

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 POSTAL SERVICE WITNESS LEWIS
TO INTERROGATORIES OF VALPAK (VP/USPS-T30-24-27, 29-31)
(June 2, 2005)

The United States Postal Service hereby provides the response of witness Lewis to the following interrogatories of ValPak, filed on May 19, 2005: VP/USPS-T30-24-27, 29-31. Question 28 has been redirected to the Postal Service. Responses to questions 21-24 have not yet been completed.

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

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, Fax -5402
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VP/USPS-T30-24.

In section 2.2 of your testimony (USPS-T-30, pp. 2-3), you discuss the practice of carriers taking mailer-sequenced mail directly to the street without in-office preparation. In addition to ECR and Nonprofit ECR Saturation mail, what other categories of sequenced mail do carriers take directly to the street?

Response

Carriers can take any sequenced mail directly to the street without prior in-office casing. To qualify for worksharing rates mailers prepare all carrier routed mail in either "walk sequence" or "line of travel" sequence. Carriers take those mailings and internally DPSED mail directly to the street.

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VP/USPS-T30-25.

The billing determinants for Base Year 2004 for ECR and Nonprofit ECR ("NECR") Saturation mail show the following volumes (in millions):

	ECR Commercial	NECR Nonprofit	Total
Letters	2,783	661	3,444
Nonletters	9,880	456	10,336
Total	12,669	1,117	13,780

a. Of the total volume of 3,444 million Saturation letters, what was the volume or percentage of such letters that was taken directly to the street by city carriers in Base Year 2004?

b. Of the total volume of 10,336 million Saturation nonletters, what was the volume or percentage of such nonletters taken directly to the street by city carriers in Base Year 2004?

Response

A and B. The Postal Service does not maintain statistics showing the volume of either letter or non-letter shaped Saturation mail carriers take directly to the street without casing.

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VP/USPS-T30-26.

- a. Under what circumstances would carriers case unaddressed flats consisting of a host piece, sometime referred to as an “outer piece” or “wrap,” plus several accompanying loose inserts within the host piece?
- b. If (or when) carriers were to case unaddressed flats, would they also case the accompanying Detached Address Label (“DAL”), or would that be redundant?
- c. Please describe all circumstances under which carriers would case Standard ECR “wraps,” rather than (or in addition to) the accompanying DAL.
- d. To your knowledge, how often does it occur that carriers actually case the “wraps” instead of (or in addition to) the DAL?

Response

A. On Rural and Highway contract routes, carriers have significant discretion with regard to workmethods. Many rural and HCR carriers case both the detached address label and the unaddressed component of detached address label mailings as a way to minimize the number of bundles they must work from on the street. Supervisors of City delivery routes should direct carriers to handle unaddressed components of detached address label mailings as a third bundle.

B. Rural and Highway contract route carriers often case both the addressed and the unaddressed pieces of detached address label mailings as a way to minimize the number of bundles they must work from on the street. Where City carriers are limited in the number of bundles they can take directly to the street, supervisors should direct those carriers to case the detached address label component and take the unaddressed flat components of detached address label mailings as a third bundle.

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C. Rural and Highway Contract carriers have significant discretion regarding the workmethods they employ. Most Rural and Highway Contract carriers use workmethods that minimize the number of bundles they must work from while on the street, including casing either or both components of detached address label mailings.

City carriers should not case the flat component of detached address mailings. Supervisors should direct City carriers to take those pieces to the street as an additional bundle. Where City carrier workrules limit the number of bundles those carriers can take directly to the street, supervisors should direct the carriers to case the detached address label component of a detached address label mailing and handle the flat component as a third bundle.

D. Managers should not permit carriers to case the flat component of a detached address mailing so that they can take the letter-sized address label component directly to the street as a bundle.

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VP/USPS-T30-27.

a. Does the Postal Service have any data or studies on the rate at which carriers are able to case “wraps” in vertical flat cases? If so, please provide.

b. Does the Postal Service have any data or studies that indicate whether carriers can case “wraps” at the same rate as Standard ECR catalogs of similar weight and dimensions? If so, please provide.

c. Does the Postal Service have any data or studies that indicate whether carriers can case “wraps” at the same rate as Periodicals of similar weight and dimensions? If so, please provide.

d. Does the Postal Service have any data or studies that indicate whether carriers can case “wraps” at the same rate as Bound Printed Matter (“BPM”) pieces of similar weight and dimensions? If so, please provide.

Response

A, B, C, and D. As in my response to VP/USPS-T30-7, I am unaware of any Postal Service studies or analyses focused on the casing rate for flats other than the studies provided in Docket C87-2 by witness Acheson and in Docket R90-1 by witness Shipe.

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VP/USPS-T30-29.

- a. Please describe how DALs and associated mailpieces are handled, cased, carried, and delivered on rural carrier routes.
- b. Please describe how rural carriers are compensated for handling and delivering DALs and accompanying unaddressed flats and parcels. As part of your answer, please indicate whether they are compensated for one or two pieces.
- c. Please describe how rural carriers are compensated for handling and delivering addressed ECR flats without DALs.
- d. Is the compensation that rural carriers receive for handling addressed flats without DALs equal to the compensation they receive for handling unaddressed flats with DALs? If not, please explain all differences.
- e. For rural carriers that use their own vehicles, how many separate "bundles" can the carrier accommodate within arm's reach in a typical vehicle used by rural carriers?

Response

A. Rural carriers have significant discretion with regard to the workmethods they employ. They determine, largely based upon the type of vehicle they use and their personal preference, the number of bundles into which they prepare their mail. Most Rural carriers employ workmethods that minimize the number of bundles they must work from while on the street and prepare all of their mail into one bundle for delivery. To do that when they have detached address label mailings, they case both components.

B. If the DAL has a specific address, the route will be credited (during the mail count) for a letter-size piece (.0555 minutes per piece plus a strap out credit of .01428 minutes per piece). If the DAL is provided in DPS order, the route will be

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credited with a DPS letter (.0333 minutes per piece). If the DAL is simplified address, the route will be credited with a boxholder for each piece (.04 minutes per piece) The accompanying unaddressed piece, regardless of its size or shape, flat or parcel, will be credited as a boxholder (.04 minutes per piece). There will always be two credits provided, one for the DAL, one for the accompanying piece.

C. There is no difference in the compensation provided to a rural route between an addressed flat and an addressed ECR flat. Both are credited as flats (.1 minutes per piece plus a strap out credit of .01428 minutes per piece). Carriers may elect to handle an ECR flat mailing as a separate bundle.

D. No. An addressed flat is credited at .1 minutes per piece (plus strap out .0142 minutes per piece); an unaddressed flat is credited as .04 minutes per piece.

E. Rural carriers have significant discretion regarding the number of bundles they handle. Because the Postal Service requires Rural carriers to provide a vehicle that is large enough to accommodate the normal mail volume on their route, vehicle size varies from route to route and there is no typical vehicle for rural carriers. The Postal Service provides vehicles similar to the vehicles used by City carriers to about 24% of all rural routes.

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VP/USPS-T30-30.

Please indicate whether city carriers case all or some DALs on all non-curblines delivery portions of their routes under the following facts:

- a. If the portion of a carrier's route that is curblines is 75 percent, would the carrier not sort the DALs for the curblines portion of the route?
- b. If the portion of a carrier's route that is curblines is 50 percent, would the carrier not sort the DALs for the curblines portion of the route?
- c. If the portion of a carrier's route that is curblines is 25 percent, would the carrier not sort the DALs for the curblines portion of the route?
- d. Please describe in detail all circumstances when carriers would not case DALs in the office.

Response

A, B, and C. Where City carriers serve sections of curblines deliveries on a route, they should take both components of detached address label mailings directly to the street for those sections.

D. Where carriers are not limited in the number of bundles they can take directly to the street, they should take sequenced mail, including the detached address label component of a detached address label mailing, directly to the street without casing it. Also, where the Delivery and Plant operations can coordinate the DPS processing of the detached address label component of a detached address label mailing, carriers would not case those pieces.

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VP/USPS-T30-31.

Please assume that, on a particular day, a Destination Delivery Unit (“DDU”) has no Standard ECR Saturation mailings of flats, but it has received one Standard ECR Saturation letter mailing, entered at the DDU, for delivery that day (or the next).

a. If the DDU is among those that receive mail delivery point sequenced (“DPS’d”) from the processing and distribution center (“P&DC”), what is the likelihood that carriers on foot routes or park and loop routes will either (i) take the Saturation letter mailing directly to their routes as a “third” bundle; or (ii) sort the Saturation letters manually in the office; or (iii) send the Saturation letter mailing back to the P&DC to be DPS’d? Please explain your response and state whether the Postal Service has a relevant policy or practice.

b. If the DDU is not one that receives mail in delivery point sequence (“DPS”) from the P&DC, and does not have a Carrier Sequence Bar Code Sorter (“CSBCS”), what is the likelihood that carriers on foot routes or park and loop routes will either (i) take the Saturation letter mailing directly to their routes as a “third” bundle, or (ii) sort the Saturation letters manually in the office? Please explain your response and state whether the Postal Service has a relevant policy or practice.

Response

A. Sorting the mailing with the DPS letters would be the preferred approach. To do that, the Delivery and Plant operations must coordinate on a couple of issues. The delivery unit must ensure that the letter-shaped piece is compatible with automated processing. The delivery unit must determine that there is enough time to allow the plant to process and return the mailing for delivery within service commitments. If DPSing the mailing was not possible, where City carriers are not limited in the number of bundles, they should take the mailing directly to the street without casing it. Otherwise, they would case the mailing.

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B. If DPSing the mailing was not possible, where City carriers are not limited in the number of bundles, they should take the mailing directly to the street without casing it. Otherwise, they would case the mailing.

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.

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX: -5402
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