

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
AND MOTION FOR LATE ACCEPTANCE
(OCA/USPS-T32-55 AND 56a&b)**

The United States Postal Service hereby files its responses to the following interrogatories of the Office of the Consumer Advocate, dated August 28, 1997: OCA/USPS-T32-55 and 56a&b.

These interrogatories have been redirected from witness Fronk to the Postal Service for response.

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

The responses are being filed one day late. Final copies of the attachments to each response were not available in time to permit a timely filing.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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September 12, 1997

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OCA REDIRECTED FROM WITNESS FRONK

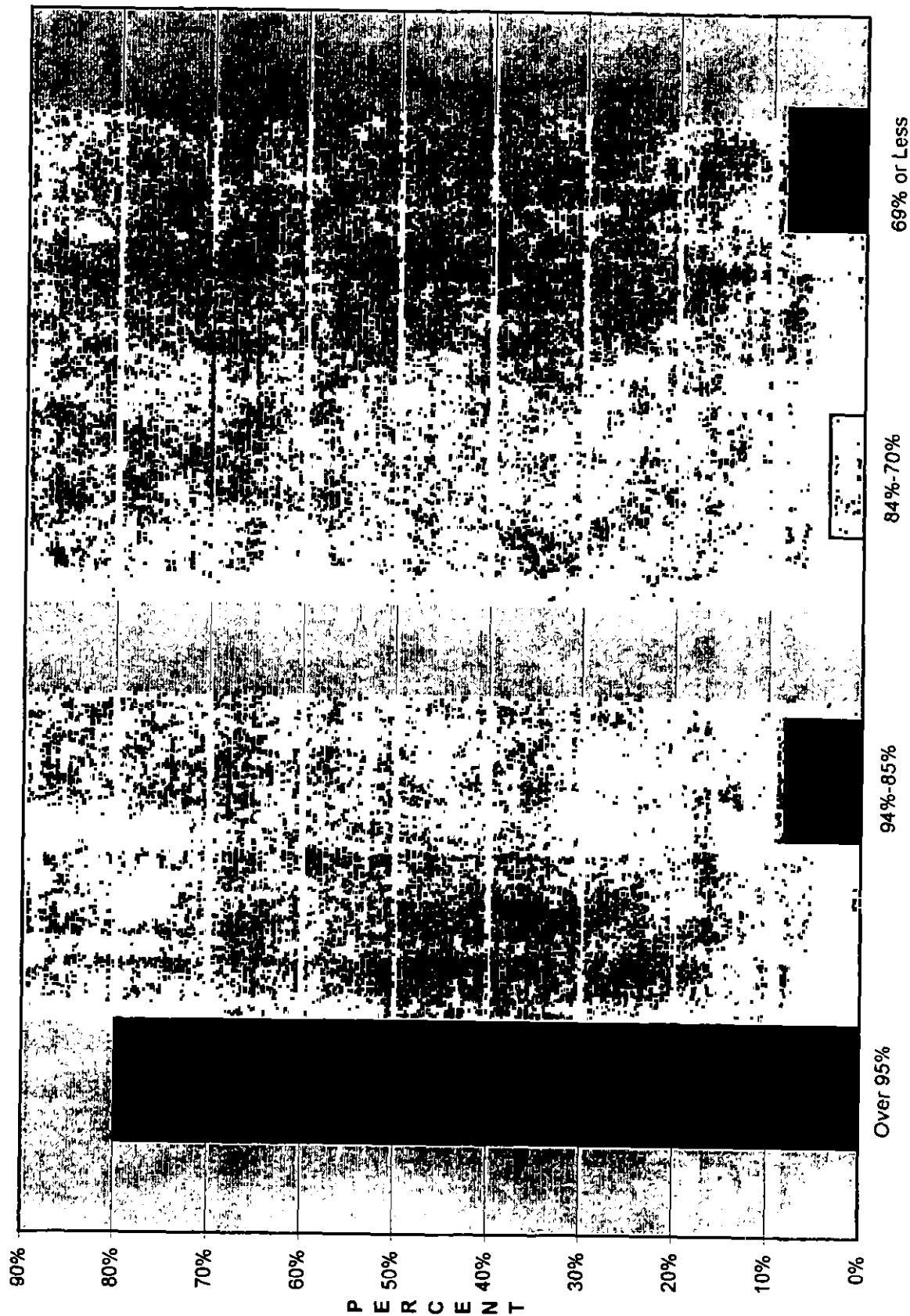
OCA/USPS-T32-55. Interrogatories 55-56 assume the accuracy of the reprinted Postal Service response ("response") as published in the AMMA newsletter. To the extent any question does not reflect the contents of the Postal Service reply, please indicate. The response states that "improvements to the equipment and increased customer awareness show that only 7 percent of customer applied barcodes fall below that level [of minimum acceptance criteria]."

- a. Please provide the latest rate for barcodes falling below the minimum accepted level. If the figure is contained in a document, please supply that document.
- b. Please describe how barcode accuracy is monitored, and with what frequency the monitoring takes place.
- c. Please set forth the costs of such monitoring, and explain (with specific reference to the testimony) how these costs are allocated in the docket.

RESPONSE:

- (a) Please see attached. The latest rate for the week ending August 27, 1997 is also in the 7 percent range.
- (b) Currently the ABE tests for barcode readability, not accuracy. Initially an ABE test is performed on each barcoded mailing entered by a mailer. After a mailing passes ABE, the mailer is moved to a 1 in 5 sampling schedule. After 10 consecutive passed verifications, the mailer is moved to a 1 in 30 sampling schedule. In non-ABE sites, clerks will continue to verify barcoded mailings through manual verification, using templates.
- (c) The Postal Service is unaware of any estimate of the costs of such monitoring. The costs of the monitoring of barcode quality are contained in Cost Segment 2 (Supervisors and Technicians) and Cost Segment 3 (Clerks and Mailhandlers).

NATIONAL ABE SUMMARY REPORT
Week Ending August 27, 1997



TEST RESULTS

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OCA REDIRECTED FROM WITNESS FRONK

OCA/USPS-T32-56. The Postal Service response to AMMA states: "We have not gathered data and have no plans to compile data identifying customers or geographic areas producing unreadable barcodes. The evaluation process will notify customers when errors occur and encourage those mailers to correct the problem. We see no value in pointing out such incidences of specific customers or geographically."

- a. Please describe the process referred to in the quotation that "will notify customers when errors occur and encourage those mailers to correct the problem."
- b. Please supply the most recent example of such notification.
- c. Please describe what happens to mail in the mailstream once a barcoding error is detected, include additional sortations that must take place.
- d. In reference to (c) herein, how are the costs of any additional sortations or other mail processing costs allocated in the Postal Service's costing methodology?

RESPONSE:

- (a) When any readability errors are detected, the ABE machine prints out a diagnostic report which is given to the customer.
- (b) Attached is a sample of the letter which is sent to customers notifying them of any problems.
- (c) Redirected to witness Moden.
- (d) Redirected to witness Hatfield.

SAMPLE LETTER - DIAGNOSTIC PHASE

Date:

To:

On _____ automation mail presented by your firm was processed on the Automated Barcode Evaluator (ABE) at the _____ Business Mail Entry Unit. The results of this test indicated that the highest read rate achieved through three, 100 piece, random samplings was _____%.

In order to allow your firm the opportunity to correct any barcode deficiencies, we will not be assessing any postage adjustments at this time.

If this mail had been presented after implementation (date not set) a postage adjustment of \$ _____ as shown on the enclosed worksheet would have been assessed.

A copy of the ABE report is provided to allow you to make the necessary improvements to barcode quality.

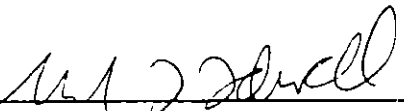
If you have any questions concerning your Automation rate mailings please call _____ at _____.

Sincerely,

BME Manager

CERTIFICATE OF SERVICE

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



Michael T. Tidwell

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September 12, 1997