

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

RESPONSE OF POSTAL SERVICE WITNESS BOZZO
TO INTERROGATORY OF MMA (MMA/USPS-T12-1)
(June 3, 2005)

The United States Postal Service hereby provides the response of witness Bozzo to the following interrogatory of MMA, filed on May 20, 2005: MMA/USPS-T12-1.

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
June 3, 2005

Response of United States Postal Service Witness A. Thomas Bozzo
To Interrogatories of the Major Mailers Association

MMA/USPS-T12-1

Page 50 of Library Reference LR-USPS-K-48 lists LR-USPS-K-56 as the source for productivities on that page. Please refer to the productivity provided for Remote Encoding Centers (REC), shown to be 765 pieces per hour (PPH).

- A. Please confirm that the productivity for the REC operation was 698 PPH in R2001-1 and 670 PPH in R2000-1. If you cannot confirm, please explain.
- B. Please explain why the productivity for this operation has increased by 14% since R2001-1, after falling [sic] about 4% between R2000-1 and R2001-1.
- C. Please describe exactly how the productivity for the REC operation was calculated in each of the following cases: R2000-1, R2001-1, and R2005-1.
- D. Please provide the productivity for Remote Encoding Centers (REC) for each of the last 10 fiscal years or since inception of the REC operation, whichever is shorter.

Response.

- A. Partly confirmed. The FY 1998 productivity from LR-I-107 was 673 pieces (i.e., images) per hour; the FY 1999 productivity was 678 pieces per hour.
- B. The history of REC productivities is shown in the response to part D, below. The changes between FY 1998 and FY 2001 appear to be within the range of normal variation for the REC productivity, though I am told that the adjustment of REC operations in this period is believed to have depressed productivities to a modest extent. Keying of flats images from the AFSM 100 was moved to the RECs in FY 2002, incurring start-up costs that included training time and initial lower productivity for new employees. It is my understanding that there has been little operational turbulence recently, allowing productivities to rebound in FY 2003 and FY 2004, but the introduction of PARS is expected to result in lower productivity for FY 2005.
- C. Please see LR-K-56, Section III; Docket No. R2001-1, LR-J-56, Section III; Docket No. R2000-1, LR-K-107, Section III. Note, the REC productivity is derived from data for MODS operation 775.

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D. Please see the table below.

<u>Fiscal</u> <u>Year</u>	<u>REC Productivity</u> <u>(Images/Hour)</u>
1995	670
1996	662
1997	713
1998	673
1999	679
2000	698
2001	690
2002	661
2003	706
2004	765

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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