

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

OCT 1 4 32 PM '97

POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MODEN TO INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA
(MPA/USPS-T4-3-11)

The United States Postal Service hereby provides responses of witness Moden to the following interrogatories of Magazine Publishers of America: MPA/USPS-T4-3-11, filed on September 17, 1997. Interrogatories MPA/USPS-T4-1 & 2 were redirected to the Postal Service.

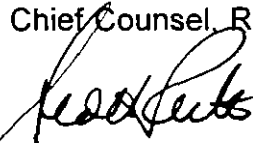
Each interrogatory is stated verbatim and is followed by the response.

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
October 1, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-3. Please refer to your response to TWIUSPS-T4-8, part c.

- a. Please provide a precise definition of activities and areas that are part of the opening unit function.
- b. Please reconcile your statement in part c. that MODS operations 110-129 always mean opening unit with your statement in part f of the question that operations 120-129 are pouching operations.

Response:

- a. As defined more formally in LR-H-147, Appendix A, Section 110C and 180C, opening unit functions include the sortation of containers and items, emptying the mail from containers, sortation of bundles, and movement of mail to and from opening units. Due to automation and Reclassification, an increased proportion of opening unit work consists of identifying the content of trays and moving the trays to and from distribution operations. Perhaps more than in any other operation, personnel in Opening Units move about the plant to perform their functions. Postal facilities have a wide variety of dock arrangements, floor arrangements, material handling systems, (e.g. conveyors, elevators, chutes, etc.), and customized procedures to control the movement of mail around the facility. These local circumstances dictate how and where opening unit functions are performed (i.e. the "activities and areas"). Local management then assigns operation numbers within the opening unit series to best assist them in managing opening units consistent with their local circumstances.
- b. My answer in TW/USPS-T4-8c, "110C and 180C", is correct as stated. Per the cited reference, 110C means 110-117 and 180C means 180-189. As stated in part f,

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

120-129 is pouching and, as stated in part g, 110-117 and 180-189 are opening units.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-4. Please refer to your response to TW/USPS-T4-9, parts a. and e.

- a. Please explain why an employee clocked into a MODS mail processing operation who is observed by an IOCS clerk as doing window service or administrative work is not violating proper clocking in and out procedure.
- b. Is it possible for clerks to move frequently between window or administrative operations and mail processing or to engage in window or administrative operations and mail processing almost simultaneously?

Response:

- a. As I indicated in TW/USPS-T4-9 parts a and e, when an employee is moving frequently between a mail processing operation and window service or administrative work, or is engaged in both operations almost simultaneously, they need not clock out of the mail processing operation (see LR-H-147, Section 312.12). For example, many offices use a separate window for caller service and parcel pickup that is equipped with a buzzer rather than full time attendance. When an employee casing mail in the back hears the buzzer, she goes to the window to perform the window service and related administrative work. Also, the 24-hour window at an Airport Mail Facility is commonly serviced this way at night. An additional consideration is the actual meaning of the IOCS tally. I am told that if an IOCS clerk sees an employee in the window area (e.g. bringing or getting packages) they are commonly tallied as window service.
- b. Yes. See part a above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-5. Please refer to your testimony at page 10 on non-carrier route barcoded flats. Please provide a breakdown of barcoded flats by class for 1995, 1996, 1997, and 1998.

Response:

In FY 1995, 1.7% of all First Class flats were barcoded; in FY 1996, 2.1% of all First Class flats were barcoded; and in FY 1997, AP 9 year-to-date, 6.4% of all First Class flats were barcoded.

In FY 1995, 38.8% of all non-carrier route Periodical flats were barcoded; in FY 1996, 42.9% of all non-carrier route Periodical flats were barcoded; and in FY 1997, AP 9 year-to-date, 54.5% of all non-carrier route Periodical flats were barcoded.

In FY 1995, 50.6% of all non-carrier route Standard (A) flats were barcoded; in FY 1996, 62.6% of all non-carrier route Standard (A) flats were barcoded; and in FY 1997, AP 9 year-to-date, 83.5% of all non-carrier route Standard (A) flats were barcoded.

See testimony of witness Tolley (USPS-T6), Exhibit USPS-6A for the FY 1998 breakdown.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-6. Please refer to your testimony on page 11 with respect to the percent of incoming secondary volume processed on the flat sorter. Please provide the precise percentage of machineable incoming secondary volume processed on the flat sorter.

Response:

As indicated in the Postal Service's response to TW/USPS-2b, the overall machinability of "bulk" non-carrier route presort flats is 85.73 percent. This estimate does not include First-Class single-piece flats which is why it is referred to as the overall "bulk" average machinability. If we assume that this same percentage applies to First-Class single piece flats, and it may not, we obtain the following. The result reported in my testimony was that 52 percent of the incoming secondary processing of flats at Processing & Distribution plants were processed on the flat sorter. If 85.73 percent of all non-carrier route presort flats are machineable, then approximately 61 percent of the machineable flats ($.52/.8573=.606$) received FSM incoming secondary at plants.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-7. Please refer to your testimony on pages 11-12 with respect to the peculiar outputs from the cost models for barcoded and nonbarcoded Periodicals. Please explain any relationship between the enigmatic results of the barcoded/nonbarcoded cost models to the anomalous results for Periodicals costs in general, as described by Witness O'Hara.

Response:

See response to TW/USPS-T4-3(d).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-8. Please refer to your testimony at page 13. You state that you expect to develop solutions to the enigmatic cost model results for Periodicals and Standard (A) Nonprofit mail in time for the implementation of new rates. Please explain whether you mean operational solutions or cost measurement solutions.

Response:

As I mentioned at page 12, lines 3 through 5, there are unique preparation requirements that apply only to Periodicals mail and it is possible they may have been a factor in creating the enigmatic results. Therefore, the solutions may be preparation solutions as opposed to operational. Also, my testimony was not referring to cost measurement solutions.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-9. On page 13 of T-4 you describe future flat sorting equipment. You do not describe any replacement equipment for the FSM 881. Please describe any studies, tests or evaluations currently underway or planned for the near future on possible replacement machines for the FSM 881.

Response:

See response to NDMS/USPS-T4-19.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T4-10. On page 13 of your testimony you describe a high speed flats feeder for the FSM 881 and a barcode reader for the FSM 1000.

- a. Please describe the results of the field test on the HSFF. Please estimate the increase in throughput for an FSM 881 equipped with an HSFF and provide a cost estimate for retrofitting all FSM 881 machines with HSFFs.
- b. Please describe the results of the field test on the FSM 1000 BCR modification. Please estimate the increase in throughput for a FSM 1000 equipped with BCR and provide a cost estimate for retrofitting all FSM 1000s with BCRs.
- c. Assuming the Board of Governors approves deployment of BCRs for the FSM 1000, please describe when deployment is likely to be completed for the first 100 FSM 1000s and for all 340 FSM 1000s.

Response:

- a. The results of the test did not meet several of the criteria that were evaluated.
Accordingly, there are no plans at this time to equip the FSM 881 with a HSFF.
Since a procurement has not taken place, I am unable to provide a cost.
- b. We have experienced about an 85% read rate with the barcode reader on the FSM 1000. It is estimated that the barcode reader could yield about a 30% improvement in productivity. As I mentioned in ABP/USPS-T4-19, additional testing with production software is still needed. Also, since a procurement has not taken place, I am unable to provide a cost.
- c. Deployment is contingent on approval from the Board of Governors. Accordingly, I am unable to estimate the starting and ending dates of such a deployment.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T-11. Please refer to page 16, lines 23-26 of your testimony. Please explain in detail the manner in which MODS-dependent "calculations" are used by local management in making local staffing and scheduling decisions.

Response:

MODS provides the data by tour and operation on volumes and workhours.

Calculations can range from a quick computation, dividing an anticipated volume increase by productivity, to an elaborate mail flow simulation using Site META. The former might be used to decide, for example, to move an employee into an operation 30 minutes earlier, and the latter might be needed to justify a change in total facility staffing. Additional information is provided in MPA/USPS 1 and 2 above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T-12. Please refer to your testimony at page 20 where you discuss the effect of labor agreements on staffing changes. Please confirm that the seniority based bidding process which cascades through the facility limits the Postal Service's ability to match staff to workload in a timely manner.

Response:

Not confirmed. The Postal Service has adequate flexibility to match staff to workload using casuals, transitional employees, overtime, etc. However, productivity is effected as I indicated in my testimony (page 21).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MODEN
TO THE INTERROGATORIES OF THE MPA**

MPA/USPS-T-13. Please refer to page 21 of your testimony where you describe how manual cases must be staffed to handle rejects from automation operations. Please describe what employees assigned to manual cases do while awaiting late surges of reject volume.

Response:

We staff to workload. Supervisors plan to move employees onto the cases when the volume is there, not before.

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: 10/1/97

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.

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", is written above a solid horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
October 1, 1997