

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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MODEN TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-T4-39-42)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-T4-39-42, filed on September 3, 1997.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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September 17, 1997

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DMA/USPS-T4-39. Please refer to your response to DMA/USPS-T4-16.

- a. Please confirm that the term "assignments" as used in your response refers to the carriers assigned to and working out of the zone in question.
- b. Please confirm that a reduction in assignments from 10 to 9, means that the number of carriers assigned to and working out of the zone in question has been reduced by one individual.
- c. Is it universally the case throughout the Postal Service that city delivery carriers are full-time employees? Please explain any "no" answer fully and quantify the extent, if any, that other types of employees perform city delivery carrier functions.
- d. Please confirm that the term "complement" as used in your responses refers to the total number of city delivery carriers assigned to and working out of a particular zone.
- e. Please confirm that a "reduction of assignments" would "result in a reduction of complement."
- f. Please list all the ways in which a zone might be able to "realize savings" in areas other than reduction of complement or reduction in overtime usage.

Response:

- a. Not confirmed. The term assignments refers to authorized bid positions.
- b. Not confirmed. The elimination of one assignment may not necessarily equate to a reduction of one individual.
- c. There are many categories of city delivery carriers. Within the career employee categories, there are Full Time employees as well as the Part Time Regulars (PTRs) and Part Time Flexibles (PTFs). Within the non-career employee categories, there are transitional city carriers and casual employees. All of these employees perform some or all of the city carrier functions that are detailed in the M-41.
- d. Confirmed.
- e. Not confirmed. See 39(b).

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- f. A zone might be able to “realize savings” in straight-time work hours.

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DMA/USPS-T4-40. Please refer to your response to DMA/USPS-T4-16b.

- a. Do the operating budgets for 5-digit ZIP code offices contain amounts planned to be spent on city delivery carrier overtime costs? Please explain fully.
- b. Is it relatively rare or relatively common for the operating budget of a 5-digit ZIP code office to contain the budget authority referred to sub-part a.? Is there a special process through which such authority is approved, as distinct from the process through which other amounts of budget authority are approved? Please describe in detail the process through which the amount of any such budget authority is determined.
- c. If such amounts of budget authority are other than extremely rare, please describe generally the size of the typical overtime budget authority and the factors utilized in determining its size.
- d. Please describe as completely as possible the relevance, if any, in this budget process of mail mix. For example, do the relative amounts of mail of various classes play a role in determining the amounts, if any, budgeted for overtime for city delivery carriers?

Response:

- a. Yes. Fiscal Year operating budgets provided to 5-digit ZIP code offices recognize that some overtime may be necessary to manage the variances in workload.
- b. It is difficult to say whether it is relatively rare or relatively common for the operating budget of a 5-digit ZIP code office to contain the authority referred to in sub-part a because the authority can vary by district and may be determined by factors such as the level or size of the office. Similarly, it is possible that some districts may utilize a special process to determine how this authority is approved. In short, field office budgets are derived from national objectives that are based on target total operating expenses. Accordingly, the areas and districts work with field sites to establish local budgets for work hours including overtime hours.
- c. As mentioned in 40(b), the budget authority can vary by district based on factors such as the level or size of the office, so there is no "typical size" of overtime budget authority.

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- d. Generally, the mail mix by class does not play a role in determining the amount of overtime for city delivery carriers in 5-digit ZIP code offices. However, the work content could play a role in the budget process for 5-digit ZIP code offices. For instance, if a zone was scheduled to be added to DPS, then this change would be considered during the budget process.

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DMA/USPS-T4-41. Please refer to your testimony at page 9, lines 25 through 26, where you state, "some zones with fewer than 10 routes may also receive DPS as a result of local decisions." Please refer, also, to your answer to DMA/USPS-T4-16c.

- a. Please describe in as much detail as possible the factors (other than machine availability) that could justify DPS for zones with fewer than 10 routes.
- b. Is there a subset of zones with fewer than 10 routes the characteristics of which would make it beneficial to provide them with DPS? If so, please describe this subset and its characteristics. Please explain fully.
- c. Is either (i) budgeted city delivery carrier overtime or (ii) actual city delivery carrier overtime expenses a characteristic that would indicate that DPS would be beneficial for a given zone? If so, please describe as fully as possible the ways in which DPS could reduce overtime expenses (or any other expenses) in such a zone.
- d. How many 5-digit ZIP code offices have ten or more carriers? How many carriers work out of such offices? How many 5-digit ZIP code offices have fewer than ten carriers? How many carriers work out of such offices? In providing your answers, please distinguish between city delivery carriers and rural carriers.

Response:

- a. Factors, other than machine availability, that could justify DPS for zones with fewer than ten routes are: the ability to combine zone(s) on the same piece of equipment; the zone(s) being close in proximity to the plant, and having ample availability of transportation to the zone(s). Further, these factors have to be matched with the ability of the zone(s) to improve service and/or capture savings.
- b. See 41(a).
- c. Yes. Sorting mail in delivery point sequence on automation reduces carrier in-office workhours, both straight-time and overtime, by eliminating the need for the carrier to manually sort that volume into delivery order. This can lead to route adjustments which can reduce the requirements for complement and equipment.
- d. This information will be provided when available.

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DMA/USPS-T4-42. Please refer to your response to DMA/USPS-T4-21a, where you state that "during the most recent five day period, ending August 28, 1997, the cumulative average curtailment per city route for the period was 9.51 feet."

- a. Please describe the "9.51 feet" figure in more detail. For example, (i) does "feet" measure the height of a stack of this mail, if this mail were stacked vertically? (ii) Does "cumulative" mean that the amount of mail curtailed each day is added for the five most recent days? (iii) Does the Postal Service track curtailment using a "rolling" five-day figure or is curtailment measured for discrete five-day periods? (iv) If the figure is not calculated on a "rolling" basis, please describe the reasons for choosing a five-day period, as contrasted to a seven-day, or a one-day period, or some other period.
- b. What percentage of the average carrier's capacity does the "9.51 feet" figure represent? What is the average capacity of a city carrier? If there is some variation in the capacity of various city routes, please describe in as much detail as possible the range of city carrier capacity.
- c. Please provide the cumulative average curtailment per city route for each period of time for which this data was collected over the most recent twelve-month period.
- d. Is there a limit to the extent to which non-preferential mail may be curtailed (e.g., a particular cumulative average curtailment per city route in linear feet) above which additional workers or overtime will be used to process such mail? If "yes," please explain fully.

Response:

- a. The 9.51 feet figure provided in DMA/USPS-T4-21(a) is a linear measurement, so it would equate to the height of a stack of mail if stacked vertically. The cumulative 9.51 feet figure represents the average amount of mail per city route curtailed each day added for the five given days. However, I am told the Postal Service does not track curtailment by five-day periods and the information for the five-day period was provided only because it represented the most recent data available for "mail volume over a given time period." In this case, the "mail volume over a given time period" represented the current week to date, since the response to DMA/USPS-T4-21(a) was filed on Friday, August 29, and the only curtailment information available for the current week was from Saturday to Thursday. Although the "extent to which non-preferential mail is curtailed" was

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provided in the response to DMA/USPS-T4-21(a), we do not track curtailment in the context of cumulative average volumes and the response was provided solely in the interest of meeting the request to "quantify the mail volume over a given time period." Curtailed volume is monitored on a daily basis, but the volume is not aggregated by any period such as week, accounting period, or quarter. The national average per route is a snapshot that is relevant from the standpoint that it can be used to identify field offices that may differ dramatically from the national average for the given day.

- b. I am told, that based on the average daily volume per route, the cumulative average volume per route for a five day period is 61.3 feet. Therefore, the 9.51 feet figure would represent approximately 15 percent of the average volume. However, there are some important things to understand about these results. First, the same mail may be reported as curtailed volume for consecutive days, so the 9.51 feet figure may therefore include some double counts. For instance, mail with a window of requested in-home dates may be curtailed consecutive days. Moreover, the average daily volume per route varies depending on the day of the week and/or the time of year. As mentioned above in (a), the 9.51 feet figure was a week to date number for the last week of August. This week is typically an above average week in volume because of the numerous back to school mailings. Additionally, the week in which the cumulative 9.51 was reported also included the final remnants from the impacts of the United Parcel Service strike. Last, as mentioned above in (a), the Postal Service monitors curtailed volume on a daily basis, so the 9.51 feet figure as well as the 15 percent figure provided in this response are not relevant to how we track curtailment.

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- c. As mentioned in 42(a), curtailment is not tracked or recorded by cumulative average volumes per city route for a given time period. I am, therefore, unable to provide you with the cumulative average curtailment per city route over the most recent twelve month period.
- d. No, there is no volume limit. Non-preferential mail is processed in accordance with the service standards referenced in DMA/USPS-T30-4(c).

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.

Ralph J Moden

Dated: 9/17/97

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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