

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 NATIONAL NEWSPAPER ASSOCIATION
[NNA/USPS-T29-1-5]
(June 24, 2005)

The United States Postal Service hereby provides its responses to above-listed interrogatories of the National Newspaper Association, filed on June 10, 2005. 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

Response of Postal Service Witness Marc McCrery
To Interrogatories Posed by National Newspaper Association

NNA/USPS T29-1

How many mail processing facilities have UFSM 1000 machines at present? If possible, please break down your response into facility types, such as BMCs and P&DCs.

RESPONSE:

UFSM 1000 machines are currently located at approximately 240 processing & distribution facilities and five customer service facilities.

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NNA/USPS T29-2

Does the Postal Service intend to shut down or redeploy any UFSM 1000 machines prior to the end of the test year? If so, please explain the plans for these machines and give the reasons for any changes in operational plans.

RESPONSE:

I am informed that there are no national level plans at this time to decommission or redeploy UFSM 1000 machines. However, a decision to relocate a UFSM 1000 can be made at the local or area level.

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NNA/USPS T29-3

What percentage of flat mail cannot be processed on an AFSM 100 machine but can be processed on a UFSM 1000 machine? If you do not have a precise response, please provide your best estimate.

RESPONSE:

Please see Table 2 of LR-K-92.

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NNA/USPS T29-4

Under what circumstances might a plant manager with an available UFSM 1000 machine choose to process flat mail manually rather than on that machine, assuming it is mail that is not susceptible to processing on an AFSM 100?

RESPONSE:

Common reasons for processing the flat mail manually rather than on a UFSM 1000 would be:

- insufficient volume to justify a machine run,
- processing window not available,
- qualified staffing not available,
- or sort plan needed for distribution not available on the UFSM 1000.

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NNA/USPS T29-5

With regard to decisions to process non-automated flat mail manually rather than on an available UFSM 1000 machine, please respond to the following:

- a. Is the decision left to the sole discretion of the plant manager?
- b. Are there any operational guidelines or manuals provided by the Postal Service to plant personnel to guide or govern a decision to use manual labor rather than the UFSM 1000? If so, please provide copies.
- c. Is there an optimal volume for flats that would justify use of the UFSM 1000 rather than manual labor, and if so, what is that volume?
- d. Is it ever less costly to use manual labor for this processing than the UFSM 1000, and if so, why?
- e. If the Postal Service had perfect flexibility in workforce management, such as being able to send workers home when work is completed rather than at the end of a shift, would decisions about using a UFSM 1000 rather than manual labor be different for plant managers, in your opinion?

RESPONSE:

- a. Yes, subject to the requirement to meet service requirements while minimizing costs.
- b. Assuming the flats are UFSM 1000 compatible, plant personnel are advised to compare the total cost for processing in the UFSM 1000 keying mode versus the UFSM 1000 automation mode versus manual distribution. They are instructed to choose the operating mode based on the lowest cost of processing while also considering the operating windows available.
- c. - d. As a rule of thumb, at least two thousand pieces is needed to overcome the essentially fixed costs of loading a new sort plan and then sweeping the entire machine at the end of the run.
- e. No, in my opinion, perfect labor flexibility would not significantly reduce use of

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the UFSM 1000 in favor of manual processing. Supervisors already have adequate flexibility. They can send Part Time Flexible and Casual employees home. If that is insufficient, they can offer unpaid leave to Full Time Regular employees or, alternately, advance the processing of non-preferential volumes.

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

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