

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

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS MILLER
(OCA/USPS-T23-8 THROUGH 11)**

The United States Postal Service hereby files its responses to the following interrogatories of the Office of the Consumer Advocate, dated September 16, 1997: OCA/USPS-T23-8 through 11.

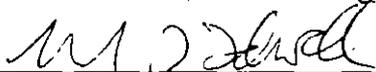
Redirected from witness Miller, each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 30, 1997

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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REDIRECTED FROM WITNESS MILLER**

OCA/USPS-T23-8. Please refer to LR H-130, the 1997 OCR/RBCS Accept and Upgrade Rates Study. At page 2 it is stated: "For any piece where the OCR cannot read the address, the electronic image is sent to a remote encoding center (REC) where someone working at [a] computer terminal keys in certain information contained in the image. This information is used to determine the correct barcode for the mail piece."

a. Does the Postal Service have minimum image processing standards that REC workers must meet? If so, please describe. Indicate whether these standards differ for career, transitional, and contract employees. If the standards differ, please explain why they differ.

b. Do salary incentives exist for REC employees to exceed certain processing levels? If so, please describe. Indicate whether these standards differ for career, transitional, and contract employees. If the standards differ, please explain why they differ.

RESPONSE:

a. Yes. Data Conversion Operators (DCOs) must be able to achieve a 7,150 keystrokes per hour keying speed with 98% accuracy. This standard applies to both career and transitional employees. The Postal Service currently has no contract REC employees.

b. No.

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OCA/USPS-T23-9. Does local mail exist which completely bypasses the operations described in H-130, e.g., mail deposited at a local facility in a "local box" which is hand sorted and distributed to the route carriers? If so, please describe.

- a. If such local mail exists, please quantify the amount by class of mail.
- b. If such local mail exists, how does the Postal Service costing methodology take it into account?

RESPONSE:

"Local box" mail may still exist at some facilities, but in a Delivery Point Sequencing (DPS) environment, this mail should eventually be processed with regular collection mail.

- a. Postal Service data systems do not specifically measure mail volumes that are deposited in "local boxes" as described above.
- b. The costs associated with mail deposited in "local boxes," as described above, are not specifically measured in the testimony for USPS-T-23.

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OCA/USPS-T23-10. Please refer again to page 2 of H-130. It states, in relevant part:

The two pieces of equipment involved in the study are the OCR input sub system (ISS) and the BCS output sub system (OSS).

The ISS is a feature on certain OCRs that will take an electronic image of the address of a mail piece and spray an identifying (ID tag) on the back of the mail piece. For any piece where the OCR cannot read the address, the electronic image is sent to a remote encoding center (REC) where someone working at [a] computer terminal keys in certain information contained in the image. This information is used to determine the correct barcode for the mail piece. The correct bar code is associated with the ID tag and is sent back to the processing facility where it originated. Once the data is received by the processing facility, the mail pieces are run on the OSS. The OSS is a BCS that is able to read the ID tag, find the correct barcode, spray the barcode on the piece, and sort it to the appropriate stacker.

This study is designed to measure the performance of these two operations in several ways. First, for the OCR ISS, this study measures the accept rate, upgrade rate, and encode rate. The accept rate of the machine is simply the percentage of pieces that are fed through the machine that is able to successfully sort to a stacker. The upgrade rate is the portion of accepted pieces that the machine is able to apply a barcode representing the FDOS [Finest Depth of Sort]. The encode rate represents the portion of pieces fed through the machine that it is able to apply a barcode representing the FDOS.

The encode rate, on the other hand, measures the performance of the machine in both accepting and upgrading pieces.

- a. Please refer to Table 5.1 on page 10. Confirm that the rates listed in Table 5.1 are percentages, i.e., an accept rate of 0.8735 means that 87.35 of the surveyed mail pieces were accepted. If not confirmed, please explain.
- b. Referring to Table 1, OSS Accept, Upgrade and Encode Rates, please explain why the accept, upgrade and encode rates for Handwritten First-Class collection mail are higher than for all other classes of mail surveyed.

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RESPONSE:

- a. Confirmed.
- b. No specific studies were conducted to determine why the number of pieces of one type of mail were accepted or upgraded more often than another type of mail. However, it is logical to expect that the accept and upgrade rates through the OSS are higher for handwritten First-Class Mail than for other types of mail.

Some reasons why machine addressed letters are not upgraded by the ISS, and therefore passed on through the OSS include misfaced pieces, double fed pieces, and addresses not correctly aligned in a window envelope. In each of these cases, the image that is sent through to the REC is useless and the OSS will not be able to accept or upgrade the piece. On the other hand, the majority of handwritten pieces that are sent through the OSS were not upgraded by the ISS because the machine could not read the handwriting. In these situations, the image sent to the REC is effective and there is a higher probability that the OSS will accept and upgrade the piece.

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OCA/USPS-T23-11. According to page 7 of H-130, data were collected for ten days, from February 24, 1997 to March 7, 1997.

- a. Why were these dates chosen?
- b. Are the mail flows during this time period representative of the rest of the year? Please discuss.
- c. Would times of increased or decreased mail flows, e.g., the pre-Christmas season, affect the rates shown in the tables? Please discuss. For example, does the efficiency of the machines under examination differ during periods of high mail flow?

RESPONSE:

- a. These dates were chosen for a variety of reasons including: the availability of processing facility staff to participate in the survey, the rate case schedule, the availability of headquarters resources and the magnitude of mail processing volumes.
- b. Mail volumes during this time of year tend to be generally representative of mail volumes throughout most of the rest of the year. One of the reasons that this part of the year was chosen was that it avoided peak processing times such as those encountered around the holiday season.
- c. No. How often a piece of equipment accepts and/or upgrades a piece of mail depends almost entirely on the piece of mail. Since the characteristics of the different types of mail studied would not be expected to change during times of increased or decreased mail flows, then the accept and upgrade would not be expected to change either.

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.

A handwritten signature in cursive script, appearing to read "M T Tidwell", written in black ink over a horizontal line.

Michael T. Tidwell

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