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

EXPERIMENTAL RATE AND SERVICE CHANGES TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT WITH CAPITAL ONE SERVICES, INC.	Docket No. MC2002-2

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-11-12)

The United States Postal Service hereby provides its responses to the following

interrogatories of Office of the Consumer Advocate: OCA/USPS-11-12, filed on

December 10, 2002.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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December 20, 2002

OCA/USPS-11. Please refer to the Attachment to Oral Request of Chairman Omas at Tr. 2/342, filed December 9, 2002. Please provide citations to source documents for each of the following sixteen figures set forth in the Attachment:

a. For Forwarded Mail, citations to source documents for the "Cost" figures for Carrier Preparation, Clerk Handling, CFS Processing, and Mailstream Processing.

b. For Forwarded Mail, citations to source documents for the "%" figures for Carrier Preparation, Clerk Handling, CFS Processing, and Mailstream Processing.

c. For Returned Mail, citations to source documents for the "Cost" figures for Carrier Preparation, Clerk Handling, CFS Processing, and Mailstream Processing.

d. For Returned Mail, citations to source documents for the "%" figures for Carrier Preparation, Clerk Handling, CFS Processing, and Mailstream Processing.

e. If source documents are not the basis for any of the sixteen figures described in parts a. – d. of the instant interrogatory, then state how the specific figure(s) were determined. If calculations underlie any of the sixteen figures provided, then furnish the calculations.

f. Please state which (if any) of the sixteen figures are based upon IOCS question 23D data.

RESPONSE:

a.-b. Table 5.1.1 of USPS/LR-J-69.

c.-d. Table 5.1.2 of USPS/LR-J-69

e. N/A

f. The Mailstream Processing costs for Forwarded Mail and Returned Mail are

based on IOCS question 23D data.

OCA/USPS-12.   Please refer to the Attachment to Oral Request of Chairman Omas at Tr. 2/342, filed December 9, 2002, at 4. The response identifies the following difficulty in processing return-to-sender mail via automation:

> when the POSTNET barcode for the original delivery address is contained in the address block, the Postal Service cannot use the LMLM to cover the POSTNET. In that case the Postal Service may use a grease pencil to manually block out the original POSTNET. This not particularly effective since part of the delivery address may be blocked, the original POSTNET code may still be visible or there may still be a duplicate POSTNET imprinted on the piece that needs to be run on the LMLM.

Please answer the following questions with respect to forwarded mail.

a. Doesn't the same difficulty arise when a CFS clerk must cope with a POSTNET barcode in the address block? Please explain in full.

b. Wouldn't it also be difficult for a CFS clerk to use the yellow forwarding label to cover the POSTNET? Please explain in full.

c. Might it not also be necessary for a CFS clerk to use a grease pencil to manually block out the original POSTNET? Please explain in full.

d. Might not the grease pencil mark also block out part of the delivery address? Please explain in full.

e. Might not the original POSTNET code still be visible? Please explain in full.

f. Might not there be a duplicate POSTNET imprinted on the piece that needs to be forwarded? Please explain in full.

g. Might not the piece have a fluorescent ID tag on the back, with the original delivery address stored in the Postal Service's data systems? Please explain in full.

h. Might not the processing equipment be unable to detect a barcode on the front of the piece and therefore process the piece according to the ID tag, thereby sending the piece back to the original delivery address? Please explain in full.

i. If any of the following difficulties listed in a. – h. occur for forwarded mail, then wouldn't such forwarded pieces "be frequently handled manually" and wouldn't the processing costs be "very high?" Please explain in full.

j. Please compare the frequency of a. – i. occurring for forwarding mail versus the frequency of a. – i. occurring for returned mail. If the frequency of one is stated to be higher than the frequency of the other, cite to documents that support the statement. If no documents are available, then explain the basis for expecting the frequencies of one to be higher than the frequency of the other.

RESPONSE:

This interrogatory, in a troubling argumentative tone, challenges the correctness of the prior response to Omas etc. with assumptions about mail processing that are themselves inaccurate.   The responses to the questions as posed will not alleviate the confusion and therefore the Postal Service provides the following explanation of the sorting hierarchy employed in mail processing.

The Postal Service's mail processing equipment first looks to the primary barcode area in the lower right part of the envelope for a delivery point barcode. If one is found, it sorts based upon that barcode. If no barcode or only a partial barcode is found, then the equipment will sort based upon the barcode in the delivery address. If no delivery point barcode is found on the front, then the equipment will sort based upon the florescent ID tag on the back.

As described in more detail below, the CFS unit is able to apply a delivery point barcode for the new address in the primary barcode area and therefore, the machine will sort off of the CFS- applied barcode. With return mail, it is not always possible to apply a delivery point barcode for the return address. This can occur, for example, when the return address on business mail is not a unique delivery address. The Postal Service may then be able to apply only a 5-Digit barcode. When this happens, the processing equipment follows the sorting hierarchy and looks for a secondary barcode, either in the delivery address or the ID tag. If the sort is then made on these barcodes, the mail will loop back to the delivery unit. This is why for return mail the Postal Service will often use a grease pencil to mark out the barcodes in the delivery address.

a.   No. The labels applied in CFS have the new delivery point barcode in the primary barcode area, the lower right corner of the mail. This is the barcode used to sort the mail when it gets to mail processing.

b.   No. There is no need to cover the original POSTNET because the processing equipment sorts on the basis of the new delivery point barcode in the primary barcode area.

c – e. See the response to (b).

f.   The CFS label covers the former primary barcode in the lower right area of the mail and provides the new primary barcode.   Mail is sorted based upon the delivery point barcode on the CFS label.   There is no need to cover a duplicate barcode in the original delivery address.

g.   The fluorescent ID tag on the back of the mail is not used for sortation unless there are unreadable data on the front. Because CFS provides the new delivery barcode in the primary position, the ID tag is not used for sortation.

h.   No, see the response to subpart (g).

i.   Not applicable.

j.   Not applicable.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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