

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 AMERICAN POSTAL WORKERS UNION, AFL-CIO
[APWU/USPS-T29-1-3]
(July 1, 2005)

The United States Postal Service hereby provides its responses to above-listed interrogatories of the American Postal Workers Union, AFL-CIO, filed on June 17, 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 American Postal Workers Union, AFL-CIO

APWU/USPS-T29-1 In your response to PB/USPS-T29-8(b) you provide a generalized description of the mail processing flow of what you refer to as bulk metered mail. Your description of bulk metered mail is not the same as that used by Mr. Abdirahman in modeling bulk metered mail in LR K-48.

a) Please confirm that, for purposes of Mr. Abdirahman's BMM model, BMM is mail that is entered in large quantities and is already faced and trayed.

b) Please provide us a generalized description of the flow of BMM letters that are entered in large quantities already faced and trayed.

RESPONSE:

a) Confirmed, I am told that witness Abdirahman defines BMM letters as machinable, homogeneous, non barcoded mail pieces with machine printed addresses that are entered, properly faced, in trays. Please see the response to MMA/USPS-T21-7(A).

b) See response to PB/USPS-T29-8b.

Step 1a would be changed to "BMM trays are dropped off at Postal Service facilities or picked up by carriers."

Steps 1b-g would be stated verbatim.

Step 2 would be omitted.

Steps 3-20 would be stated verbatim.

As stated in the response to PB/USPS-T29-8 a-g, the generalized descriptions do not cover manual processing.

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APWU/USPS-T29-2 Pitney Bowes states in PB/USPS-T29-8 that its generalized description excludes manual letter sorting operations.

- a) It is our understanding that the manual letter sorting operations that might be performed within the generalized descriptions of mail flow provided by Pitney Bowes and by you in response to its questions, are within LDC 14; (i) Please state whether that is correct; and (ii) If it is not correct, please identify the manual operations other than LDC 14 operations that could be performed as part of these mail flows.
- b) Please identify where in its description, and where in all the generalized descriptions of mail flow you have provided, manual mail sorting or distribution work is intended to take place when mail processing occurs normally.
- c) Please identify where in its description, and where in the generalized descriptions of mail flow you have provided, manual mail sorting or distribution operations would take place on an exceptional basis, and state why the exceptions would occur;
- d) If any manual work is performed in connection with the mail flows referred to in b and c above that is not within LDC 14, please identify it and state what LDC it is in.
- e) Please state, for the Pitney Bowes description and for your descriptions, how much manual mail processing work would be done (i) when mail processing occurs normally and (ii) on an exceptional basis. Please provide this information for each point in the mail flow descriptions where the manual work occurs, stated in terms of both percentage of work hours dedicated to the operation and actual work hours.

RESPONSE:

(a)

(i) The statement is not entirely correct.

(ii) When manual distribution, such as distribution to carrier routes, is performed at a delivery unit, it is recorded under LDC 43.

(b) In general, manual sortation occurs simultaneously with each automated piece distribution operation listed in the flows provided in response to PB/USPS-T29-8.

Non-machinable mail removed from the AFCS is routed to outgoing primary manual distribution operation. Manual culls, read, and mechanical rejects from the machines are routed to the appropriate manual operation based on the

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automated operation from which it originated. Manual mail can also be received from other facilities as well as from presort customers preparing non machinable letters and be routed to the appropriate operation for sortation.

(c) On an exceptional basis, mail is processed in manual operations due to equipment failures, power failures, missed DPS cutoff times, biohazard alarms, and similarly unpredictable events. The mail could be processed at the appropriate sort level in a manual distribution operation as an exception to each automated piece distribution step listed within the generalized descriptions. For example, incoming secondary (5-digit) letters would be sorted in the manual incoming secondary distribution operation. However, if a facility is shut down, mail volumes are commonly redirected to an alternate plant for automated processing.

(d) See response to part (a) sub-part (ii). However, the manual sorting capacity in a delivery unit is quite limited. Delay or redirection to an alternate plant for automated processing is, of necessity, the normal response.

(e) I'm not aware of any data on basis of which to answer that question and am unable to estimate.

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APWU/USPS-T29-3 On page 10 of your testimony, you state that of the postal applied nine or eleven digit barcodes, 59% are applied by the OCR. Page 37 of the 2004 Comprehensive Statement on Postal Operations states that the letter mail encode rate is more than 90%.

- a) Please confirm that 59% is the percentage of letter mail that is encoded successfully on the first pass through the OCR; and
- b) Please provide a description of mail flow showing at which step in the mail flow letter mail is successfully encoded, and what percentage of the total letter mail is encoded at each of the steps where additional encoding is accomplished.

RESPONSE:

- (a) Not confirmed. Fifty-nine percent represents the percentage of the total postal applied 9- and 11-digit barcodes that were applied by the OCR, not the percentage of letters successfully encoded on the first pass through the OCR. To further clarify, the “more than 90%” refers to mail fed to the DIOSS, the recent upgrade to the DBCS.
- (b) Of the letters fed to an input processing system in FY 04, the OCR, RCR, and REC was used to successfully encode 51.4%, 30.0%, and 6.3% of the letters respectively. Refer to the flow provided in the interrogatory PB/USPS-T29-8. RCR and REC encoding would occur after step 3e, although the barcode will be applied on an OSS enabled DBCS/MPBCS (step 5c, subpart iv). OCR, RCR, or REC encoding occurs after an image has been lifted on an MLOCR/DIOSS (step 5b, subpart iv) as well as during incoming operations (steps 13a & b, subparts iv), if necessary. The barcode may be applied on the MLOCR/DIOSS if the result is received in-line, otherwise it will be applied on an OSS enabled DBCS.

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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