer does not want to purchase return receipt or restricted delivery, employee selects <Continue> key. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Employee selects key(s) indicating desired service(s), followed by <Continue> key. 	Same as above.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 3: PRIORITY MAIL WORKFLOW ON NCR POS ONE SYSTEM
(Continued)

Employee Input into NCR POS ONE Terminal	Resulting Info Display
<p><i>This step is skipped if employee does not select a special service requiring a numbered form.</i></p> <p>Employee scans barcoded special service label number or keys it in. For some services, employee may also insert the special service form in the slip printer for completion by the system.</p>	<p>Postage rate, selected services, and their fees.</p>
<p>Depending upon type of postage to be used, employee selects appropriate key:</p> <p><Print PVI> <Issue Stamps> <No Postage Required> • <Postage Affixed> **</p> <p>• For customers using previously purchased stamps or customer meter strips.</p> <p>** For customer with part of postage already affixed.</p>	<p>Same as above.</p> <p>Mailing transaction is complete.</p>

FIRST CLASS - PRIORITY MAIL

SELECT SPECIAL SERVICES IF REQUIRED

3-DAY SERVICE AREA, ADVISE CUSTOMER

SAT FEB 10, 2001 14:54

BASE RATE 3.50
DEL/SIG CONFIRM
INSURANCE DECS
CERTIFIED
REGISTERED DECS
C.O.D. DECS
RETURN RECEIPT
RESTRICTED DEL
SPCL HANDLING
OVERSIZE/SURCHG
MISC. POSTAGE
ALPHA-F POSTNET-FLAT
OFF
ALPHA-Z DESTINATION ZIP LABEL

MANUAL WEIGHT

1 0.0

POUNDS OUNCES

ZONE 8

99999

ZIP CODE

\$ 3.50

TOTAL CHARGES

Sample Domestic Mail Transaction Screen

EXHIBIT 6 (OCA/USPS-34)

Item Entry

Store: USPS

Workstation: sys5001

User: 0000/INSTALLER

10/16/01

12:34

Qty	Description	Unit	Total
	Dom. Express Mail PO to Addressee		
	Priority Mail with Delivery Confirmation		
	Priority Mail 2 lb. Flat Rate (\$3.95)		
	1st Class or Priority / Cert. w/ Rtn Receipt		
	Parcel Post with Insurance		
	Parcel Post		
	Global EMS		
	Priority Mail with Signature Confirmation		
	Priority Mail with Insurance		
	Int'l Air Letter-post		
	Int'l Air Parcel Post with Insurance		
	Int'l Air Parcel Post		
	Int'l Economy Parcel Post		
	Int'l Economy Parcel Post with Insurance		
	Priority Mail		
	1st Class Stamp		
	21c Stamped Card @ 23c		
	1st Class Stamped Envelope		
	20c Stamped Card @ 22c		

Total:













Help

Lock

Quit

Tasks

Done

 Sales	 Mailing
 Customer Svcs	 Money Order
 Exp Mail Cutoff	 Read Scale
 Key Item Code	 Misc GLA Entry
 Info Lookup	 Mail Pickup
 Cash for Stamps	 Non-Rev Pickup

Mailing: Obtain Destination

Weight: 0.00oz Destination: Services: <SERVICES>
Class: <CLASS>

What is destination of mail package?

ZIP Code:

- -

ZIP Code:

- -

ABC...	7	8	9	Delete
	4	5	6	Back
	1	2	3	Clear
	.	0	Enter	
	<-	->		

Flat Article

Lookup Address

International

Help

Lock

Quit

Tasks

Done

Mailing - Service Selection

Weight: 6.20oz

Destination: ATLANTA, GA 30310 Zone: 4

Total: \$3.50

Class: Priority Mail

Services:

Primary Services**Dependent Services****Service****Fee****Certificate of Mailing****0.75****Certified Mail****2.10****COD****0.00****Insurance****0.00****Registered Mail****0.00****Rtn Receipt (Merch.)****2.35****Special Handling****5.40****Delivery Confirmation****0.40****Signature Confirmation****1.75****Service****Fee****Unavailable Services****Restricted Delivery****3.20****Return Receipt****1.50****Help****Lock****Quit****Tasks****Done**

Mailing Services Information for Insurance

Weight: 5.20oz Destination: ATLANTA, GA 30310 Zone: 4
 Class: Priority Mail Services:

Enter the dollar amount of insurance required for article. The value cannot be greater than the article value. The amount must be at least \$0.01 and no more than \$5000.00.

Insurance/
Indemnity:

0.00

Insurance/
Indemnity:

0.00

ABC...	7	8	9	Delete
	4	5	6	Back
	1	2	3	Clear
	.	0	Enter	
	<-	->		

Help

Lock

Quit

Tasks

Cancel

Done

Mailing - Service Selection

Weight: 6.20oz
Class: Priority Mail

Destination: ATLANTA, GA 30310 Zone: 4
Services: Insurance

Total: \$8.50

Primary Services

Service	Fee
Insurance	5.00
Special Handling	5.40
Delivery Confirmation	0.40
Signature Confirmation	1.75

Dependent Services

Service	Fee
Restricted Delivery	3.20
Return Receipt	1.50

Unavailable Services

Certificate of Mailing	0.75
Certified Mail	2.10

Help

Lock

Quit

Tasks

Done

Mailing - Summary

Your **6.20oz** package will be delivered by

Priority Mail

to **ATLANTA, GA 30310 Zone: 4**

at a cost of **\$8.50**

The probable date of arrival is: Thursday, October 18, 2001

Other Information

View Forms

Postage Affixed

Sell Stamps

Enclosed Letter

Add/Remove Surcharges

The following services/surcharges have been requested:

Service: **Insurance**

Value: **\$350.00**

Cost:

\$5.00

Priority Mail:	\$3.50
Cost of Services:	\$5.00
Surcharges:	\$0.00
Postage Affixed:	\$0.00
Total:	\$8.50

Help

Lock

Quit

Tasks

Done

Item Entry

Transaction: 3

Store: USPS

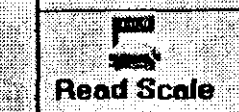
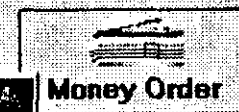
Workstation: sys5001

User: 0000/INSTALLER

10/16/01

12:39

Qty	Description	Unit	Total
1	9262 Priority Mail Destination: 30310	8.50	8.50



Dom. Express
Mail PO to
Addressee

1st Class or
Priority / Cert.
w/ Rtn Receipt

Global EMS

Int'l Air
Letter-post

Int'l Economy
Parcel Post

Priority Mail
with Delivery
Message

Priority Mail
2 lb. Flat Rate

1st Class

Int'l Economy
Parcel Post
with Insurance

Priority Mail

20c Stamped
Card @ 22c



Insert the front of Form 3813P document
in the document insert station for
printing.

OK

Cancel

Total:

Help

Lock

Quit

Tasks

Done

Item Entry

Transaction: 3 Store: USPS Workstation: sys5001 User: 0000/INSTALLER 10/16/01 12:41

Qty	Description	Unit	Total
1	9282 Priority Mail Destination: 30310 Weight: 6.20oz Insurance 5.00 PVI Label Amount: 8.50	8.50	8.50

Sub Total: 8.50

Tax: 0.00

Total: 8.50

Help

Lock

Quit

Tasks

Done

Mail

Customer Svcs

Exp Mail Cutoff

Key Item Code

Info Lookup

Cash for Stamps

Non-Ret Pickup

Mail Pickup

Misc GLA Entry

Read Scale

Money Order

Mailing

Sales

For Flat Articles, add 4 digits.

or select a dynasty:

Enter / confirm ZIP Code

Domestic Mail
4:09 PM Mon, Oct 15, 2001 - 9.00.035.002

Domestic Mail

Off/bs. Off/oz.

☐ _____

Total: \$0.00

Subtotal \$0.00
\$0.00

Single Sample

See Domestic
Money Order

with Fire

የጋራ ምክር ቤት

0107 5038

Stands

Sold by Item

Domestic Mail

4:10 PM Mon, Oct 15, 2001 - 9.00.035.002

What are you mailing?

*Toggle on/off <Surcharges> if applicable.
For Express Mail, scan the barcode label.*

0 lbs. 6.90 oz.

JACKSONVILLE, FL 32216

6.90oz

\$0.00

Subtotal

\$0.00

Total:**\$0.00**

Letter

Correspondence

Package

Merchandise

Flat

Priority Mail

Express Mail

Certified Mail w/
Return ReceiptPriority Mail w/
Insurance

Surcharges

Domestic Mail

4:10 PM Mon, Oct 15, 2001 - 9.00.035.002

Select mail class:

Press [Help] to view size restrictions.

0 lbs. 6.90 oz.

Priority Mail



Priority Mail Flat Rate



1. Priority Mail	2 Days	\$3.50
2. Priority Mail Flat Rate	2 Days	\$3.95

Total:
\$0.00

Domestic Mail

4:10 PM Mon, Oct 15, 2001 - 9.00.035.002

**Select special service and/or
<Continue...>:***Do you want insurance? Select <Continue...> when
done.*

0 lbs. 6.90 oz.

1

- | | | |
|----|---|--------|
| 1. | Certified | \$2.10 |
| 2. | Registered(\$25000.00 max indemnity if insured) | \$7.25 |
| 3. | Insured(up to \$5000.00 or up to \$50.00 if Return Receipt for Merchandise is selected) | \$1.10 |
| 4. | Delivery Confirmation | \$0.40 |
| 5. | Signature Confirmation | \$1.75 |
| 6. | COD(up to \$1000.00) | \$4.50 |
| 7. | Return Receipt for Merchandise | \$2.35 |
| 8. | Special Handling | \$5.40 |

Certified

Registered

Insured

Delivery

Confirmation

Signature

Confirmation

COD

Return Receipt
for MerchandiseContinue To
Finish

Domestic Mail

4:11 PM Mon, Oct 15, 2001 - 9.00.035.002

Enter Insurance Amount:

0 lbs.

6.90 oz.

\$

0.00

Insurance Amount: \$0.00

Accept



Domestic Mail

4:11 PM Mon, Oct 15, 2001 - 9.00.035.002

Select an option:*Do you want Return Receipt or Restricted Delivery?**Select <Continue> when done.*

0 lbs. 6.90 oz.

1

1.	Return Receipt	\$1.50
2.	Restricted Delivery	\$3.20
	Waive Return Receipt for Merchandise Signature	\$0.00

Return Receipt

Restricted Delivery

Waive Return Receipt for Merchandise Signature

Continue

Domestic Mail

4:11 PM Mon, Oct 15, 2001 - 9.00.035.002

**Scan / enter PS Form 3813-P label
number.****To print PS Form 3813-P, insert form, then select a
dynakey.**

0 lbs. 6.90 oz.

PS Form 3813-P Label #:

Print PS Form

Accept



Domestic Mail
 4:15 PM Mon, Oct 15, 2001 - 9.00.035.002

What kind of postage?

To make changes,
 select <Change...> dynakey.

1 0 lbs. 6.90 oz.

JACKSONVILLE, FL 32216 Priority	6.90oz	\$3.50
Insured		
Insurance Amount	\$250.00	
Label Serial Number	VV600436256US	
Subtotal		\$7.50



Postage



Postage



Postage



Postage



Postage



Postage



Postage



Postage

**Enter / confirm ZIP Code
or select a dynakey:**

For Flat Articles, add 4 digits.

Off lbs.

Off oz.

JACKSONVILLE FL 32216 Priority	6.90oz	\$3.50
Mail		
Insured		\$4.00
Insurance Amount :	\$250.00	
Label Serial Number :	VV600436256US	
Issue PVI:		\$7.50
0.00oz		\$0.00
Subtotal		\$0.00

Total:
\$7.50

Single Stamp
Sale

Sell Domestic Money Order with Fee

International

Zero Scale

Standby

**Sell by Item
Number**

FIRST CLASS - PRIORITY MAIL		SAT FEB 10, 2001 14:54	
SELECT SPECIAL SERVICES IF REQUIRED		BASE RATE 3.50	
		DEL/SIG CONFIRM	
		INSURANCE DEC\$	
		CERTIFIED	
		REGISTERED DEC\$	
		C.O.D. DEC\$	
		RETURN RECEIPT	
		RESTRICTED DEL	
		SPCL HANDLING	
		OVERSIZE/SURCHG	
		MISC. POSTAGE	
		ALPHA-F POSTNET-FLAT	
		OFF	
		ALPHA-Z DESTINATION ZIP LABEL	
3-DAY SERVICE AREA, ADVISE CUSTOMER			
MANUAL WEIGHT		ZONE 8	
1	0.0	99999	\$ 3.50
POUNDS	OUNCES	ZIP CODE	TOTAL CHARGES
Sample Domestic Mail Transaction Screen			

SAMPLE UNISYS IRT PRIORITY MAIL SCREEN

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-25. For the following interrogatory, please assume that a postal patron arrives at a Postal Service window to ship a piece of Express Mail.

- (a) What information is keyed into the clerk's terminal?
- (b) After the clerk keys in the information noted in part (a) of this interrogatory, please explain what information is subsequently provided on the "CRT" or monitor to the window clerk.
- (c) With regard to your responses to parts (a) and (b) of this interrogatory, please provide a printout of each screen display.
- (d) If a postal patron requests Express Mail service, does the computer program that operates the window clerk's terminal inform the clerk whether the Express Mail service can actually be achieved? (e.g., Express Mail sold after the final dispatch time or Express Mail destined for Post Offices that do not receive daily Express Mail delivery.)
- (e) Referring to your response to part (d), is the window clerk trained to inform the customer that the Express Mail delivery service standards cannot be met?
- (f) Please provide a copy of all training materials and other documents pertaining to Express Mail delivery standards and the inability to perform the service purchased.

RESPONSE:

(a) For information keyed into the retail associate's terminal, please refer to, respectively, Exhibits 1-3, "Domestic Express Mail Workflow on Unisys IRT", "Domestic Express Mail Workflow on IBM POS ONE System", and "Domestic Express Mail Workflow on NCR POS ONE System".

(b) For information displayed on the retail associate's monitor, please refer to Exhibits 1-3.

(c) Screen prints of IBM and NCR POS ONE screens are being provided in hard copy as Exhibits 4 and 5, respectively. Screen prints are not available from the Unisys IRTs, but a sample Express Mail screen from a software document is being provided as Exhibit 6.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE**

(d) Both IRTs and POS ONE systems provide limited information about some situations in which the regular Express Mail commitment is not likely to be achieved. First, for articles sent to overnight destinations after the retail unit's cut-off time, all systems display a two-day delivery commitment. This is not a case of the service commitment's not being met; the service commitment is based on receipt of the mailpiece no later than the cut-off time. The service commitment changes if the mailpiece is accepted after the cut-off time. Because of the current network database structure, articles sent to two-day destinations after the cut-off time display a two-day commitment.

Second, the NCR POS ONE system displays a warning message for articles addressed to post office boxes that are scheduled for delivery over the weekend: "Service commitment will be effective only if Post Office Box accessible on the weekend." None of the systems contain data identifying the specific destinations where post office boxes are inaccessible on weekends or where Express Mail street delivery is not made on weekends and holidays.

(e) Retail associates are trained to advise the customer of the delivery guarantee and record it on the Express Mail label. See the response to part (d).

(f) See USPS-LR-J-144.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

Exhibit 1: DOMESTIC EXPRESS MAIL WORKFLOW ON UNISYS IRT

Employee Input into IRT	Resulting Info Display
Employee selects <EXPRESS PO-ADD> or <EXPRESS PO-PO> key, depending on type of Express Mail Service desired.	List of available special services.
Employee keys in destination ZIP Code.	Postage rate, list of available special services, and one of following service commitments: <ul style="list-style-type: none"> • AM SERVICE AVAILABLE • PM SERVICE AVAILABLE • 2ND DAY AM SERVICE AVAILABLE • 2ND DAY SERVICE AVAILABLE
Employee scans barcoded Express Mail label number or keys it in.	Same as above.
<p><i>This step is skipped if customer does not Want to purchase any special services.</i></p> <p>If customer wants to purchase additional insurance, employee selects <INSURE> key and keys in total amount of insurance desired.</p> <p>If customer wants to purchase collect-on-delivery (COD) service, employee selects <COD> key and keys in amount to be collected or amount of insurance desired, whichever is higher.</p> <p>If customer wants to purchase a return receipt, employee selects RET RECPT key.</p>	Same as above, plus fees for any special services selected.
<p>Depending upon how customer will pay for postage, employee selects from menu by keying in number of appropriate menu item:</p> <ol style="list-style-type: none"> 1. Corporate Account 2. Federal Agency 3. Other * <p>* For all non-account transactions.</p>	Same as above.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

Exhibit 1: DOMESTIC EXPRESS MAIL WORKFLOW ON UNISYS IRT (Continued)

Employee Input into IRT	Resulting Info Display
<p><i>This step is skipped if employee selected #3, Other.</i></p> <p>After selection of #1 (Corporate Account, employee enters 6-digit EMCA number, whereupon IRT prompts for optional chargeback code. Employee enters chargeback code shown on Express Mail label, if any.</p> <p>After selection of #2 (Federal Agency), employee enters 3-digit agency number, whereupon IRT prompts for optional sub-control number. Employee enters sub-control number on Express Mail label, if any.</p>	<p>Same as above.</p>
<p><i>This step is skipped for PO-PO items.</i></p> <p>Based on mailer's desire for weekend/holiday delivery, employee selects delivery option from menu by keying in number of appropriate menu item:</p> <ol style="list-style-type: none"> 1. Normal Express Mail Delivery 2. No Weekend Delivery 3. No Holiday Delivery 4. No Weekend and Holiday Delivery 	<p>Same as above, plus delivery option</p> <p>(Selection of #2, #3, or #4 does not alter the service commitment display, nor does it alter the commitment the employee records on the label.)</p>
<p><i>This step is skipped for PO-PO items.</i></p> <p>IRT prompts employee to indicate whether item is addressed to a post office box, and employee keys in number of appropriate menu selection:</p> <ol style="list-style-type: none"> 1. Yes 2. No 	<p>Same as above.</p>
<p>Employee selects the <ENTER> key to save the transaction data.</p>	<p>Same as above.</p>
<p>Employee selects <PVI> key to sell PVI label for postage, <POSTAGE STAMPS> key to sell stamps as postage, or <RESET> key if customer is paying via corporate account or federal agency number or already has sufficient postage on the item (customer meter strip or previously-purchased stamps).</p>	<p>Mailing transaction complete. All information disappears from screen except the total cost of the mailing.</p>

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

Exhibit 2: DOMESTIC EXPRESS MAIL WORKFLOW ON IBM POS ONE SYSTEM

Employee Input into IBM POS ONE Terminal	Resulting Info Display
Employee selects <Dom. Express Mail PO to Addressee> button. (A somewhat longer workflow is necessary for initial selection of Post Office-to-Post Office service.)	
Employee keys in destination ZIP Code.	City and state for ZIP Code entered, plus the date of expected delivery and one of the following commitments: <ul style="list-style-type: none"> • Next Day AM • Next Day PM • 2nd Day AM • 2nd Day PM
Employee scans barcoded Express Mail label number or keys it in.	Same as above, plus postage rate (no longer covered up by large input keypad).
<p style="text-align: center;"><i>This step is skipped for PO-PO items.</i></p> <p>Employee selects from picklist to indicate whether destination is a PO Box:</p> <p style="padding-left: 40px;"><No> <Yes></p>	Same as above.
<p>Depending upon type of postage to be used, employee selects from picklist:</p> <p style="padding-left: 40px;"><Other> • <Corporate Account> <Federal Agency></p> <p>* For all non-account transactions.</p>	Commitment info still displayed; postage rate covered up by input keypad if either <Corporate Account> or <Federal Agency> selected.
<p style="text-align: center;"><i>This step skipped if employee selects <Other> button.</i></p> <ul style="list-style-type: none"> • For corporate account payments, employee enters 6-digit EMCA number, and optional chargeback code if latter is present on Express Mail label. • For federal agency payments, employee enters 3-digit agency number, and optional sub-control number if latter is present on Express Mail label. 	Postage rate visible again; commitment info still displayed.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

**EXHIBIT 2: DOMESTIC EXPRESS MAIL WORKFLOW ON IBM POS ONE SYSTEM
(Continued)**

Employee Input into IBM POS ONE Terminal	Resulting Info Display
<p><i>This step is skipped for PO-PO items.</i></p> <p>Based on mailer's desire for weekend/holiday delivery, employee selects from picklist:</p> <p style="padding-left: 40px;"> <input type="radio"/> <Normal Express Mail> [default selection] <input type="radio"/> <No Weekend Delivery> <input type="radio"/> <No Holiday Delivery> <input type="radio"/> <No Weekend or Holiday Delivery> </p>	<p>List of available special services and fees for non-value-dependent services. Postage rate still visible, but commitment info temporarily disappears.</p>
<ul style="list-style-type: none"> • If customer does not want to purchase any special services, employee selects <Done> button. <li style="text-align: center; padding: 5px 0;">OR • Employee selects button(s) indicating desired special service(s): <li style="padding-left: 40px;"><input type="radio"/> <COD> <li style="padding-left: 40px;"><input type="radio"/> <Insurance (Merch.)> <li style="padding-left: 40px;"><input type="radio"/> <Return Receipt> <p>Employee then selects <Done> button.</p>	<p>Postage rate, service commitment, and special service options not visible on special service value-input screen.</p>
<p><i>This step is skipped if employee selected neither <Insurance (Merch.)> nor <COD>.</i></p> <ul style="list-style-type: none"> • For insurance employee enters the insurance amount. • For COD employee enters the insurance amount or the COD amount, whichever is higher. 	<p>List of available special services and their fees (if not value-dependent), with already-selected services highlighted and exact fees shown. Postage rate visible, but not service commitment.</p>
<p>Employee selects <Done> button to indicate that all desired special services have been selected.</p>	<p>Mailing – Summary screen appears, showing same commitment info as before (including day and date), but in a different position on the screen. Postage rate and selected special services (with fees) also shown.</p>

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

**EXHIBIT 2: DOMESTIC EXPRESS MAIL WORKFLOW ON IBM POS ONE SYSTEM
(Continued)**

Employee Input into IBM POS ONE Terminal	Resulting Info Display
<p>Depending upon type of postage being used, employee selects appropriate button:</p> <ul style="list-style-type: none"> • For corporate account mailings employee selects <Done>. • For non-account mailings employees selects appropriate button from among the following: <ul style="list-style-type: none"> <Done> • <Sell Stamps> <Postage Affixed>** * Prints PVI label. ** Used if customer has all or part of postage already affixed to article. 	<p>Mailing transaction complete; commitment info disappears. Screen shows fees for any special services selected and total amount of payment due for the transaction (\$0.00 for account mailings).</p>

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 3: DOMESTIC EXPRESS MAIL WORKFLOW ON NCR POS ONE SYSTEM

Employee Input into NCR POS ONE Terminal	Resulting Info Display
Employee keys in destination ZIP Code.	City and state matching the entered ZIP Code.
Employee selects <Express Mail> key.	<p>Types of Express Mail service available to the destination, their postage rates, and one of the following commitments for each type of Express Mail:</p> <p>Post Office-Addressee</p> <ul style="list-style-type: none"> • Nextday Noon • Nextday 3PM • 2ND Day Noon • 2nd Day 3PM <p>Post Office-Post Office</p> <ul style="list-style-type: none"> • Nextday 10AM • 2nd Day 10AM
Employee selects <Express Mail PO-Addressee> or <Express Mail PO-PO> key, depending on type of Express Mail Service desired.	Postage rate and appropriate commitment, as shown above, for the specific type of Express Mail service selected.
<p><i>This step is skipped for PO-PO items.</i></p> <p>Based on mailer's desire for weekend/holiday delivery, employee selects appropriate delivery option key from among these options:</p> <ul style="list-style-type: none"> <Normal> <No Weekend> <No Holiday> <No Weekend or Holiday> 	Same as above, plus the selected delivery option. The commitment itself is not altered.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

**EXHIBIT 3: DOMESTIC EXPRESS MAIL WORKFLOW ON NCR POS ONE SYSTEM
(Continued)**

Employee Input into NCR POS ONE Terminal	Resulting Info Display
<p><i>This step is skipped for PO-PO items.</i></p> <p>Employee selects appropriate key to indicate the type of delivery address:</p> <p style="padding-left: 40px;"><Street Address> <P. O. Box></p>	<p>Same as above, plus list of available special services and their fees.</p> <p>In addition, if employee selects "P. O. Box" and the expected delivery date falls on the weekend, the following pop-up message covers much of the screen:</p> <p style="padding-left: 20px;">"Service commitment will be effective only if Post Office Box accessible on the weekend."</p> <p>The employee must select the "Continue" key to dismiss the message.</p>
<ul style="list-style-type: none"> • If customer does not want to purchase any special services, employee selects <Continue> key. <li style="text-align: center; padding: 5px 0;">OR • Employee selects key(s) indicating desired special service(s): <li style="padding-left: 40px;"><Insured> <COD> <Return Receipt> <p>Employee then selects <Continue> key.</p>	<p>Postage rate and service commitment info disappears temporarily during special service selection.</p>
<p><i>This step is skipped if employee selects neither <Insured> nor <COD>.</i></p> <ul style="list-style-type: none"> • For <Insured> employee enters insurance amount. • For <COD> employee enters article value and COD amount. 	
<p><i>This step is skipped if employee does not select <COD>.</i></p> <p>Employee scans barcoded COD label number or keys it in.</p>	<p>Postage rate, fees for selected special services, and commitment information.</p>

RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

EXHIBIT 3: DOMESTIC EXPRESS MAIL WORKFLOW ON NCR POS ONE SYSTEM
(Continued)

Employee Input into NCR POS ONE Terminal	Resulting Info Display
Employee scans barcoded Express Mail label number or keys it in.	Same as above.
<p>Depending upon type of postage to be used, employee selects appropriate key:</p> <p><Print PVI> <Issue Stamps> <No Postage Required> * <Paying by Account> <Postage Affixed> **</p> <p>* For customers using previously purchased stamps or customer meter strips. ** For customer with part of postage already affixed.</p>	Same as above.
<p><i>This step is skipped unless employee selects <Paying by Account>.</i></p> <p>Employee selects appropriate key:</p> <p><Corporate Account> <Federal Agency Account></p>	Rate, fee, and commitment info disappears during account entry.
<p><i>This step is skipped unless employee selects <Paying by Account>.</i></p> <p>For corporate account payments, employee enters 6-digit EMCA number, followed by optional chargeback code if latter is present on Express Mail label.</p> <p>For federal agency payments, employee enters 3-digit agency number, followed by optional sub-control number if latter is present on Express Mail label.</p>	<p>Rate, fee, and commitment info returns to the screen.</p> <p>(Mailing transaction is complete.)</p>

Item Entry

Store: USPS

Workstation: sys5001

User: 0000/INSTALLER

10/16/01

12:25

Qty	Description	Unit	Total
	Dom. Express Mail PO to Addressee		
	1st Class or Priority / Cert. w/ Rtn Receipt		
	Global EMS		
	Int'l Air Letter-post		
	Int'l Economy Parcel Post		
	Priority Mail with Delivery Confirmation		
	Parcel Post with Insurance		
	Priority Mail with Signature Confirmation		
	Int'l Air Parcel Post with Insurance		
	Int'l Economy Parcel Post with Insurance		
	Priority Mail 2 lb. Flat Rate (\$3.95)		
	Parcel Post		
	Priority Mail with Insurance		
	Int'l Air Parcel Post		
	Priority Mail		
	20c Stamped Card @ 22c		
	21c Stamped Card @ 23c		
	1st Class Stamp		
	1st Class Priority Mail		

Sales

Customer Svcs

Exp Mail Cutoff

Key Item Code

Info Lookup

Cash for Stamps

Mailing

Money Order

Read Scale

Misc GLA Entry

Mail Pickup

Non-Ret Pickup

Total:

Help

Lock

Quit

Tasks

Done

Mailing Obtain Destination

Weight: 0.00oz Destination: Services: <SERVICES>
 Class: <CLASS>

What is destination of mail package?

ZIP Code:

- -

Flat Article

Lookup Address

International

ZIP Code:

- -

7	8	9	Delete
4	5	6	Back
1	2	3	Clear
0		Enter	
ABC...			

Help

Lock

Quit

Tasks

Done

Mailing - Data for Express Mail PO-Addressee

Weight: 6.20oz Destination: LITTLE ROCK, AR 72201 Zone: 3
Class: Exp. Mail PO-ADD Services:

Label Number:

Destination is PO Box?:

Payment Method:

Delivery Option:

Normal Express Mail

Date - Time In: 10/16/2001 - 12:12
Relative Delivery Date: 2nd Day PM
Absolute Delivery Date: 10/18/2001 PM
Cutoff: 00:01

Label Number:

	7	8	9	Delete
ABC...	4	5	6	Back
	1	2	3	Clear
		0	Enter	
	<-	->		

Help

Lock

Quit

Tasks

Done

Weight: 5.20oz
Class: Exp. Mail PO-ADD
Destination: LITTLE ROCK, AR 72201 Zone: 3
Services:
Total: \$12.45

Label Number:

B12345677

Destination is PO Box?:

Payment Method:

Delivery Option:

Normal Express Mail

Date - Time In: 10/16/2001 - 12:12
Relative Delivery Date: 2nd Day PM
Absolute Delivery Date: 10/18/2001 PM
Cutoff: 00:01

Help

Lock

Quit

Tasks

Done

NO
YES

Is destination address a PO Box?

Mailing - Data for Express Mail PO-Addressee

Weight: 6.20oz Destination: LITTLE ROCK, AR 72201 Zone: 3
Class: Exp. Mail PO-ADD Services:

Total: \$12.45

Label Number: **B12345677**

Destination is PO Box?: **NO**

Payment Method:

What payment method?

Other
Corporate Accour
Federal Agency

Delivery Option: **Normal Express Mail**

Date - Time In: 10/16/2001 - 12:12
Relative Delivery Date: 2nd Day PM
Absolute Delivery Date: 10/18/2001 PM
Cutoff: 00:01

Help

Lock

Quit

Tasks

Done

Mailing - Data for Express Mail PO-Addressee

Weight: 5.20oz Destination: LITTLE ROCK, AR 72201 Zone: 3
 Class: Exp. Mail PO-ADD Services:

Label Number: **B12345677**

Destination is PO Box?: **NO**

Payment Method: **Federal Agency**

Control - Sub
 Control Number:

Federal Agency Name:

Delivery Option: **Normal Express Mail**

Date - Time In: 10/16/2001 - 12:12
 Relative Delivery Date: 2nd Day PM
 Absolute Delivery Date: 10/18/2001 PM
 Cutoff: 00:01

Help

Lock

Quit

Tasks

Control - Sub

	7	8	9	Delete
ABC	4	5	6	Back
	1	2	3	Clear
		0	Enter	
	<	>		

Done

Mailing - Data for Express Mail PO-Addressee

Weight: 6.20oz Destination: LITTLE ROCK, AR 72201 Zone: 3
Class: Exp. Mail PO-ADD Services:

Total: \$12.45

Label Number: **B12345677**

Destination is PO Box?: **NO**

Payment Method: **Federal Agency**

Control - Sub **401-12345**
Control Number:

Federal Agency Name: US Postal Srvc

Delivery Option: **Normal Express Mail**

Date - Time In: 10/16/2001 - 12:12

Relative Delivery Date: 2nd Day PM

Absolute Delivery Date: 10/18/2001 PM

Cutoff: 00:01

What delivery options?

Normal Express M ▲
No Weekend Deliv
No Holiday Delive ▼

Help

Lock

Quit

Tasks

Done

Mailing - Service Selection

Weight: 6.20oz Destination: LITTLE ROCK, AR 72201 Zone: 3
Class: Exp. Mail PO-ADD Services:

Total: \$12.45

Primary Services

Dependent Services

Service	Fee
COD	0.00
Insurance (Merch.)	0.00
Return Receipt	1.50

Service	Fee
---------	-----

Unavailable Services

Help

Lock

Quit

Tasks

Done

Weight 6.20oz
Destination: LITTLE ROCK, AR 72201 Zone: 3
Class: Exp. Mail PO-ADD
Services:

Enter the dollar amount of insurance required for article. The value cannot be greater than the article value. The amount must be at least \$500.01 and no more than \$5000.00.

Insurance/
Indemnity:

0.00

Insurance/ Indemnity: 0.00										Help	
Class: Exp. Mail PO-ADD Destination: LITTLE ROCK, AR 72201 Zone: 3 Services:										Lock	
Enter the dollar amount of insurance required for article. The value cannot be greater than the article value. The amount must be at least \$500.01 and no more than \$5000.00.										Quit	
										Tasks	
										Cancel	
										Done	

ABC				Enter							
7	8	9	Delete	4	5	6	Back	1	2	3	Clear
				0							
				←		→					

Mailing - Service Selection

Weight: 5.20oz

Destination: LITTLE ROCK, AR 72201 Zone: 3

Total: \$14.45

Class: Exp. Mail PO-ADD

Services: Insurance (Merch.)

Primary Services

Dependent Services

Service

Fee

Insurance (Merch.)

2.00

Return Receipt

1.50

Service

Fee

Unavailable Services

COD

0.00

Help

Lock

Quit

Tasks

Done

Mailing - Summary

Your **6.20oz** package will be delivered by **Express Mail PO-Addressee**

to **NEW YORK, NY 10020 Zone: 6** at a cost of **\$12.45**

Guaranteed delivery: Wednesday AM, 10/17/01 Normal Express Mail Delivery. Date - Time In: 10/16/01 - 12:26

Other Information

The following services/surcharges have been requested:

View Forms

Postage Affixed

Sell Stamps

Enclosed Letter

Add/Remove Surcharges

Express Mail PO-Addressee: \$12.45

Cost of Services: \$0.00

Surcharges: \$0.00

Postage Affixed: \$0.00

Total: \$12.45

Help

Lock

Quit

Tasks

Done

Screen for non-account transactions

Mailing - Summary

Your **6.20oz** package will be delivered by

Express Mail PO-Addressee

to **LITTLE ROCK, AR 72201 Zone: 3**

at a cost of **\$14.45**

Guaranteed delivery: Thursday PM, 10/18/01 No Weekend Delivery, Date - Time In: 10/16/01 - 12:12

Other Information

The following services/surcharges have been requested:

Service: **Insurance (Merch.)**

Value: **\$650.00**

Cost: **\$2.00**

View Forms

Postage Affixed

Sell Stamps

Enclosed Letter

Add/Remove Surcharges

Express Mail PO-Addressee: **\$12.45**

Cost of Services: **\$2.00**

Surcharges: **\$0.00**

Postage Affixed: **\$0.00**

Federal:401-12345

Total: \$14.45

Help

Lock

Quit

Tasks

Done

Screen for account transactions

Item Entry

Transaction: 1

Store: USPS

Workstation: sys5001

User: 0000/INSTALLER

10/16/01

12:25

Qty	Description	Unit	Total
1	9252 Exp. Mail PO-ADD	0.00	0.00
Destination: 72201			
Weight: 6.20oz			
Insurance (Merch.) 2.00			
Label Number: B12345677			
Federal Agency:401			

SubTotal: 0.00

Tax: 0.00

Total: 0.00

Help	Lock	Quit	Tasks
------	------	------	-------

Sales	Mailing
Customer Svcs	Money Order
Exp Mail Cutoff	Read Scale
Key Item Code	Misc GLA Entry
Info Lookup	Mail Pickup
Cash for Stamps	Non-Rcv Pickup

Done

Domestic Mail

3:53 PM Mon, Oct 15, 2001 - 9.00.035.002

**Enter / confirm ZIP Code
or select a dynakey:***For Flat Articles, add 4 digits.*

Off lbs.

Off oz.



0.00oz \$0.00

Subtotal: \$0.00

Total:**\$0.00****Single Stamp
Sale****Sell Domestic
Money Order
with Fee****International
Mail****Zero Scale****Standby****Sell by Item
Number**

NCR POS ONE EXPRESS MAIL WORK FLOW

Domestic Mail

3:55 PM Mon, Oct 15, 2001 - 9.00.035.002

What are you mailing?

*Toggle on/off <Surcharges> if applicable.
For Express Mail, scan the barcode label.*

0 lbs. 6.90 oz.

HOUSTON TX 77201

6.90oz

\$0.00

Subtotal

\$0.00

Total:
\$0.00

Letter
CorrespondencePackage
Merchandise

Flat



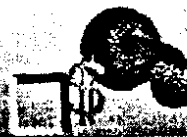
Priority Mail



Express Mail

Certified Mail w/
Return ReceiptPriority Mail w/
Insurance

Surcharges



Domestic Mail

3:56 PM Mon, Oct 15, 2001 - 9.00.035.002

Select mail class:*Press [Help] to view size restrictions.*

0 lbs. 6.90 oz.

1. Express Mail PO-PO	2nd day 10AM	\$9.55
2. Express Mail PO-PO Flat Rate	2nd day 10AM	\$14.10
		\$0.00
4. Express Mail PO-ADD	Nextday 3PM	\$12.45
5. Express Mail PO-ADD Flat Rate	Nextday 3PM	\$16.25
		\$0.00
Express Mail Same Day Airport		\$0.00
Express Mail Same Day Airport - Flat Rate		\$0.00

Total:
\$0.00
Express Mail
PO-POExpress Mail
PO-PO Flat RateExpress Mail
PO-ADDExpress Mail
PO-ADD Flat RateExpress Mail
Same Day
AirportExpress Mail
Same Day
Airport - Flat Rate

Domestic Mail

3:58 PM Mon, Oct 15, 2001 - 9.00.035.002

Select Express Mail delivery option:

0 lbs. 6.90 oz.

HOUSTON, TX 77201 Express Mail 6.90oz \$12.45
 PO ADD \$
 Nextday 3PM
 Subtotal \$12.45

Total:
\$0.00

Normal

No Weekend

No Holiday

No Weekend or
HolidaySat.
Sun.

Domestic Mail

3:59 PM Mon, Oct 15, 2001 - 9.00.035.002

Select a destination type:

Street Address

P.O. Box

41343

0 lbs. 6.90 oz.

HOUSTON, TX 77201 Express Mail 6.90oz \$12.45

PO-ADDN

Nextday 3PM / No Holiday Delivery

Subtotal \$12.45

Total:**\$0.00**

Domestic Mail

3:59 PM Mon, Oct 15, 2001 - 9.00.035.002

Select special service and/or
 <Continue...>:

Do you want insurance? Select <Continue...> when
 done.

0 lbs. 6.90 oz.

- | | | |
|---|--|--------|
| 1 | Insured(Optional merchandise insurance from \$500.01 to \$5000.00) | \$1.00 |
| 2 | COD(up to \$1000.00) | \$4.50 |
| 3 | Return Receipt | \$1.50 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Insured

COD

Return Receipt

Continue To
 Finish



Domestic Mail

4:03 PM Mon, Oct 15, 2001 - 9.00.035.002

What kind of postage?

To make changes,
select <Change ...> dynakey.

0 lbs. 6.90 oz.

1

HOUSTON TX 77201 Express Mail 6.90oz \$12.45
 PO-ADD
 Label Serial Number ELD63457106US
 Nextday 3PM / No Holiday Delivery
 Insured \$3.00
 Insurance Amount \$750.00
 Subtotal \$15.45

Print PDF

Issue Stamps

No Postage
RequiredPaying by
Account

Postage Affixed

Certificate of
MailingAdd/Change
ServicesChange ZIP /
Class /
Surcharges

Domestic Mail

4:04 PM Mon, Oct 15, 2001 - 9.00.035.002

Enter 3-digit control number.

0 lbs. 6.90 oz.

Account Type Federal Agency Account

Control No.

Sub-control No.

Federal Agency Name:

Corporate
AccountFederal Agency
Account

Accept

Domestic Mail

4:05 PM Mon, Oct 15, 2001 - 9.00.035.002

**Enter / confirm ZIP Code
or select a dynakey.***For Flat Articles, add 4 digits.*

Off lbs.

Off oz.

HOUSTON TX 77201 Express Mail 6.90oz \$12.45
 PO-ADD
 Label Serial Number: EL063457106US
 Nextday 3PM /No Holiday Delivery
 Insured \$3.00
 Insurance Amount : \$750.00
 Paid by account: \$15.45
 Federal agency account number 401
 Sub-control No. 12345
 0.00oz \$0.00
 Subtotal \$0.00

**Total:
\$0.00**

Single Stamp

Sale

Sell Domestic
Money Order
with FeeInternational
Mail

Zero Scale

Standby

Sell by Item
Number

EXPRESS MAIL		SAT FEB 10, 2001 14:54	
P.O. TO ADDR.		BASE RATE 16.25	
ENTER THE ITEM NUMBER USING KEYBOARD OR SCANNER		INSURANCE DECS C.O.D. DECS RETURN RECEIPT MISC. POSTAGE	
# B12345678		ZIP 87102 ITEM B12345678 PAYMENT METHOD VER: 0801 REV: 00-00-00 00:00	
PRESS "ENTER" TO CONTINUE, "RESET" TO EXIT		CUTOFF: 12.00 2ND DAY SERVICE AVAILABLE	
MANUAL WEIGHT		ZONE 8	
1	0.0	26801	\$ 16.25
POUNDS	OUNCES	ZIP CODE	TOTAL CHARGES
Sample Express Mail Transaction Screen			

SAMPLE UNISYS IRT DOMESTIC EXPRESS MAIL SCREEN

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-26. The following excerpt is from the IRS Publication 17, entitled "Your Federal Income Tax," for 2000 returns. "Your paper return is filed on time if it is mailed in an envelope that is properly addressed and postmarked by the due date. The envelope must have enough postage. If you send your return by registered mail, the date of the registration is the postmark date. The registration is evidence that the return was delivered. If you send a return by Certified Mail and have your receipt postmarked by a postal employee, the date on the receipt is the postmark date. The postmarked Certified Mail receipt is evidence that the return was delivered."

(a) Prior to the filing of this interrogatory, was the Postal Service aware of this IRS Publication 17 statement? If not, please explain why not.

(b) Assume that a taxpayer posts a two-ounce tax return prior to the IRS's tax filing deadline. In order for a taxpayer to avoid penalties from the IRS for a late filing, is it of any use for a taxpayer to mail the return via Priority or Express Mail? Please explain fully.

RESPONSE:

(a) It is possible that some postal employees were aware of this statement.

Others may not have been aware of this particular statement, but were familiar with this aspect of tax law. For others, the knowledge of postal products does not require a knowledge of tax law. The Postal Service does not see itself as a tax adviser for its customers.

(b) Based on the statement in Publication 17, a taxpayer would not meet a filing deadline based on the speedier delivery for Priority Mail or Express Mail, because meeting the deadline appears to depend on the postmark date. A customer might select these products for other reasons, such as the option to obtain delivery status information over the Internet or by phone, and an interest in getting the filing to the IRS quicker for peace of mind or to receive a refund faster.

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

OCA/USPS-27. Please provide a list of all Post Offices that do not receive daily deliveries of Express Mail (e.g., Hyder, AK).

RESPONSE:

The following Post Offices do not receive daily Express Mail delivery:

Angle Inlet, MN 56711, Oak Island, MN 56741, and those listed in the document attached hereto.

Attachment to OCA/USPS -27

<u>POST OFFICE</u>	<u>ZIP CODE</u>
CHICKEN	99732
CHIGNIK	99564
CHIGNIK LAGOON	99565
CHITINA	99566
EAGLE	99738
FALSE PASS	99583
HYDER	99823
KING COVE	99612
LAKE MINCHUMINA	99757
MINTO	99758
NIKOLSKI	99638
NONDALTON	99640
PERRYVILLE	99648
POINT BAKER	99927
PORT ALSWORTH	99653
SELDOVIA	99663
SKWENTNA	99667
TYONEK	99682

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

OCA/USPS-28. For FY 2000 and FY 2001 and for each Post Office identified in OCA/USPS-27, please provide the average time it took to deliver a piece of Express Mail destined for these Post Offices. Please cite your sources and provide a copy of all documents referenced if one has not been previously filed in this docket.

RESPONSE:

For FY 2000 and FY 2001, the average time it took to deliver Express Mail pieces to the Post Offices identified in OCA/USPS-27 was 3 days.

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

OCA/USPS-29. For FY 2000 and FY 2001 and for each Post Office identified in OCA/USPS-27, please provide the following information. Include in your responses cites to your sources and provide a copy of all documents referenced if one has not been previously filed in this docket. If you are unable to provide an actual value, please provide an estimate.

- (a) By Express Mail service, please provide the volume and revenue generated from each Post Office.
- (b) The volume of Express Mail sent from each Post Office that was unable to meet the Express Mail delivery service standard.
- (c) Referring to part (b) of this interrogatory, please provide the subsequent number of Express Mail postage refund claims filed due to the failure of the Express Mail piece to meet its delivery service standard. Please include in your response the volume of claims paid and the total amount paid.
- (d) The volume of Express Mail pieces received by each Post Office.
- (e) The volume of Express Mail pieces received by each Post Office that was eligible for an Express Mail postage refund due to a service standard failure.
- (f) Referring to part (e) of this interrogatory, please provide the subsequent number of Express Mail postage refund claims filed due to the service standard failure. Please include in your response the total claims paid and the total amount paid.

RESPONSE:

(a)-(f) Objection filed October 17, 2001.

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

OCA/USPS-30. For FY 2000 and FY 2001, please provide the following Express Mail Next Day Service data. Please cite your sources and provide a copy of the documents referenced if one has not been previously filed. If you are unable to provide an actual value, please provide an estimate.

- (a) The total volume and revenue generated by Saturday sales.
- (b) Of the Saturday Express Mail sales, please provide the total volume and revenue of mail for which the delivery service standard was not met (*e.g.*, due to a remote location, a P.O. Box address where the post office lobby was closed, etc.).
- (c) Referring to part (b) of this interrogatory, please provide: (1) the total claims filed, (2) the total volume of claims paid, and (3) the total amount paid.

RESPONSE:

The Express Mail Next Day Service data provided below were derived from the Domestic mail master file:

(a) Total Saturday volume and revenue for FY 2000- 4,675,362 and \$68,217,425.35; for FY 2001- 4,419,905 and \$65,461,186.65.

(c) The Postal Service does not track the data requested.

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

OCA/USPS-30. For FY 2000 and FY 2001, please provide the following Express Mail Next Day Service data. Please cite your sources and provide a copy of the documents referenced if one has not been previously filed. If you are unable to provide an actual value, please provide an estimate.

(b) Of the Saturday Express Mail sales, please provide the total volume and revenue of mail for which the delivery service standard was not met (*e.g.*, due to a remote location, a P.O. Box address where the post office lobby was closed, etc.).

RESPONSE:

(b) Total volume and revenue of Saturday Express Mail failures are:

2000-497,939, \$7,265,344

2001-576,731, \$8,541,698

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-31. Please identify each Post Office that has a final mail dispatch time prior to the retail lobby closing.

- (a) Can a postal patron purchase Express Mail Next Day service after the final mail dispatch time?
- (b) Referring to part (a) of this interrogatory, what happens to a Next Day Express Mail piece that has been purchased after the final dispatch time?
- (c) FY 2000 and FY 2001, please provide the total volume and revenue generated by Express Mail Next Day delivery sold after the final dispatch time. Please cite your source and provide a copy of the document referenced if one has not been previously filed in this docket.
- (d) Referring to part (c) of this interrogatory, please provide the total volume of mail that did not meet the Express Mail Next Day Delivery Standard. Please cite your source and provide a copy of the document referenced if one has not been previously filed in this docket.
- (e) Referring to part (d) of this interrogatory, please provide the total number of claims subsequently filed as well as the total volume and amount of postage refunds paid. Please cite your source and provide a copy of the document referenced if one has not been previously filed in this docket.

RESPONSE:

There is no master listing available at the Headquarters level that contains this information. Dispatch schedules for post offices across the country are established locally within each district and are based on the time required to transport the mail from the originating office for introduction into the processing point by the critical entry time.

- (a) Yes, customers can still purchase Express Mail service between the time of the final dispatch and the closing of the retail lobby, but it will not be delivered the next day. In these instances, Express Mail Next Day Service items mailed after the final dispatch are accepted for delivery on the second day

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-32 Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at page 32, lines 12-14. Witness Kingsley states that near scheme change time, volume may be lighter or intermittent as the last pieces come in from up stream operations. Skilled supervision can reduce, but rarely eliminate, the resulting loss of productivity.

(a) Would "skilled supervision" utilize manual sortation for "lighter or intermittent" volumes in order to begin sorting of staged mail for the next scheme at an earlier time? If not, why not.

(b) Does the time at which "lighter or intermittent" volumes begin to arrive at a given piece of equipment in a given plant vary by day of the week, month, or year? If so, why?

Response:

- a. Generally no. Volume would not be sent to manual sortation at the detriment of automated or mechanized processing. Depending on the operation, local procedures, and mail availability, they might process some other class of mail to "fill-in" for light First-Class volumes.
- b. Certainly, there is some variation. The time that mail arrives in an operation is ultimately dependent on the time that mail arrives at the plant, subject, of course, to any constraints in previous operations.

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

OCA/USPS-33. The following interrogatory refers to Express Mail.

- (a) For FY 2000 and FY 2001, please provide the following: (1) the total number of claims filed, (2) the number of claims paid, and (3) the total amount of postage refunds paid, because the Postal Service failed to meet the overnight delivery standard. Please cite your source and provide a copy of the document referenced if one has not been previously filed in this docket.
- (b) Please provide the ten most frequently reported reasons a claim was filed.
- (c) Please provide the ten most frequently recorded reasons a claim was paid.
- (d) Please provide the ten most frequently recorded reasons a claim was denied.

RESPONSE:

- (a) (1) and (2)- The Postal Service does not track the requested data
(3) FY 2000- \$10,340,595, FY 2001- \$13,496,083
- (b)-(d) The Postal Service does not track the requested data.

RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES OF
THE OFFICE OF CONSUMER ADVOCATE

OCA/USPS-34. Please refer to Docket No. R2000-1, and the testimony of witness Daniel (USPS-T-28), Figures 1, 2 and 3. Please provide updated Figures 1, 2 and 3 based upon the testimony of witness Schenk and the library references supporting that testimony. Provide citations to all sources and show all calculations.

RESPONSE:

Attached are three figures that update Figures 1, 2, and 3 USPS-T-28/R2000-1. Figure 1 provides the shape mix (i.e., the volume distribution by shape and by weight) for First-Class Single-Piece Mail (Attachment A). Figure 2 provides the shape mix for First-Class Presort Mail (Attachment B). Figure 3 provided the shape mix for Standard Regular Mail (Attachment C). These figures were developed using Base Year volumes reported in USPS-LR-J-58 (in sheet 'volumes&lbs' in Excel workbooks LR58ASP.xls, LR58PRE.xls, and LR58AREG.xls). The underlying volumes and all calculations are shown in the spreadsheet found in LR-J-146.

Figure 1: BY Volume Distribution by Shape by Ounce Increment for First-Class Single-Piece Mail

Weight <	1 oz.	2 oz.	3 oz.	4 oz.	5 oz.	6 oz.	7 oz.	8 oz.	9 oz.	10 oz.	11 oz.	12 oz.	13 oz.
% Letters	99.1%	55.4%	23.8%	10.7%	5.4%	3.1%	2.1%	1.2%	0.8%	0.5%	0.6%	0.2%	0.1%
% Flats	0.8%	42.9%	71.2%	82.0%	84.1%	84.7%	82.6%	82.4%	78.9%	78.3%	76.7%	75.0%	73.2%
% Parcels	0.1%	1.7%	5.0%	7.4%	10.5%	12.2%	15.3%	16.5%	20.3%	21.3%	22.7%	24.7%	26.6%

Supporting data can be found in USPS-LR-J-58

Figure 2: BY Volume Distribution by Shape by Ounce Increment for First-Class Presort Mail

Weight <	1 oz.	2 oz.	3 oz.	4 oz.	5 oz.	6 oz.	7 oz.	8 oz.	9 oz.	10 oz.	11 oz.	12 oz.	13 oz.
% Letters	99.7%	81.8%	40.6%	22.2%	13.2%	2.0%	1.2%	0.2%	0.8%	0.2%	0.5%	0.3%	0.0%
% Flats	0.3%	18.2%	59.0%	77.3%	85.8%	96.3%	97.1%	98.0%	98.6%	98.7%	98.8%	99.2%	100.0%
% Parcels	0.0%	0.0%	0.4%	0.5%	1.0%	1.7%	1.8%	1.7%	0.6%	1.1%	0.7%	0.4%	0.0%

Supporting data can be found in USPS-LR-J-58

Figure 3: BY Volume Distribution by Shape by Ounce Increment for Standard Regular Mail

Weight	0 - 1 oz.	1 - 2 oz.	2 - 3 oz.	3 - 5 oz.	5 - 7 oz.	7 - 9 oz.	9 - 11 oz.	11 - 13 oz.	Over 13 oz.
% Letters	96.1%	68.5%	30.6%	6.5%	0.4%	0.2%	0.2%	0.1%	0.2%
% Flats	3.9%	31.4%	68.5%	92.8%	95.3%	85.6%	67.8%	49.8%	68.2%
% Parcels	0.0%	0.2%	0.9%	0.7%	4.3%	14.2%	32.0%	50.1%	31.6%

Supporting data can be found in USPS-LR-J-58

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-35 Please refer to the testimony of Michael Miller (USPS-T-22), and USPS LR-J-60, Part B, "Standard Mail Letters." There are ten cost model spreadsheets for letters: Standard Mail Nonauto machinable Mixed AADC/AADC Presort Letters; Standard Mail Nonauto Machinable 3-Digit/5-Digit Presort Letters; Standard Mail Nonauto Nonmachinable MADC Presort Letters; Standard Mail Nonauto Nonmachinable ADC Presort Letters; Standard Mail Nonauto Nonmachinable 3-Digit Presort Letters; Standard Mail Nonauto Nonmachinable 5-Digit Presort Letters; Standard Mail Auto Mixed AADC Presort Letters; Standard Mail Auto AADC Presort Letters; Standard Mail Auto 3-Digit Presort Letters; and Standard Mail Auto 5-Digit Presort Letters. Each cost model spreadsheet identifies the following operations: Entry Activities; Outgoing RBCS; Outgoing Primary; Outgoing Secondary; Incoming RBCS; Incoming MMP; Incoming SCF/Primary; 5-Digit Barcode Sort; and Incoming Secondaries.

- (a) Please identify each piece of mail processing equipment for each operation in the ten cost model spreadsheets.
- (b) For each piece of mail processing equipment identified in response to part (a), please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for Standard Mail letters-shaped mail.
- (c) Please identify all instances where the manufacturer specified minimum and maximum length, height, weight, thickness, and aspect ratio standards for Standard Mail letter-shaped mail provided in response to part (b) are greater than the standards for Standard Mail letter-shaped mail contained in the DMCS and DMM.
- (d) Please confirm that the ten cost model spreadsheets represent different mailstreams for the processing of all letter-shaped Standard Mail. If you do not confirm, please explain and identify all mailstreams for the processing of letter-shaped Standard Mail.

RESPONSE:

- (a) See the response to OCA/USPS-12(a).
- (b) See the response to OCA/USPS-12(b).
- (c) See the response to OCA/USPS-12(c).
- (d) See the response to OCA/USPS-12(d).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-36 Please refer to the testimony of Michael Miller (USPS-T-24), and USPS LR-J-61, Part C, "Standard Mail Flats." There are six cost model spreadsheets for flats: Basic Nonauto Presort; 3-/5-Digit Nonauto Presort; Basic Auto Presort; Basic Auto Presort (Presort Level Held Constant); 3-/5-Digit Auto Presort; and 3-/5-Digit Auto Presort (Presort Level Held Constant). Each cost model spreadsheet identifies the following operations: Outgoing Primary (Package); Incoming MMP (Package); Incoming Primary (Package); Incoming Secondary (Package); Outgoing Primary (Piece); Outgoing Secondary (Piece); Incoming MMP (Piece); Incoming SCF (Piece); Incoming Primary (Piece); and Incoming Secondary (Piece).

- (a) Please identify each piece of mail processing equipment for each operation in the six cost model spreadsheets.
- (b) For each piece of mail processing equipment identified in response to part (a), please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for Standard Mail letters-shaped mail.
- (c) Please identify all instances where the manufacturer specified minimum and maximum length, height, weight, thickness, and aspect ratio standards for Standard Mail letter-shaped mail provided in response to part (b) are greater than the standards for Standard Mail letter-shaped mail contained in the DMCS and DMM.
- (d) Please confirm that the ten cost model spreadsheets represent different mailstreams for the processing of all letter-shaped Standard Mail. If you do not confirm, please explain and identify all mailstreams for the processing of letter-shaped Standard Mail.

RESPONSE:

- (a) See the response to OCA/USPS-13(a).
- (b) See the response to OCA/USPS-13(b).
- (c) See the response to OCA/USPS-13(c).
- (d) See the response to OCA/USPS-13(d).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-37 Please refer to USPS LR-J-60, Part A, "First-Class Mail Letters/Cards," and Part B, "Standard Mail Letters." Please explain why there are 17 cost models for First-Class Mail letters/cards, and only ten cost models for Standard Mail letters.

RESPONSE:

As stated in the response to OCA/USPS-12(d):

The cost models that are contained in USPS LR-J-60 were created to support specific rate proposals in this docket and are not an exhaustive list of models that could be used to depict every possible grouping ("mailstream") for letters and cards.

The First-Class Mail letters and cards cost models cover a greater number of rate proposals (e.g., Qualified Business Reply Mail and the nonstandard surcharge) than the cost models for Standard Mail letters. Consequently, the number of cost models for First-Class Mail letters and cards is greater than the number of cost models for Standard Mail letters.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-38 Please refer to USPS LR-J-61, Part A, "First-Class Mail Flats," and Part C, "Standard Mail Flats." Please explain why there are nine cost models for First-Class Mail flats, and only six cost models for Standard Mail Flats.

RESPONSE:

As proposed in this docket, First-Class Mail flats would have more rate categories than Standard Mail Flats. First-Class Mail would contain five flats rate categories: nonautomation presort, automation mixed ADC presort, automation ADC presort, automation 3-digit presort, and automation 5-digit presort. By contrast, four rate categories would be maintained within Standard Mail. These include: basic nonautomation presort, 3-/5-digit nonautomation presort, basic automation presort, and 3-/5-digit automation presort. Consequently, the number of cost models required to support the Postal Service rate proposals is greater for First-Class Mail than it is for Standard Mail.

The First-Class Mail flats rate structure also resulted in a situation where additional cost models had to be developed where the presort levels were held constant. These models were developed for the purpose outlined in USPS-T-24, Section III(C).

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-39 For letter-shaped pieces, please provide first piece handlings (FPH) for each subclass in First-Class Mail and Standard Mail, by operation and by type of processing equipment.

Response:

MODS does not track volume by class or subclass.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-40 For flat-shaped pieces, please provide first piece handlings (FPH) for each subclass in First-Class Mail and Standard Mail, by operation and by type of processing equipment.

Response:

MODS does not track volume by class or subclass.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-41 Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at page 23, lines 11-12, which states that the Linear Integrated Parcel Sorter (LIPS) machine "is not part of a national program and is procured locally."

a. Please identify all processing equipment "not part of a national program" that is used in the processing of Standard Mail.

b. For each piece of processing equipment identified in part (a) of this interrogatory, please provide the manufacturer specified minimum and maximum length, height, weight, thickness and aspect ratio standards for 1) letters, 2) flats, and 3) nonletters/nonflats.

Response:

See response to the same question, OCA/USPS-11.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-42 -OCA/USPS-42. Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at pages 3-9. For each type of processing equipment (identified by bullets on the referenced pages),

a. Please confirm that prebarcoded First-Class letter-shaped pieces and prebarcoded Standard Mail letter-shaped pieces are processed on the equipment. If you do not confirm, please explain.

b. If you confirm part a., please explain whether prebarcoded First-Class letter-shaped pieces and prebarcoded Standard Mail letter-shaped pieces are processed where such pieces are commingled (e.g., one prebarcoded First-Class letter-shaped piece, then one prebarcoded Standard Mail letter-shaped piece, then another prebarcoded First-Class letter-shaped piece, etc.), processed serially (e.g., 1,000 prebarcoded First-Class letter-shaped pieces, then 1,000 prebarcoded Standard Mail letter-shaped pieces, then 1,000 prebarcoded First-Class letter-shaped pieces, etc., for example), or processed separately (e.g., all prebarcoded First-Class letter-shaped pieces are processed, after which the equipment is reconfigured and/or stopped, and then all prebarcoded Standard Mail letter-shaped pieces are processed) on the equipment.

c. Please confirm that all barcoded First-Class letter-shaped pieces and all barcoded Standard Mail letter-shaped pieces are processed on the equipment. If you do not confirm, please explain.

d. If you confirm part c., please explain whether all barcoded First-Class letter-shaped pieces and all barcoded Standard Mail letter-shaped pieces are processed where such pieces are commingled (e.g., one barcoded First-Class letter-shaped piece, then one barcoded Standard Mail letter-shaped piece, then another barcoded First-Class letter-shaped piece, etc.), processed serially (e.g., 1,000 barcoded First-Class letter-shaped pieces, then 1,000 barcoded Standard Mail letter-shaped pieces, then 1,000 barcoded First-Class letter-shaped pieces, etc., for example), or processed separately (e.g., all barcoded First-Class letter-shaped pieces are processed, after which the equipment is reconfigured and/or stopped, and then all barcoded Standard Mail letter-shaped pieces are processed) on the equipment.

Response:

(a) For the most part, this can be confirmed with limited exceptions. Standard Mail letters are not processed through the Advanced Facer Canceller System (AFCS) and consequently the Direct Connect System (DCS), since postage is paid through meters, permit imprints, or precanceled stamps. Also, prebarcoded pieces likely would not be processed through the MLOCR or Letter Mail Labeling

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

Machine (LMLM), unless the barcode was unreadable and a barcode clear zone did not exist. Prebarcoded pieces entered at automation rates would likely avoid the tabbing equipment, since mailing standards require customers to tab, when appropriate. Finally, any automation 5-digit or carrier route presort for manual zones would not be processed on any of this equipment.

- (b) Prebarcoded First-Class Mail and Standard Mail letter-shaped pieces are typically processed separately until they reach delivery point sequence processing. In DPS, usually Standard Mail is run first on the first pass of DPS during tours 2 and 3. First-Class Mail is usually run on the first DPS pass on tours 3 and 1. Regardless, all the First-Class Mail and Standard Mail letter and card volume becomes commingled on the second DPS pass.
- (c) In most instances, barcoded First-Class Mail and Standard Mail letter-shaped pieces do receive automated processing on equipment. Exceptions would be for equipment rejects as well as First-Class Mail and Standard Mail Enhanced Carrier Route (ECR) and 5-digit presorted automated letters for zones that do not receive incoming secondary processing on automated equipment. In these cases, the work sharing value is realized through the carrier route sort. Also see response to subpart (a).
- (d) See response to subpart (b).

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-43 Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at pages 13-16. For each type of processing equipment (identified by bullets on the referenced pages),

a. Please confirm that prebarcoded First-Class flat-shaped pieces and prebarcoded Standard Mail flat-shaped pieces are processed on the equipment. If you do not confirm, please explain.

b. If you confirm part a., please explain whether prebarcoded First-Class flat-shaped pieces and prebarcoded Standard Mail flat-shaped pieces are processed where such pieces are commingled (e.g., one prebarcoded First-Class flat-shaped piece, then one prebarcoded Standard Mail flat-shaped piece, then another prebarcoded First-Class flat-shaped piece, etc.), processed serially (e.g., 1,000 prebarcoded First-Class flat-shaped pieces, then 1,000 prebarcoded Standard Mail flat-shaped pieces, then 1,000 prebarcoded First-Class flat-shaped pieces, etc., for example), or processed separately (e.g., all prebarcoded First-Class flat-shaped pieces are processed, after which the equipment is reconfigured and/or stopped, and then all prebarcoded Standard Mail flat-shaped pieces are processed) on the equipment.

c. Please confirm that all barcoded First-Class flat-shaped pieces and all barcoded Standard Mail flat-shaped pieces are processed on the equipment. If you do not confirm, please explain.

d. If you confirm part c., please explain whether all barcoded First-Class flat-shaped pieces and all barcoded Standard Mail flat-shaped pieces are processed where such pieces are commingled (e.g., one barcoded First-Class flat-shaped piece, then one barcoded Standard Mail flat-shaped piece, then another barcoded First-Class flat-shaped piece, etc.), processed serially (e.g., 1,000 barcoded First-Class flat-shaped pieces, then 1,000 barcoded Standard Mail flat-shaped pieces, then 1,000 barcoded First-Class flat-shaped pieces, etc., for example), or processed separately (e.g., all barcoded First-Class flat-shaped pieces are processed, after which the equipment is reconfigured and/or stopped, and then all barcoded Standard Mail flat-shaped pieces are processed) on the equipment.

Response:

(a) Confirmed depending on equipment availability (e.g., is there an FSM 1000 at the destinating facility) and mailpiece machinability. One exception would be 5-digit automation presorted volumes for manual zones (which do not receive incoming secondary processing to carrier route on FSMs).

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

- (b) Prebarcoded First-Class Mail and Standard Mail flat-shaped pieces are typically processed separately in all operations.
- (c) Currently, all barcoded flat-shaped pieces are prebarcoded. See response to subpart (a).
- (d) See response to subpart (b).

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-44. Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at pages 3-9. For each type of processing equipment (identified by bullets on the referenced pages),

- a. Please provide the throughputs and transport velocities for letter-shaped pieces for the following weights: <1 oz., 1 oz. < 2 oz., 2 oz. < 3 oz., and 3 oz. < 4 oz.
- b. Please confirm that the throughputs and velocities provided in response to part a. are the same for barcoded First-Class letter-shaped pieces and barcoded Standard Mail letter-shaped pieces of a given weight. If you do not confirm, please explain.

Response:

(a) Data that provides machine throughputs in relation to piece weight was provided in Docket No. MC95-1 in response to interrogatory MMA/USPS-T2-12. See attachment.

(b) This can not be confirmed. The testing used to generate the data provided in response to MMA/USPS-T2-12 involved the use of test decks, not specifically Standard Mail and First-Class Mail.

ORIGINAL

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

RECEIVED

JUN 16 4 39 PM '95
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

MAIL CLASSIFICATION SCHEDULE, 1995
CLASSIFICATION REFORM I

Docket No. MC95-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PAJUNAS TO INTERROGATORIES OF
MAJOR MAILERS ASSOCIATION
(MMA/USPS-T2-10-12)

The United States Postal Service hereby provides the response of witness Pajunas to the following interrogatories of the Major Mailers Association: MMA/USPS-T2-10-12, filed on June 2, 1995. Interrogatories 10 and 11 have been redirected to witness Smith.

The interrogatories are stated verbatim and are followed by the response.¹

Respectfully submitted,

UNITED STATES POSTAL SERVICE

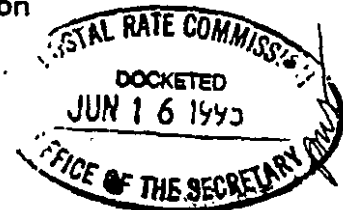
By its attorneys:

John L. DeWeerd
Chief Counsel
Classification and Customer Service

Grayson M. Poats

Grayson M. Poats
Senior Counsel, Classification

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1146
June 16, 1995



¹ To the extent that MMA's instructions contain legal argument purporting to describe the Postal Service's discovery obligations, the Postal Service has not relied upon MMA's interpretation in preparing responses.

U. S. POSTAL SERVICE WITNESS ANTHONY M. PAJUNAS
RESPONSE TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION

MMA/USPS-T2-12. Please refer to your Response to Interrogatory MMA/USPS-T2-3 (A), (B) and (E), where you state that--compared with a one-ounce First-Class or Standard Automation letter of a particular type--a 2.9 ounce letter of the same subclass and type "would experience lower throughput on the [automated] equipment."

(A) Please provide copies of any studies that reach or support that conclusion.

(B) To your knowledge (and so far as you can determine without unreasonable burden), does the Postal Service have any study that quantifies the change (or difference) in unit costs attributable to such lower throughput.

(C) If your answer to Paragraph (B) is other than no:

(1) Quantify the change (or difference) in unit costs attributable to each lower throughput.

(2) Provide back up and worksheets showing the derivation and computation of such quantifications.

(3) Identify the studies related to each such quantification and:

(a) Provide a copy of each such study, or

(b) If a privilege against production is asserted, identify the grounds of the privilege and which portions of the document are covered by the privilege and which are not covered.

RESPONSE:

(A) See the attached information from Engineering.

(B) No.

(C) Not applicable.

06/16/95 FRI 14:10 FAX 703 280 8401

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ENGINEERING

UNITED STATES
POSTAL SERVICE

June 16, 1995

MEMORANDUM FOR TONY PAJUNAS

SUBJECT: Heavy Mail Testing

On at least three occasions; i.e., April 1989, August 1992 and the most recent study dated February 15, 1994, the Engineering Center has conducted studies concerning the relationship of heavy mail to the throughput of our automated letter equipment. We have found that in most cases as the weight of the letter increases the throughput (pieces fed per hour) decreases.

Tests were conducted both with pure runs as well as intermixed with the existing mail base, and the same conclusion was reached--throughput decreased as the heavier mail is fed.



L. A. Kidd, Manager
Distribution Technology

Summary of EDC's Throughput Testing
of Heavier Mailpieces on the
Automation Equipment

The following is a summary of EDC's past testing of heavier mailpieces on the Automation Equipment. As can be seen from this table, the throughput decreases as the weight of the mailpiece increases. Tests conducted in 4/89, 11/89, 5/90 and 4/91 were homogeneous runs and therefore show the greatest throughput reduction. This would be representative of the equipments throughput in an 'originating' operation.

1.75 oz	24,710	pcs/hr
2.0	22,640	
2.25	22,120	
2.50	17,820	
2.75	16,910	
3.00	15,530	
3.25	15,500	
3.50	13,380	
4.50	10,900	

In August 1990, April 1991, and June 1991, EDC performed tests that consisted of heavier mailpieces intermixed with typical #10 enveloped pieces. This would be representative of 'secondary' operations. Again, the throughput decreases as the mailpiece weight increases, but not as drastically as the homogeneous test.

Heavyweight Mail Intermixed in Percentage Increments

Percent Heavyweight Pieces (%) Throughput (pcs/hr)

0	34,100
1	33,900
3	33,400
5	33,500
7	33,300
9	32,200
11	32,600
13	32,500
15	31,400

MACHINABLE REQUIREMENTS FOR AUTOMATION

WEIGHT VS. THROUGHPUT TEST

A number of field offices assisted with the testing of heavy Third Class letter sized mailpieces to determine the effect that weight has on throughput. Unfortunately, these results proved to be inconclusive because the characteristics of the live mail from the many offices varied greatly. (Length, height, and thickness of samples, within weight categories, for example). To obtain substantial results, mailpiece characteristics were controlled by using standard #10 envelopes stuffed with inserts to get the desired weight categories (2 oz., 2.25 oz., 2.5 oz., 2.75 oz., 3.0 oz., 3.25 oz., 3.5 oz.) of 1,000 pieces each, thickness ranging from 0.121 inches to 0.2004 inches, and an aspect ratio of 2.303 : 1. Third Class mail presently has a weight limitation of 3.37 ounces of per-piece rates. These results show a 3 - 29% decrease in throughput between a 2.5 ounce piece and a 3.25 ounce piece depending on the equipment used. Pieces weighing more than 2.5 ounces required operator assistance at the feeder due to the inability to be picked-off as constantly as the lighter weight pieces. These pieces also caused more jams in the transport.

It is therefore recommended that in order to be eligible for the price incentive, mailpieces weighing 2.5 ounces or less are automation compatible.

Based on results of previous testing concerning securing mailpieces, it is recommended that all letter-sized mail, with paper exterior being sealed on four sides or two gum tabs of a permanent, pressure sensitive, non-removeable adhesive on the unbound edge of a bound piece is machinable, and folds and edges bound should be oriented down with the address label parallel to the fold or bound edge and the address right side up is readable, is automation compatible.

	DMM	PUB. 25	OUR RECOM.
SIZE	Min. 3 1/2 X 5 Max 6 1/8 X 11 1/2	Min. 3 1/2 X 5 Max 6 1/8 X 10 1/2	Min. 3 1/2 X 5 Max 6 1/8 X 9 1/2
THICKNESS	Min. 0 Max 3/4" or less	Min. .007" Max 0.1875"	Min. 0 Max 0.150"
ASPECT RATIO	NOT MENTIONED	Min. 1.3 : 1 Max 2.5 : 1	Min. 1.3 : 1 Max 2.3 : 1
WEIGHT	Min. Max 16 oz. or less	NOT MENTIONED	Min. Max 2 1/2 oz.
SEALING			MENTIONED ABOVE
ENCLOSURES			NO PENS, PENCILS, OR STIFF (UNBENDABLE) OBJECTS
COMPOSITION (paper/non)			

HEAVY-WEIGHT MAIL TEST

	ECA	B&H	P B	ECA	BURR
2	21,686	16,530	22,523	25,025	29,550
2.25	20,930	15,334	20,393	23,272	24,873
2.5	19,849	10,147	18,886	24,276	23,278
2.75	17,647	9,972	17,800	19,149	21,822
3	16,071	9,900	15,652	18,369	18,164
3.25	15,532	9,819	15,393	17,173	16,913
3.5	15,027	7,080	14,258	12,390	17,328

SITE	WT. (oz.)	t (in.)	L (in.)	H (in.)	ASPECT RATIO	THROUGHPUT (pcs./hr.)				
						OCR's			BCS's	
						ECA	PITNEY BOWES	BURROUGHS	ECA	BELL & HOWELL
INDIANAPOLIS, IN	2	0.090	8 1/2	5 3/4	1.652	($\frac{597\text{pcs.}}{.06111\text{hrs.}}$) 25,285	----	----	($\frac{603\text{pcs.}}{.02444\text{hrs.}}$) 24,668	----
	2.6	0.172	9	4 1/4	2.118	($\frac{379\text{pcs.}}{.02055\text{hrs.}}$) 18,438	----	----	($\frac{380\text{pcs.}}{.01639\text{hrs.}}$) 23,186	----
	3.25	0.182	8 7/8	5 1/2	1.614	($\frac{338\text{pcs.}}{.01917\text{hrs.}}$) 17,635	----	----	($\frac{342\text{pcs.}}{.01833\text{hrs.}}$) 18,654	----
E & DC	1.862	0.135	9 1/2	4 1/4	2.235	($\frac{878\text{pcs.}}{.04028\text{hrs.}}$) 21,799	($\frac{885\text{pcs.}}{.05972\text{hrs.}}$) 14,819	($\frac{899\text{pcs.}}{.02253\text{hrs.}}$) 39,896	($\frac{890\text{pcs.}}{.03667\text{hrs.}}$) 24,272	($\frac{890\text{pcs.}}{.08722\text{hrs.}}$) 10,204
	1.989	0.170	8 1/2	4 1/4	2.005	($\frac{1,189\text{pcs.}}{.07972\text{hrs.}}$) 14,914	($\frac{979\text{pcs.}}{.11889\text{hrs.}}$) 10,068	($\frac{1,190\text{pcs.}}{.07134\text{hrs.}}$) 16,680	($\frac{1038\text{pcs.}}{.05139\text{hrs.}}$) 20,198	($\frac{1008\text{pcs.}}{.11028\text{hrs.}}$) 9,141
	2.021	0.153	9 1/2	4 1/4	2.235	($\frac{630\text{pcs.}}{.03139\text{hrs.}}$) 20,071	($\frac{584\text{pcs.}}{.07889\text{hrs.}}$) 7,770	($\frac{622\text{pcs.}}{.01894\text{hrs.}}$) 32,929	($\frac{633\text{pcs.}}{.02861\text{hrs.}}$) 22,124	($\frac{633\text{pcs.}}{.05805\text{hrs.}}$) 10,903
	2.324	0.101	10 3/4	5 1/4	2.048	($\frac{998\text{pcs.}}{.05472\text{hrs.}}$) 18,238	($\frac{1,002\text{pcs.}}{.07194\text{hrs.}}$) 13,927	(100 LONG & HIGH)	($\frac{1,001\text{pcs.}}{.05444\text{hrs.}}$) 18,385	($\frac{998\text{pcs.}}{.10667\text{hrs.}}$) 9,356
	3.129	0.226	9 1/4	4 1/2	2.055	($\frac{1,003\text{pcs.}}{.09\text{hrs.}}$) 11,144	($\frac{1,005\text{pcs.}}{.16111\text{hrs.}}$) 6,238	($\frac{999\text{pcs.}}{.06259\text{hrs.}}$) 7,980	($\frac{1004\text{pcs.}}{.0775\text{hrs.}}$) 12,954	($\frac{1006\text{pcs.}}{.14555\text{hrs.}}$) 6,911
	3.880	0.186	9	5 3/4	1.565	($\frac{808\text{pcs.}}{.06361\text{hrs.}}$) 12,702	($\frac{813\text{pcs.}}{.06083\text{hrs.}}$) 13,364	($\frac{815\text{pcs.}}{.04207\text{hrs.}}$) 19,371	($\frac{818\text{pcs.}}{.07139\text{hrs.}}$) 11,458	($\frac{816\text{pcs.}}{.13805\text{hrs.}}$) 5,911
ORLANDO, FL	2	0.0787	9 1/2	4	2.375	($\frac{1039\text{pcs.}}{.0433\text{hr.}}$) 23,977	($\frac{1068\text{pcs.}}{.0458\text{hr.}}$) 23,105	----	($\frac{1047\text{pcs.}}{.0475\text{hr.}}$) 22,042	($\frac{1044\text{pcs.}}{.0786\text{hr.}}$) 13,344
	2.5	0.1181	9 3/4	5 3/4	1.698	($\frac{1024\text{pcs.}}{.0439\text{hr.}}$) 23,049	($\frac{1024\text{pcs.}}{.0444\text{hr.}}$) 23,049	----	($\frac{1024\text{pcs.}}{.0392\text{hr.}}$) 26,144	($\frac{1011\text{pcs.}}{.0394\text{hr.}}$) 25,631
	3	0.1968	8 7/8	5 7/8	1.5108	($\frac{1026\text{pcs.}}{.0436\text{hr.}}$) 23,480	----	----	($\frac{1022\text{pcs.}}{.0381\text{hr.}}$) 26,855	($\frac{1022\text{pcs.}}{.0381\text{hr.}}$) 26,855

SITE	WT. (oz.)	t (in.)	L (in.)	H (in.)	ASPECT RATIO	THROUGHPUT (pcs./hr.)				
						OCR's			BCS's	
						ECA	PITNEY BOWES	BURROUGHS	ECA	BELL & HOWELL
JACKSONVILLE, FL	1.97	0.141	9 3/8	4 1/8	2.723	($\frac{355\text{pcs.}}{.0144\text{hrs.}}$) 24,577	($\frac{355\text{pcs.}}{.01638\text{hrs.}}$) 21,661	-----	($\frac{350\text{pcs.}}{.0144\text{hrs.}}$) 24,230	-----
	2.03	0.172	9 1/2	4 1/8	2.303	($\frac{311\text{pcs.}}{.0125\text{hrs.}}$) 24,800	($\frac{307\text{pcs.}}{.0183\text{hrs.}}$) 16,745	-----	($\frac{311\text{pcs.}}{.0125\text{hrs.}}$) 24,880	-----
	2.48	0.141	9	5 3/4	1.565	($\frac{491\text{pcs.}}{.02083\text{hrs.}}$) 23,568	($\frac{491\text{pcs.}}{.02138\text{hrs.}}$) 22,909	-----	($\frac{491\text{pcs.}}{.02277\text{hrs.}}$) 21,556	-----
	3.49	0.172	9 1/2	5 3/4	1.652	($\frac{232\text{pcs.}}{.01583\text{hrs.}}$) 14,653 ...	($\frac{232\text{pcs.}}{.02416\text{hrs.}}$) 9,559	-----	($\frac{234\text{pcs.}}{.00888\text{hrs.}}$) 26,325	-----
KANSAS CITY, MO	2.00	0.125	9 1/2	6	1.583	($\frac{454\text{pcs.}}{.02388\text{hrs.}}$) 19,005	-----	($\frac{409\text{pcs.}}{.0361\text{hrs.}}$) 11,361	($\frac{449\text{pcs.}}{.02916\text{hrs.}}$) 15,377	($\frac{449\text{pcs.}}{.01472\text{hrs.}}$) 30,498
	2.50	0.125	9	6	1.50	($\frac{322\text{pcs.}}{.02083\text{hrs.}}$) 15,456 ...	-----	($\frac{244\text{pcs.}}{.02722\text{hrs.}}$) 8,963	($\frac{322\text{pcs.}}{.02694\text{hrs.}}$) 11,951	($\frac{322\text{pcs.}}{.01444\text{hrs.}}$) 22,292
	3.00	0.250	9 1/2	4 1/2	2.11	($\frac{388\text{pcs.}}{.02577\text{hrs.}}$) 15,349	-----	($\frac{288\text{pcs.}}{.07139\text{hrs.}}$) 4,034	($\frac{392\text{pcs.}}{.01528\text{hrs.}}$) 11,200	($\frac{392\text{pcs.}}{.01528\text{hrs.}}$) 25,658
SAN DIEGO, CA	2.00	0.1875	8 3/4	6	1.458	($\frac{401\text{pcs.}}{.02083\text{hrs.}}$) 19,248 ...	($\frac{395\text{pcs.}}{.06694\text{hrs.}}$) 5,900	($\frac{414\text{pcs.}}{.06639\text{hrs.}}$) 6,216	($\frac{402\text{pcs.}}{.04222\text{hrs.}}$) 9,544 ...	-----
	2.50	0.1250	9	5 3/4	1.565	($\frac{742\text{pcs.}}{.02972\text{hrs.}}$) 24,964	($\frac{728\text{pcs.}}{.06805\text{hrs.}}$) 10,670	($\frac{764\text{pcs.}}{.06639\text{hrs.}}$) 11,471	($\frac{741\text{pcs.}}{.02861\text{hrs.}}$) 25,899	-----
	3.00	0.1875	9	5 3/4	1.565	($\frac{473\text{pcs.}}{.01383\text{hrs.}}$) 3,262 ...	($\frac{452\text{pcs.}}{.13833\text{hrs.}}$) 3,262 ...	($\frac{497\text{pcs.}}{.08305\text{hrs.}}$) 5,964	($\frac{469\text{pcs.}}{.02555\text{hrs.}}$) 18,352	-----

SITE	WT. (oz.)	t (in.)	L (in.)	H (in.)	ASPECT RATIO	
						ECA
						OCR
SO. MARYLAND DIV.	2.0	0.625	9 1/2	5 1/2	1.727	803pcs. .03138hrs. 25,582
	2.0	0.325	8	6	1.333	484pcs. .01724 30,041
	2.5	0.9375	7 1/2	4 1/4	1.765	368pcs. .01222hrs. 30,109
	3.0	0.125	8 1/2	5 1/2	1.545	364pcs. .01305 27,881
	3.0	0.125	8 1/2	5 1/2	1.545	387pcs. .01333hrs. 27,525
	3.5	0.125	9	6	1.5	500pcs. .03305hrs. 15,126
	3.5	0.0625	9	5 3/4	1.565	107pcs.

WT. (oz.)	t (in.)	L (in.)	H (in.)	ASPECT RATIO	
					ECA
					BCS
2.0	0.03125	9	6	1.5	(399pcs. .01194hrs.) 33,404
2.0	0.03125	9	6	1.5	238pcs. .00944hrs. 25,200
2.5	0.0625	8	6	1.333	152pcs. .00472hrs. 32,188
2.5	.0625	9 1/2	6	1.583	151pcs. .00611hrs. 24,709
3.0	0.1875	7 3/4	4 1/2	1.722	169pcs. .00722hrs. 23,400
3.0	0.25	8	5 1/2	1.454	444pcs. .01528hrs. 29,061
3.5	0.25	9	6 1/4	1.52	80pcs. .00333hrs. 24,000
3.5	0.25	8	5 1/2	1.454	241pcs. .01167hrs. 20,657

WEIGHT VERSUS THROUGHPUT CONTROLLED TEST RESULTS**SPECIFICATIONS**

WEIGHT (ounces +/- .05 ounces)		Thickness (inches)
Required	Actual	
2.00	2.029	0.121
2.25	2.241	0.131
2.50	2.492	0.148
2.75	2.757	0.162
3.00	3.024	0.181
3.25	3.218	0.188
3.50	3.482	0.2004

UNIFORM SIZE: 9 1/2 in. X 4 1/8 in.

ASPECT RATIO (L/H): 2.303

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-45 Please refer to the testimony of witness Linda A. Kingsley (USPS-T-39) at pages 13-16. For each type of processing equipment (identified by bullets on the referenced pages),

a. Please provide the throughputs and transport velocities for flat-shaped pieces for the following weights: <1 oz., 1 oz. < 2 oz., 2 oz. < 3 oz., and 3 oz. < 4 oz., 4 oz. < 5 oz., 5 oz. < 6 oz., 6 oz. < 7 oz., 7 oz. < 8 oz., 8 oz. < 9 oz., 9 oz. < 10 oz., 10 oz. < 11 oz., 11 oz. < 12 oz., 12 oz. < 13 oz., 13 oz. < 14 oz., 14 oz. < 15 oz., and, 15 oz. < 16 oz.

b. Please confirm that the throughputs and velocities provided in response to part a. are the same for First-Class flat-shaped pieces and Standard Mail flat-shaped pieces of a given weight. If you do not confirm, please explain.

Response:

(a) *The Postal Service has no data responsive to this request.*

(b) Even if throughput data by ounce increment existed for the FSMs, characteristics other than weight would likely affect throughput (dimensions, enveloped, bound, polywrap, etc.)

RESPONSE OF THE POSTAL SERVICE TO INTERROGATORIES OF
THE OFFICE OF CONSUMER ADVOCATE

OCA/USPS-46. Please refer to USPS-LR-J-58, File LR58ASP.xls, Sheet "SP all (detail)," cell "W6," which contains the figure 17.5164548838487.

- (a) Please confirm that the figure 17.5164548838487 represents the density of total First-Class Mail. If you do not confirm, please explain.
- (b) Please explain the rationale for calculating the figure 17.5164548838487.
- (c) Please confirm that the figure 17.5164548838487 is not used in any calculations. If you do not confirm, please explain.

RESPONSE:

- (a) Not confirmed. The figure 17.5164548838487 represents the density of total First-Class Single Piece Mail.
- (b) USPS-LR-J-58 includes updates of Library References USPS-LR-I-91/R2000-1, USPS-LR-92/R2000-1, and USPS-LR-93/R2000-1. To provide ease of comparison, the same format was used in the Excel workbooks that contain the cost calculations in USPS-LR-J-58 as was used in the analogous models in USPS-LR-I-91/R2000-1, USPS-LR-92/R2000-1, and USPS-LR-93/R2000-1. The formula used to calculate the figure 17.5164548838487 was a holdover from the model in USPS-LR-I-91/R2000-1.
- (c) Confirmed.

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-47 Please refer to the testimony of Linda A. Kingsley (USPS-T-39) at page 30, lines 11-13. Witness Kingsley states:

The time required to change sort schemes each day within a plant is largely fixed and does not change in proportion to changes in volume.

(a) What is the basis for this statement?

(b) Does the set of sort schemes used by a particular plant vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(c) Does the number of sort schemes used by a particular plant vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(d) Does the set of sort schemes used by a particular plant for outgoing distribution vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(e) Does the number of sort schemes used by a particular plant for outgoing distribution vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(f) Please explain why the set or number of sort schemes used would vary from day to day within a given plant, holding the network of other plants constant.

(g) For a given plant and a given outgoing sort scheme, does the stacker receiving the maximum volume vary from day to day? Please explain why this could happen.

Response:

a. The basis for the statement on page 30 of Linda A. Kingsley's testimony is

presented in the network discussion on page 29, line 4, to page 30, line 2, and the example on page 31, line 1, to page 32, line 3.

b. – f. Generally no on weekdays (Monday through Friday except for holidays),

although there can be minor variations. For example, a primary scheme running on a parallel machine might be omitted on a light night, reducing the "number", or an incoming secondary flats scheme for a small zone might be omitted (replaced

**RESPONSE OF UNITED STATES POSTAL SERVICE
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by manual processing) in favor of longer runs for bigger zones on a heavy night, reducing both the "set" and the "number".

On weekends and holidays, some sort schemes will be omitted. For example, the second pass Delivery Point Sequencing (DPS) schemes would be omitted on Sunday and holiday mornings (Tour 1) because there are no delivery on those days. While fewer schemes may be run on weekends, there would be little weekend-to-weekend variation.

- g. Yes. It is dependent on the mix of incoming volume for the day. The classic example is the stacker(s) for the Internal Revenue Service (IRS).

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OCA/USPS-48 Please refer to the table at page 31 of the testimony of Linda A. Kingsley (USPS-T-39).

- (a) Please provide the raw data underlying this table.
- b) Please list all forms, reports, data bases, or other sources that could be used to isolate scheme change time from run time for each scheme utilized.
- (c) For each facility that provided data for the table, state the dates on which data were collected.
- (d) Were all data collected provided to witness Kingsley? Please provide all data collected.
- (e) Were all data collected utilized by witness Kingsley? Please provide any data that were not utilized by witness Kingsley.
- (f) For the "two local plants" that provided data, for the most recent Accounting Period available, please provide a tabulation of volume processed by day by sort scheme by stacker number. If similar data are available for other plants, please provide them.
- (g) For the "two local plants" that provided data, for the most recent Accounting Period available, please identify (by job title) the person(s) responsible for creating or modifying sort schemes. Please describe the training received by such persons with respect to creating or modifying sort schemes. Please provide copies of all instructional or other materials relating to sort schemes available to or utilized by such persons.

Response:

- a. The raw data used for this table consists of the attached series of email messages.
- b. We are not aware of any such sources that are available above the plant level.
- c. See dates in answer a.
- d. Yes. See answer a.
- e. See answer a. Data was not used on the Advanced Facer Canceler System (AFCS) or the Sack Sorter at one plant. The AFCS does not have schemes and the Sack Sorter does not do mailpiece distribution.

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- f. We are told that the requested data is not available.
- g. The Operations Support Specialist is normally responsible for creating or modifying sort schemes. She/he receives one week of training on the Sort Program System (SPS), used for this purpose, and depends on support from other in-plant personnel and the SPS User's Guide. A copy of this large manual in Word format is provided on CDROM as USPS-LR-J-143.

attachment to OCA/USPS-48 response, P1 of 4

From: [REDACTED]
 Date: 5/1/01 1:50 PM
 Subject: [REDACTED]

Subject: Re[4]: numbers needed for rate case

----- Message Contents

[REDACTED] sorry for the delay, I've been involved with a [REDACTED] program that is being tested here at [REDACTED] and I forgot to give you a response.

Forward Header

Subject: Re[4]: numbers needed for rate case
 Author: [REDACTED]
 Date: 5/1/01 1:44 PM

[REDACTED]

* While mail is running out, mail for next sortplan is loaded on feeders behind old sortplan. Supervisor watches the buckets emptying. As soon as the buckets are down to about 6, pulldown begins. Pulldown and new trays only takes two or three minutes. Trays can be pulled out as many as 4 at a time. As soon as all buckets are empty, Supervisor ends the run and loads new run. By this time empty trays are reloaded onto the machine. New run begins.

- The sortplan changes per machine per day on the MLOC/ISS should be 6.3. I forgot to divide by the three machines. Sorry about that.
- [REDACTED]

Forward Header

Subject: Re[4]: numbers needed for rate case
 Author: [REDACTED]
 Date: 4/26/01 1:01 PM

[REDACTED] can you verify this for me.

Thanks

Forward Header

Subject: Re[4]: numbers needed for rate case
 Author: [REDACTED]
 Date: 4/25/01 4:14 PM

[REDACTED]

I would like to check a couple of numbers that I know I will get questions.

- How did you get the Pulldown time on the AFSM 100 down to 3.5 minutes?

* Is the 19 sort plan changes per machine per day on the MLOCR/ISS correct?

Thanks,

Reply Separator

Subject: Re[3]: numbers needed for rate case

Author: [REDACTED]

Date: 4/25/01 10:49 AM

[REDACTED] I tried to copy the same format that [REDACTED] provided you. If you have any questions please let me know.

MACHINE PULLDOWNS AT [REDACTED] P&DC

MACHINE	AVG RUN HRS	AVG # CHANGES	AVG PULLDOWN TIME MINUTES	# MACHINES
AFSM 100	20	13.5	3.5	2
FSM 1000	15.5	2.5	15	1
FSM 981	11	3	10	1
D	5	5.6	18	14
SL	15.8	4	32	2
R/ISS	5.2	19	18.6	3
J/OSS	6	5	6	3
BCS/OSS	4.3	5.6	18	1
AFCS	4.2	N/A	N/A	3

Legend:

AVG RUN HRS Average run time per machine per day

AVG # CHANGES Average number of sort plan changes per machine per day

AVG PULLDOWN TIME Average minutes it takes to switch to another sortplan

MACHINES Number of machines for that category

Forward Header

Subject: Re[2]: numbers needed for rate case

Author: [REDACTED]

Date: 4/23/01 10:52 AM

[REDACTED] For information, the numbers that [REDACTED] sent me for [REDACTED] are below. It will be interesting to see if [REDACTED] is much different.

4/25/01 10:49 AM
 response, 1-491

Thanks,

Forward Header

Subject: Re[2]: numbers needed for rate case
 Author: [REDACTED]
 Date: 4/20/01 2:46 PM

Statistically correct. [REDACTED]

Reply Separator

Subject: Re: numbers needed for rate case
 Author: [REDACTED]
 Date: 4/20/01 1:44 PM

This is great.

The way I interpret this, the FSM 1000, for example, is running 13 hours a day on the average, but during that time it is stopped to sweep and change the sort plan for 1 hour. Thus, if there is 13 minutes more mail one day compared to another, the run time would increase by 13 minutes, but the workhours required would only increase by 12 minutes per person.

Am I interpreting this right?

Thanks,

Reply Separator

Subject: numbers needed for rate case
 Author: [REDACTED]
 Date: 4/20/01 11:52 AM

Here is an estimate of what you asked for. All you need to do is multiply out the avg down time and run times, by the total number of machines if you want the total daily.

MACHINE	AVG RUN	AVG # CHANGES	AVG DOWN	#MACHINES
AFSM 100	18	12	9	2
FSM 1000	13	6	10	2
FSM 881	13	15	10	4
DBCS	14	5	10	24
SPBS	20	4	30	1
ISS	8	1	10	7
OSS	8	1	10	6

Attachment is CCH/VTS-7 & response, P3 of 4

OCR	8	1	10	1
BCS	8	1	10	1
AFCS	8	0	0	7
SACK SORT	13	0	0	1

Legend:

AVG RUN	Average run time per machine per day
AVG # CHANGES	Average number of sort plan changes per machine per day
AVG DOWN	Average minutes it takes to switch from one sort plan to another per machine
#MACHINES	Number of machines for that category in our facility

Attachment to WH/USPS-710A response, 11/1/87

**RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

OCA/USPS-49

(a) For a particular operation (e.g., outgoing primary), does the proportion of manual first piece handlings (FPH) (sic) in a particular plant vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(b) For a particular operation (e.g., outgoing primary), does the proportion of manual total piece handlings (TPH) in a particular plant vary by day of the week, day of the month, or day of the year? If your response is negative, please provide documentary corroboration.

(c) Please explain why these proportions would vary from day to day within a given plant, holding the network of other plants constant.

Response:

a. Yes.

b. Yes.

c. The proportion of non-machinable mail that arrives each day impacts the proportion of daily manual handlings at the plant and each operation (e.g. outgoing primary) within the plant.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-50. Please refer to DMM sections E500.5.4 and E500.5.5. Confirm that the Postal Service provides Express Mail Next Day Service for designated destination facilities 365 days per year (366 days in leap years) including all Sundays and all federal holidays.

- (a) If you are unable to confirm, please explain.
- (b) How does the Postal Service determine when a "designated area of [a] destination facility" can effect ~~delivery of an~~ Express Mail piece by noon or 3 p.m. of the next day? Please explain in full. Set forth all criteria by which the determination is made.
- (b) How does the Postal Service determine when it should not designate a delivery area or facility as one that can effect next day (noon or 3 p.m.) delivery? Please explain in full. Set forth all criteria by which the determination is made.

RESPONSE:

- (a) Generally confirmed. Please note, however, that in some locations, it is simply not feasible, given limitations on the availability of transportation, retail and delivery options, to provide Express Mail Next Day Sunday and holiday service. Moreover, due to heightened security as a result of the tragic events of September 11 and some limitations on the availability of transportation, there will temporarily be no Next Day Sunday service for some Express Mail. Express Mail customers are informed of the applicable service guarantees at the point of sale. As events continue to evolve, there may also be other temporary changes. The Postal Service will attempt, where possible, to restore Sunday service levels to those enjoyed prior to September 11.
- (b)-(c) Please see Postal Service response to OCA/USPS-T35-1 (redirected from witness Mayo).