Before The POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001



Postal Rate and Fee Changes, 1997

Docket No. R97-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MODEN TO INTERROGATORY OF TIME WARNER INC (TW/USPS-T26-3(f) REDIRECTED FROM WITNESS SECKAR)

The United States Postal Service hereby provides the response of witness Moden to

the following interrogatory of Time Warner Inc: TW/USPS-T 26-3(f), filed on August 26,

1997, and redirected from witness Seckar.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Reiter

475 L'Enfant Plaza West, S.W. (202) 268-3083; Fax: -5402 Washington, D.C. 20260-1137 September 8, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS MODEN TO INTERROGATORIES OF TIME WARNER INC. REDIRECTED FROM WITNESS SECKAR

TW/USPS-T26-3f. Are there any reasons to believe that the productivity rates achieved in FSM OCR sorting, when OCRs have been installed, will be any higher than the FSM BCR rates achieved in FY96? If yes, please describe all such reasons.

RESPONSE:

In general, there is no reason to expect that the productivity rates achieved in FSM OCR sorting will be higher than the productivity rates achieved in FSM BCR sorting. I would expect that the productivity for FSM OCR sorting would be somewhat lower than FSM BCR sorting depending on the OCR reject rate. However, it could still be possible that the future productivity rate of either sorting method could be higher than the FSM BCR rates achieved in FY 1996. For instance, overall FSM productivity could increase as a result of longer "runs" on the machine, since the machine will not have to be switched between BCR and keying mode as frequently as is done today. Also, there could be some productivity gains as a result of less need for segregation of barcoded and nonbarcoded. There are instances today where operators may pick up a bundle of flats only to find that the bundle was improperly segregated. There is also the possibility that a high speed flats feeder could be added to the FSM 881. This would have an impact on the throughput and productivity. Also, as mentioned at page 14, lines 11 through 19, of my testimony, we expect barcode utilization to improve. This could yield an increase in overall FSM productivity, since most of the non-carrier route flats are barcoded and only a small proportion would require processing on the FSM OCR. As a result of the reasons mentioned

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above, it is, therefore, possible that the FSM OCR productivity levels in the future

could be higher than the FSM BCR productivity levels achieved in FY 1996.

DECLARATION

I, Ralph J. Moden, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information and belief.

Rage J Mode

Dated: _____9/8/97_____

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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.

Scott L. Reiter

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 September 8, 1997