

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-5004

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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
TO INTERROGATORIES OF
THE NEWSPAPER ASSOCIATION OF AMERICA
REDIRECTED FROM WITNESS MODEN
(NAA/USPS-T4-18-23 & 28)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of the Newspaper Association of America: NAA/USPS-T4-23 & 28, filed on September 16, 1997, and redirected from witness Moden.

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

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September 30, 1997

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE
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NAA/USPS-T4-23. Please refer to arbitration decision by Arbitrator Snow dated June 9, 1997, regarding the use of "fourth bundles."

- a. Please describe the operating practices at issue in the June 9 arbitration decision, and particularly the type of mail carried in each of the four "bundles."
- b. Is the June 9, 1997, arbitration decision final, in the sense that it is not subject to any further legal appeal? If not, please identify the status of that decision.
- c. To what type[s] of routes does the June 9, 1997, arbitration decision apply?
- d. Will the elimination of "fourth bundles" require carriers to perform additional casing than in a "fourth bundle" environment? If so, please indicate what costs would likely increase. If not, please explain why not.
- e. Please confirm that prior to the widespread implementation of automation, the "third bundle" typically consisted of advertising flats. If you cannot confirm, please explain why not.
- f. Please identify the cost segments and cost components most likely to be affected by the arbitration decision, and whether the decision is likely to lead to an increase or a decrease in costs accrued in such segments or components.
9. Will the June 9, 1997, arbitration decision likely lead to an increase or a decrease in costs attributed to subclasses of mail? Please identify the likely direction of such changed cost attributions.

Response:

- a. See response to AAPS/USPS-1.
- b. The award is final as to the issues under consideration. However, please see the answer to AAPS/USPS-3 regarding the limitations on the effect of the award. In addition, it is noted that nothing in the arbitration award would prevent carriers from carrying "fourth bundles" on a voluntary basis.

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On remand, the Postal Service and NALC have agreed to undertake a study of this matter. Please see the answer to NAA/USPS-T4-28. The results of this study could lead to further agreement affecting these carrier operations. Some agreements in the interim have already been concluded at the local level, pursuant to negotiations following the arbitration award. More recently, the Postal Service entered into an agreement specifying procedures for further negotiations leading to local agreements. A copy of this document is attached.

- c. See response to AAPS/USPS-1.
- d. The question appears to be based on the assumption that the arbitration award will eliminate all "fourth bundles" in the operating environment. Please see the response to AAP/USPS-3 regarding the limitations on the effect of the award. Additionally, it is noted that the award does not specifically prohibit carriers from voluntarily carrying "fourth bundles." See the answer to (b) above.
- e. *The work method you are referring to, which was never described as a "third bundle," applies primarily to the flats in the Detached Address Label mailings.*
- f. The cost segments and components most likely to be affected would include the City Delivery Carrier components in cost segments 6 and 7. The Postal Service will study the impact on accrued costs, but until it is studied, the impact is not known.
- g. The Postal Service will study the impact on volume variable costs, but until it is studied, the impact is not known.

**USPS-NALC PROCEDURE FOR
DETERMINING INTERIM APPROACH**

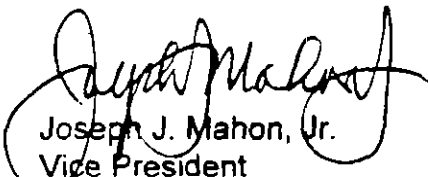
The procedure set forth herein applies only to those routes on which no interim approach for handling unaddressed flats has been jointly selected as of September 26, 1997.


By letter dated September 12, 1997, the national parties directed that local parties *without agreements make another attempt to agree upon an interim approach* and that the regular carrier would determine the most efficient method while that effort was underway. If there still is no agreement between the local parties *on an interim approach on a route as of September 26*, the local parties will assess the efficiency of the approach which the regular carrier has selected as follows:

1. For each such route, all time used on the route on the first six (6) days unaddressed flats are delivered using the carrier's selected approach, including auxiliary assistance and overtime, will be averaged to determine the average daily total work hours used on the route on those days.
2. For each such route, the delivery unit manager and the shop steward will also review and average the daily total work hours used on the route on each of the six (6) days unaddressed flats were delivered immediately prior to August 4, 1997. This will serve as baseline data.
3. If the average daily total work hours using the carrier's selected approach do not exceed the average daily total work hours reflected by the baseline data, the carrier will continue to use the selected approach during the interim period, as long as the same level of efficiency is maintained.
4. If the average daily total work hours using the carrier's selected approach exceed the average daily total work hours reflected by the baseline data, the delivery unit manager and the shop steward will conduct a review to determine whether the increase in average daily total work hours is the result

of increased time in the office, or on the street. If the office time increased, the total volume delivered on the targeted unaddressed flat days during the two periods will be reviewed. If it is determined that the office time increase was not caused by a volume increase, or if it is determined that the carrier's street time increased for any reason, or if the carrier's same level of efficiency is not maintained as provided in paragraph 3 above, management will select the approach for handling unaddressed flats for the remainder of the interim period.

5. In the event that an affected route is served by a carrier other than the regular on the route, the career carrier who will be predominantly serving the route during the interim period will be deemed the "regular" carrier for the purpose of selecting the interim approach.
6. The approach used by the regular carrier will be used by the T-6 assigned to the route as well as any replacement coverage due to "opt" or assignment.
7. It is mutually understood that 1) this is an interim step pending the completion of the national level study to determine the relative efficiency of different approaches; 2) management may, during this interim period, continue to monitor any selected approach to insure continued efficiency; 3) the continued use of a carrier's selected approach is dependent on maintaining the level of efficiency demonstrated during the comparison period; and 4) agreements on the selected approach are made for the interim period only, and are made without precedent or prejudice to the national level study to be conducted by the national parties pursuant to the August 12 agreement, and are not citable in any manner in any forum except to enforce this agreement.


Joseph J. Mahon, Jr.
Vice President
Labor Relations
U.S. Postal Service


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President
National Association of
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NAA/USPS-T4-28. Please refer to the August 12, 1997, agreement between the US Postal Service and the National Association of Letter Carriers to study work methods with and without unaddressed flats. Please confirm that the joint study referenced in the August 12, 1997, agreement is expected to be completed by April 30, 1998. If you cannot confirm, please provide a more accurate date.

Response:

Confirmed.

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.

A handwritten signature in black ink, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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September 30, 1997