

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 THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF ADVO (ADVO/USPS-1 – 10)
(September 1, 2005)

The United States Postal Service hereby provides its responses to the following interrogatories of Advo, filed on August 19, 2005: ADVO/USPS-1 - 10.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 1, 2005

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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ADVO/USPS-1.

The USPS now requires that most if not all saturation letters be automation-compatible with barcodes. With respect to that requirement, please provide:

- (a) The postal regulations covering this requirement.
- (b) The date on which those regulations were implemented.

RESPONSE:

- (a) The applicable DMM regulations are as follows:

Saturation ECR Standards

243. 6.5.1 Basic Eligibility Standards for Saturation Rates

Saturation rates apply to each piece that is automation-compatible according to 201.3.0, Physical Standards for Automation Letters and Cards, has a delivery point barcode under 202.5.0, Barcode Placement, and 708.4.0, Barcoding Standards for Letters and Flats, and is in a full carrier route tray or in a carrier route bundle of 10 or more pieces placed in a 5-digit carrier routes or 3-digit carrier routes tray. Pieces that are not automation-compatible or are not barcoded are mailable at the saturation rate for a flat-size piece. Pieces bearing a simplified address do not need to meet the standards in 201.3.0, Physical Standards for Automation Letters and Cards, and are not required to have a delivery point barcode to qualify for letter rates.

- (b) This regulation was implemented on June 30, 2002.

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ADVO/USPS-2.

(a) What are the USPS policies or management guidelines on the circumstances when automation-compatible saturation letters destined for city routes are run through DPS automation. If none are available, provide any generalizations possible concerning these conditions and how decisions to DPS saturation letters are made.

(b) If the response to (a) above differs depending upon whether the saturation letters are entered at the DDU or at another facility, please explain fully the differences.

Response:

Please see the August 9, 2000 memorandum below.



August 9, 2000

MANAGERS, DELIVERY PROGRAMS SUPPORT (AREA)
MANAGERS, IN-PLANT SUPPORT (AREA)

SUBJECT: Processing Carrier Route Presort for Delivery Point Sequence (DPS)

The following establishes standard operating procedures for processing carrier route presort mail in a delivery point sequencing (DPS) environment and supersedes prior instructions.

For those zones being processed to DPS, all **automation-compatible letter mail** is to be processed to the DPS level, including carrier route presort within operating parameters.

Procedures must be implemented to capture all carrier route presort letters that are automation-compatible for delivery point sequenced offices at the processing and distribution plant. Automation-compatible presort letters received at the delivery unit should be returned, service standards permitting, to the office where sequencing is performed. This mail must be conspicuously identified as DPS candidate mail.

Mailings with specific delivery window requests must be identified and processed in time to assure delivery within the requested delivery window. It is imperative that in our efforts to increase delivery point bar-coded mailpieces, we also maintain the consistent timely service that our presort customers expect. Procedures should be developed to ensure that proper color-coding is maintained throughout the preparation, transportation, and distribution process.

Implementation of this SOP will impact the processing plant as well as customer services offices. Both groups should jointly establish a process that captures carrier route presort without negatively impacting service.

Please distribute this information to the offices in your area.

John A. Rapp
Vice President
Delivery

Nicholas F. Barranca
Vice President
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ADVO/USPS-3. With respect to saturation letter mailings entered at the DDU:
(a) Are some of them still transported back to the SCF for DPS processing? If so, please explain fully the conditions when that is done.

(b) Please provide all information available on the proportion of saturation DDU letters that are transported back to the SCF for DPS processing.

Response:

A) As indicated in the response to ADVO/USPS-2, the Postal Service expects managers of delivery units receiving DPS processing to send to the plant all automation compatible letter mailings that arrive at their unit outside of the DPS mailstream. The only exception is when sending the mail to the plant for DPS processing would adversely affect the service expectations of our customer.

B) The Postal Service does not track the volume of mail that delivery units backflow to Plants for DPS processing.

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ADVO/USPS-4. With respect to the decision to DPS saturation letter mailings:

(a) For saturation letters that are entered by the mailer at the destination SCF or further upstream, is the decision whether to DPS the mailing at the plant made by plant managers at the SCF or by carrier supervisors at the DDU? Please explain.

(b) For saturation letters entered by the mailer at the DDU, is the decision whether to transport those letters back to the DSCF for DPS processing made by the carrier supervisors at the DDU or by the managers at the DSCF? Please explain.

Response:

Once Operations initiates DPS letter mail processing for a delivery unit, managers must implement processes to capture all of the unit's automation compatible letter mail for DPS processing.

A) The plant manager is responsible for capturing saturation letters that mailers enter at the destination SCF or further upstream and processing those letters into the DPS mail stream.

B) The delivery unit manager is responsible for capturing automation compatible saturation letters that mailers enter at the delivery unit and backflowing those letters to the plant for DPS processing.

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ADVO/USPS-5. The following questions relate to decisions by plant managers or supervisors on whether and how to DPS a saturation letter mailing that is received at a destination SCF (i.e., a saturation mailing that is entered by the mailer at the destination SCF or further upstream).

(a) Does the USPS ever break up the mailing so that it only DPSs the pieces that go to certain type of routes (e.g., foot or park-and-loop) and then transfers the remainder of the mailing to the DDU for delivery as either cased or sequenced (extra-bundle) mail? Please explain.

(b) Does the USPS ever break up the mailing so that it only DPSs the pieces that go to certain types of delivery sections on the various routes (e.g., foot or park-and-loop) and then transfers the remainder of the mailing to the DDU for delivery as either cased or sequenced (extra-bundle) mail? Please explain.

(c) Explain whether and how plant personnel would know which portions of addresses in the mailing should be pulled and segregated from a saturation letter mailing for separate DPS processing, and describe the process by which those address portions would be pulled and separately handled for DPS processing (e.g., the process and time spent looking up address schemes by delivery method, physically pulling sections of addresses from the mailing, transferring of the pulled sections to DPS equipment, and any re-traying of the remaining non-DPSed portions of the mailing for transportation to the delivery units).

(d) At the destination SCF, is it more practical for a saturation letter mailing to

- (i) be split into parts for selective DPS processing of specific address sections by route type or delivery method, with the remainder of the mailing bypassing DPS processing, or
- (ii) be processed intact with the entire mailing either being DPSed or cross-docked for transportation directly to the delivery units?

Response:

For a number of reasons, plant operations do not break up SCF-entered saturation mailings based upon route type or whether carriers can take certain pieces directly to the street as additional bundles. Given the DBCS equipment's throughput, it is unlikely that such an operation could prove economical.

Additionally, plants do not have the information or operating window to make such a separation. For these reasons, plants delivery point sequence all the

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pieces from automation compatible letter-shaped mailings for automated zones
and cross-dock letter-shaped saturation mailings for non-automated zones.

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ADVO/USPS-6. What are the USPS policies or management guidelines on the circumstances, or any generalizations as to when:

(a) Non-DPS saturation letters are cased by city carriers. If the response depends on the type of city carrier route or type of delivery sections, or on the characteristics of the mailing, please explain.

(b) Non-DPS saturation letters are sequenced (carried out as extra bundles/trays) by city carriers. If the response depends on the type of city carrier route or type of delivery sections, or on the characteristics of the mailing, please explain.

Response:

As indicated in the response to ADVO/USPS-2, the Postal Service expects managers of delivery units receiving DPS processing to send to the plant all automation compatible letter mailings that arrive at their unit outside of the DPS mailstream. The only exception is when sending the mail to the plant for DPS processing would adversely affect the service expectations of the customer.

A and B) When a delivery unit manager cannot backflow a sequenced mailing for DPS processing due to the lack of automation compatibility or potential service impacts, the unit supervisors should direct carriers to take pieces from the mailing directly to the street as an additional bundle except where constrained by the three bundle work rule. Carriers can work from more than three bundles when delivering to curblines, cluster boxes, centralized, and dismount deliveries.

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ADVO/USPS-7. Is it correct to say that city carriers try to take out all saturation flat mailings as extra bundles/trays? Please explain.

Response:

Yes. When a mailer prepares a mailing in delivery sequence, it is more efficient for a carrier to take that mailing directly to the street for delivery than it is to spend time in the office casing that mailing prior to taking it to the street for delivery.

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ADVO/USPS-8. Is it correct to say that, if city carriers have too much saturation flat mail to deliver as extra bundles/trays in one day, they will, rather than case it, defer some of that mail to be delivered another day as extra bundles/trays? Please explain fully.

Response:

Yes. Because taking a sequenced mailing directly to the street as an additional bundle requires overall less time than casing that same mail prior to delivering it, delivery unit managers endeavor to manage the delivery of sequenced mailings to maximize the amount of mail taken directly to the street without in-office casing. Delivery unit managers will defer delivery when that is an option to minimize casing.

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ADVO/USPS-9.

(a) Are there certain types of non-DPS saturation letters that are more efficiently cased rather than handled as sequenced (or extra bundle) mail by city carriers? Please explain.

(b) If the response to (a) above depends on the type of route or delivery section, or on the characteristics of the mailing or the mail piece, please explain fully.

Response:

With the exception of rural carriers using a one-bundle system, carriers that receive DPS take that DPS letter bundle directly to the street. Handling more than one letter-shaped bundle is more difficult than handling more than one flat-shaped bundle. However, when taking a sequenced mailing directly to the street is an option, taking a sequenced letter-shaped mailing directly to the street is more efficient than casing that sequenced mailing.

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ADVO/USPS-10. Do city carriers sometimes collate saturation letters with saturation flats in order to produce an “extra bundle” to take to the street? Please explain.

Response:

While it is possible to collate saturation letters with saturation flats, the usual practice is to collate flat mailings. When presented with both a letter-shaped and a flat-shaped saturation mailing for delivery on the same day, supervisors are more likely to direct carriers to case the letter-shaped mailing or defer one until the next day so that both can be taken directly to the street.

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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