

DOCKET SECTION

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 MCGRAW HILL COMPANIES, INC.
(MH/USPS-T4-1-4)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of The McGraw Hill Companies, Inc.: MH/USPS-T4-1-4, filed on September 17, 1997.

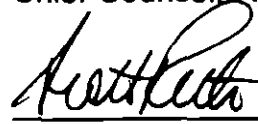
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 29, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO INTERROGATORIES OF THE MCGRAW-HILL COMPANIES

MH/USPS-T4-1. With reference to the requirement (DMM E240, adopted after MC95-1) that to be eligible for automation rates, all pieces in a Periodicals mailing must bear an accurate ZIP + 4 barcode (or delivery point barcode), please explain how this requirement has affected the efficiency of handling and processing flats that previously were permitted to be commingled in an automation flat-Periodicals mailing (so long as they bore an accurate 5-digit barcode).

Response:

Pieces that were previously permitted to be commingled in an automation flat Periodicals mailing only bore an accurate 5-digit and could not be sorted to the carrier route level by the FSM barcode reader. As a result, these pieces rejected during incoming secondary processing with the barcode reader and had to be rehandled manually. Today, pieces that do not bear an accurate ZIP + 4 barcode (or delivery point barcode) are not permitted to be commingled in an automation flat Periodicals mailing. As a result, we are able to save a handling, because we do not have to process it on the incoming secondary barcode sort program only to have it rejected because of lack of a ZIP+4 (or delivery point) barcode.

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MH/USPS-T4-2. In view of the planned retrofitting of FSM 881s with OCR capabilities, and in light of your response to TW/USPS-T4-12(b), please explain whether the Postal Service will consider reinstating its past policy of permitting flats bearing an accurate 5-digit barcode to comprise up to fifteen percent of a flat Periodicals mailing that is eligible for automation rates. If not, why not?

Response:

It is difficult for me to say whether the Postal Service will consider reinstating its past policy of permitting flats bearing an accurate 5-digit barcode to comprise up to fifteen percent of a flat Periodicals mailing that is eligible for automation rates. There are several factors we will have to consider as the OCR is deployed to field sites' FSMs. First, the 100% ZIP+4 (or delivery point barcode) requirement compels mailers to keep the quality of their address lists at the highest possible level. Address accuracy helps to prevent costly rehandlings to the Postal Service, so we would not want to institute any kind of change that is contrary to this objective. Similarly, as I mentioned in TW/USPS-T4-10(b), the read rate of the flat mail OCR is not expected to be comparable to a flat mail barcode reader OCR. Therefore, this equates to potentially fewer rejects if the mailer applies a ZIP+4 (or delivery point barcode) versus a 5-digit barcode or no barcode. Third, the Postal Service is considering the placement of barcode readers on the FSM 1000, so there could be additional considerations specifically related to the FSM 1000. In short, it is too early to speculate whether the current requirement can be reconsidered, since the OCR has not been deployed to field sites yet.

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MH/USPS-T4-3. With reference to your testimony at p.10, lines 19-21, please explain the **extent** to which the FSM 1000 is capable of processing (a) flats enclosed in polywrap materials other than those currently certified by the Postal Service as acceptable for processing on the FSM 881 (See response to TW/USPS-T4-5(a), (b) flats weighing more than one pound, or (c) tabloid-sized flats.

Response:

- a. I am not aware of any other manufacturers' polywrap materials, other than those listed in the attachment to TW/USPS-T4-5(a), that can be processed on the FSM 1000.
- b. The FSM 1000 can process flats weighing more than one pound as long as they are within the dimensions specified in TW/USPS-T4-5(f).
- c. The FSM 1000 can process tabloid-sized flats as long as they are within the dimensions specified in TW/USPS-T4-5(f).

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MH/USPS-T4-4. Please state the extent to which, and the reasons for why, Periodicals (second-class) mail has been processed with (or after) Standard A (third-class) mail at ADCs (or other mail processing facilities other than delivery units) since January 1996, resulting in a delay (loss of preference) in the processing or delivery of Periodicals (second-class) mail, and provide all documents relating to such practice.

Response:

I am not aware of such a practice. Mail is processed in accordance with the distribution priorities stated in section 453 of the Postal Operations Manual (POM 7) filed in Docket No. MC96-3 as USPS LR-SSR-161.

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: 9/29/97

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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