

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

POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY  
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION  
[MMA/USPS-T29-1-4]  
(May 18, 2005)

The United States Postal Service hereby provides its responses to above-listed interrogatories of the Major Mailers Association, filed on April 29, 2005. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Response of Postal Service Witness Marc McCrery  
To Interrogatories Posed by Major Mailers Association

**MMA/USPS-T29-1**

On page 2 of your testimony, you describe the mail preparation for First-Class single piece letters and cards. You indicate that bundles and trays of metered letters are “forwarded directly to sortation equipment”.

- A. Please describe the entire mail preparation process for First-Class metered mail (BMM) that is brought to the Postal Service in trays of 500 or more pieces. If you do not have first hand knowledge of BMM, then please state so and answer the question with respect to bundles of metered mail.
- B. Are BMM or bundled metered mail pieces cancelled? If so, in what operation does this occur and how is it accomplished?
- C. Are BMM pieces or bundled metered mail pieces culled? If so, in what operation does this occur and how is it accomplished?
- D. For FY 2004 or the most recent fiscal year for which actual data are available, how much BMM or bundled metered mail was machinable? Please source the information you provide.
- E. For FY 2004 or the most recent fiscal year for which actual data are available, how much single piece metered mail was machinable? Please source the information you provide.

**RESPONSE:**

A. Assuming that trayed bulk metered mail is being referred to as BMM, First Class metered letter mail trays are first separated as barcoded and non-barcoded. Non-barcoded metered mail trays are routed to MLOCR/ DIOSS machines for barcoding then routed to Delivery Bar Code Sorter (DBCS) for downstream processing. Trays containing barcoded metered mail are routed to the DBCS.

B & C. See MMA/USPS-T29-1 A. For operational convenience, sometimes bundles are culled out, bands are removed, and loose pieces are cancelled on the AFCS. In other situations, bundles are culled out, bands are removed, loose pieces are faced in trays and trays are processed on MLOCR/ DIOSS machines. Full trays of

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metered mail are processed through the AFCS if meter dates are stale.

D & E. For FY 2004, 13.4 B pieces with meter postage (excluding IBI) did not pay the non-machinable surcharge and are therefore assumed to be machinable. I'm not aware of any data available that differentiates volume of trayed, bundled or loose metered mail pieces. Source: RPW FY 2004 report.

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**MMA/USPS-T29-2**

On pages 3-5 of your testimony, you describe the Remote Bar Coding System (RBCS).

- a. Is the Advanced Facer Cancellor System (AFCS) normally an integral part of the RBCS? Please explain.
- b. Will BMM that is "forwarded directly to sortation equipment" be sent to the AFCS? If your answer is no, then to what operation is BMM normally sent?
- c. Does the Input Sub System (ISS) resolve just machine printed addresses? If not, please explain.
- d. Is the Multi-line Optical Character Reader (MLOCR) a part of the ISS? If not, please explain how the two interact.
- e. What percent of letters fed into the ISS is actually successfully read and barcoded without the aid of the Remote Computer Reader (RCR) and Remote Encoding Center (REC)? Please provide a source for your answer.
- f. Does the RCR resolve just machine printed addresses or both machine printed addresses and handwritten addresses?
- g. For the 27.5% of the letters that the RCR cannot resolve, please provide the specific reasons why these addresses cannot be resolved.
- h. Does the Remote Encoding Center (REC) resolve just machine printed addresses or both machine printed addresses and handwritten addresses?
- i. What percent of the images sent to the REC are successfully resolved?
- j. Please provide national data for the latest fiscal year available detailing (1) how many pieces were fed into the AFCS (2) how many pieces were successfully barcoded in the AFCS by an MLOCR without the aid of the RCR or REC, (3) how many pieces were successfully barcoded with the aid of the RCR, (4) how many pieces were successfully barcoded with the aid of the REC, and (5) how many pieces could not be barcoded. Please provide the source(s) for your answer.
- k. Please provide projected national data for Test Year 2006 detailing (1) how many pieces will be fed into the AFCS (2) how many will be successfully barcoded by the AFCS by an MLOCR without the aid of the RCR or REC, (3) how many will be successfully barcoded with the aid of the RCR, (4) how many will be successfully barcoded with the aid of the REC, and (5) how many will not be barcoded. Please also provide the source(s) for your answer.

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**RESPONSE:**

- a. Yes. The AFCS acts as an Input Sub System (ISS) for lifting images.
- b. No. See response to MMA/USPS-T29-1 A-C.
- c. No, the OCR component of the Input Sub System (ISS) can also resolve hand written addresses.
- d. The MLOCR is normally operated in the Input Sub System (ISS) mode. The MLOCR will process an image through the optical character reader (OCR). If not finalized by OCR, the image is presented for RCR processing, and if not finalized, goes to the REC for keying. The MLOCR acts as an ISS but would not necessarily be described as a part of an ISS.
- e. For FY 2004, the percentage was 51.3%. Source: RBCS National Summary Report.
- f. Both
- g. Some reasons why the RCR cannot resolve the addresses include: 1) mis-faced (pieces with the back facing the front) mail, 2) address not resolved (address missing key elements, poorly written address), 3) address not found in directory, 4) illegible font, and 5) interference (other words or images) in the address block area.
- h. Both.
- i. The percentage of the images resolved to the finest depth required is

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74.6%.

- j. (1) In FY 2004, the number of pieces fed into an AFCS was 27.3 billion according to MODS. (2) The AFCS-OCR does not apply barcodes to mail pieces. (3 – 5) RCR and REC resolution data for AFCS image lifted pieces are not available because the resolution data is not broken down by machine types from which an image was lifted.
- k. It is my understanding that the Postal Service does not make these types of projections.

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**MMA/USPS-T29-3**

Please refer to page 10 of your testimony where you provide information regarding the amount of mail that was barcoded by the Postal Service during FY 2004.

- A. For FY 2004 or the most recent fiscal year for which actual data are available, please provide the volumes to complete the table below, along with the source(s) for the volumes. Note: columns 1, 2, and 3 should add up to column 4.

<b>Subclass</b>	<b>USPS Applied Barcode</b>	<b>Mailer Applied Barcode</b>	<b>Letters Not Able To Be Barcoded</b>	<b>Total Letters</b>
	(1)	(2)	(3)	(4)
First Class				
Standard				
Total				

- B. For column (3) in your answer to part A, please divide the total letters not successfully barcoded by the Postal Service into machinable letters and nonmachinable letters, as shown in the table below:

<b>Subclass</b>	<b>Letters Not Able To Be Barcoded</b>	<b>Machinable Letters Not Able To Be Barcoded</b>	<b>Nonmachinable Letters Not Able To Be Barcoded</b>
	(1)	(2)	(3)
First Class			
Standard			
Total			

**RESPONSE:**

- A. The above table for part A could not be completed because the Postal Service does not track postal applied barcode data that differentiates classes of mail. For FY 2004 the total volume of letters was 149.6 billion of which 92.9 billion was First Class and 56.6 billion was Standard Mail. Of the total volume of letters, 39.6 billion letters had USPS applied barcodes and 101.3 billion letters had mailer applied barcodes of

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which 56.5 billion was First Class Mail including Courtesy Reply Mail (CRM) and Business Reply Mail (BRM), and 44.8 billion was automation rate Standard Mail. The remaining 8.7 billion pieces includes letters that were not able to be barcoded as well as letters that the Postal Service does not barcode ordinarily, for example, letters for non-automation zones, political mail, and local mail entered late at destination delivery units such that time did not permit barcoding. The sources for this information are MODS, Revenue, Pieces and Weight (RPW) for report for FY 2004, FAST Auto (Finalization on Automation Secondary Tracking) report and the FLASH report for manual volumes.

B. The table for part B above could not be completed. I am not aware of any data available that differentiates the machinability or non-machinability of letters not able to be barcoded.

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MMA/USPS-T29-4

Please refer to page 10 of your testimony where you provide information regarding the percentage of mail that was delivery point sequenced (DPSed) during FY 2004. You state that 89% of all barcoded letters was DPSed during that time period.

- A. Please confirm that in R2001-1 USPS witness Kingsley testified that 94.8% of barcoded letters was successfully sorted by automation in the incoming secondary operation during FY 2001, the R2000-1 test year. See R2001-1, TR 9/ 2256. If you do not confirm, please explain.
- B. Please reconcile Ms. Kingsley's figure of 94.8% with your figure of 89%. Please source and document the information you provide.
- C. For FY 2004 or the most recent fiscal year for which actual data are available, please provide the volumes of barcoded letters (letters barcoded either by the Postal Service or by mailers) to complete the table shown below along with the source(s) for your figures: (Note that column 3 consists of letters sorted to carrier route only or to a post office box, and that column 4 consists of barcoded letters that for some reason do not get DPSed)

Subclass	Total Barcoded Letters	Total DPSed Letters	Total Letters That Do Not Require DPSing	Total Letters Not Able To Be DPSed
	(1)	(2)	(3)	(4)
First Class				
Standard				
Total				

Note: the volumes in Columns 2-4 should add up to the volumes in Column 1.

- D. For the barcoded letter volumes shown in column 4 in the Table in your answer to part C, please provide the reasons why these pieces could not be DPSed.
- E. Does the Postal Service know whether it has more success in delivery point sequencing letters that are prebarcoded by mailers than letters that are barcoded by the Postal Service? If yes, please explain which letters are more successful and why this is so.

**RESPONSE:**

- A. Confirmed
- B. Witness Kingsley's figure of 94.8% refers to the percentage of incoming

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secondary letter distribution in plants that is performed on automation equipment.

The figure of 89% refers to the percentage of incoming secondary letters sorted to delivery point sequence out of the total system volume including all plant and delivery unit distribution. The source for this information is the FAST Auto (Finalization on Automation Secondary Tracking) report.

- C. The table for part C above could not be completed because postal applied barcodes are not separated by class of mail. For FY 2004, the barcoded letter volume was 140.9 billion, of which 113.2 billion was finalized into DPS. Additionally, 13.9 billion letters were processed to sector/segment, carrier route (not re-sorted on the CSBCS), and box sections. Finally, 19.2 billion letters were sorted in plant and field distribution manual operations.
- D. Some reasons why pieces are not able to be finalized into DPS include: 1) out of sequence on 2<sup>nd</sup> pass, 2) mechanical rejects, 3) invalid or incomplete delivery point barcode, and d) barcode cannot be read.
- E. No.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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