

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 AMERICAN BUSINESS PRESS
REDIRECTED FROM WITNESS SECKAR
(ABP/USPS-T26-6, 9(A), (C), 10(A) & (B), 13)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of the American Business Press: ABP/USPS-T26-6, 9(a), (c), 10(a) & (b), 13, filed on September 5, 1997, and redirected from witness Seckar.

Each 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



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
September 19, 1997

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ABP/USPS-T-26-6. On p. 13, lines 4 and 19-21, you observe that automated and non-automated flats have different mail makeup, density, and eligibility requirements.

a. Could the difference be explained in part by the greater incentive, for example, for periodicals that currently are non-automated and sacked to consolidate 3-digit and 5-digit packages in 3-digit and 5-digit sacks, as compared with packages of automation-compatible periodicals, as shown in Table A-2, Ex. USPS-T-26J p. 4.

b. Will the increased ability to sort flats mechanically that are now nonmachinable, by deployment of the FSM 1000, reduce the makeup differences between flats that are now automated and those that are not? Please explain your response.

RESPONSE:

a. Perhaps, see pages 11 through 13 of my testimony.

b. No. As you mentioned, the make-up differences are between automated flats and non-automated flats, so the difference is a function of the presence or absence of a barcode. As mentioned at page 10, lines 23 through 24, the FSM 1000s are not equipped with barcode readers. Accordingly, the deployment of the FSM 1000 will not reduce the makeup differences between flats that are now automated and those that are not.

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ABP/USPS-T-26-9. On p. 16 of your testimony, lines 15-17, you state that for "all basic rate flats mail," piece distribution included in the models includes outgoing primary and secondary operations, the ADC, the SCF, the incoming primary and secondary operations.

- a. Describe in detail the operations that are performed at the ADC.
- b. Does the model assume that incoming primary and/or secondary operations are not done at a SCF?
- c. Do SCF operations include, in actual practice, incoming and secondary functions that otherwise would be performed at a five-digit delivery station or branch? If your answer is affirmative, please supply whatever statistics are available to describe the percentage of flats and/or periodicals for which incoming primary and secondary distribution is done at sectional facilities centers.
- d. If the basic flats mail is dropshipped to an ADC or to a SCF, how would the model change?

RESPONSE:

- a. An Area Distribution Center (ADC) is a facility that serves as a consolidation point for all classes of non-automation compatible mail letters and all flats that are destinating into a specific service area. The ADC sorts both originating and destinating mail. Originating mail is sorted to the ADCs in the ADC network and destinating mail is sorted to SCFs and/or 3-digits within its ADC service area. Also, the ADC sometimes provides an SCF sort to an adjacent service area (as opposed to just an ADC sort). Otherwise, an ADC is much like any other SCF. A more detailed overview of the operations performed at the ADC can be found in the testimony of witness Pajunas (USPS-T-2) in Docket No. MC95-1.

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Although witness Pajunas primarily covered in detail the operations of the SDC, this workload is now processed in the ADCs. Accordingly, the detailed description of the SDC operations is also relevant to the ADC operations.

- b. Response provided by witness Seckar.
- c. Yes. The majority of our processing equipment is located at the SCFs so virtually all of the incoming primary distribution is done at those facilities. Also, where possible, this equipment is utilized for incoming secondary processing that would otherwise be performed at a five-digit delivery station or branch. However, I do not have statistics to provide you with the percentage of flats and/or Periodicals for which incoming secondary distribution is done at SCFs.
- d. Response provided by witness Seckar.

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ABP/USPS-T-26-10. On p. 19, USPS-T-26 (lines 9-10), you refer to packages in 3-digit sacks that need to be sorted to containers for transfer to incoming primary or secondary operations, or for dispatch to delivery units.

a. If "dispatch to delivery units" occurs for packages originally enclosed in 3-digit sacks, does this mean that the incoming primary and secondary distribution could be made either at the SCF or at the delivery unit at a branch or station?

b. If the response to (a) is affirmative, explain why distribution is done at an SCF rather than at a "delivery unit" at delivery station or branch.

c. By "delivery unit," do you mean the in-office carrier piece distribution operation or all piece distributions made by clerks and by carriers at the delivery five-digit post office or station?

RESPONSE:

- a. No. The 3-digit bundles in 3-digit sacks would generally be kept at the SCF for incoming primary sort, while the 5-digit bundles may be dispatched if the incoming secondary sort is to be done at the delivery unit. The level of distribution and the location where the distribution is performed are part of an SCF's local operating plan. In other words, it's predetermined what levels of sort will be performed at a particular facility. Therefore, it is possible that incoming secondary for some zones will be performed at the plant (e.g., automated flats) while other zones may be done at the delivery unit.
- b. Not applicable for 3-digit bundles. As far as 5-digit bundles, see my response to 9c and 10a.
- c. Response provided by witness Seckar.

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ABP/USPS-T-26-13.

a. In your discussion of carrier route mail distribution, how would the handling in opening unit and bundle distribution operations referred to at USPS-T-26, p. 22, lines 6-12, differ if carrier route packages were placed on ADC, SCF, 3-digit and 5-digit pallets or enclosed in sacks sorted to the foregoing presort levels?

b. After a pallet is broken up, are the packages on the pallet re-containerized by USPS at the particular facility to which the pallet was sent?

RESPONSE:

a. Below is a listing of the pallet levels you referenced and the level of distribution that would be performed as an initial handling of carrier route bundles residing on those levels.

ADC - sort to SCF, 3-digit and/or 5-digit

SCF - sort to 3-digit and/or 5-digit

3-digit - sort to 5-digit

5D - cross dock from plant to delivery unit and/or sort to Carrier Route.

The same sorts would also be performed on carrier route bundles enclosed in equivalent sacks.

b. Yes. Generally, carrier route packages on pallets are sorted to containers; however, they may sometimes be taken directly to the carrier's ledge. When containerized, some of the containers will be transported to other locations and some containers will remain at the plant.

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: 9/19/97

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.



Scott L. Reiter

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