

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON DC 20268-0001

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

REBUTTAL TESTIMONY OF
JEFFERY W. LEWIS
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

Table of Contents

Table of Contents..... ii

Autobiographical Sketch iii

1. Purpose and Scope of Testimony..... 1

2. Handling of Letter-Shaped Sequenced Full-Coverage Mailings2

3. The Third-bundle Constraint4

4. Type of Delivery.....4

5. Multiple Sequenced Full-Coverage Mailings.....6

6. Extent of Third Bundle Constraint7

Category 2 Library Reference: USPS-LR-K-150 – Delivery Unit Survey Materials

Rebuttal Testimony

Of

Jeffery W. Lewis

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Autobiographical Sketch

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My name is Jeffery W. Lewis. I provided testimony before the Postal Rate Commission previously in this docket and in conjunction with the Postal Rate and Fee Changes case, Docket No. R97-1 and the Classification Reform I case, Docket No. MC95-1.

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I began working for the Postal Service as a part-time flexible letter carrier in 1974. Presently I serve as an Operations Specialist at USPS Headquarters in Delivery Operations. I have held in this position since 2002. I previously served in the same office and position from 1992 to 1999. As an Operations Specialist, in addition to program management assignments, I coordinate the development of national policies, develop guidelines and procedures, and provide technical support to other Headquarters and field organizations. While working in Delivery, I was a functional lead during the implementation of Delivery Point Sequencing and Delivery Confirmation. I chaired a joint Postal-Industry revision of the USPS Standard governing wall mounted centralized mail receptacles.

Prior to coming to Delivery, I was a program manager for Delivery automation in the Automation Implementation Management Department from

1 1990 to 1992. In that assignment, I provided field support for the letter mail
2 automation program.

3

4 Before working in Operations, I served in the Special Projects Department
5 from 1988 to 1990. There, among other assignments, I participated in the Joint
6 Industry-Postal Worksharing Project. From 1982 to 1988, I held positions in the
7 Finance Department at Postal Service Headquarters.

8

9 I have also served twice in field assignments as Manager, Operations
10 Programs Support. I was Manager, Operations Programs Support in the Capital
11 District from 1999 to 2002. I was Manager, Operations Programs Support in
12 Chicago District for seven months during 2004 and 2005.

13

14 I received a Master of Business Administration degree from The George
15 Washington University. I also have a Bachelor of Science degree in Public
16 Administration from George Mason University.

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1 **1. Purpose and Scope of Testimony**

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3 In section IV, pages 26 to 56, of his testimony (VP-T-2) concerning
4 standard enhanced carrier route mail, Dr. John Haldi discusses the city carrier
5 costs of handling sequenced mail. At page 28 in footnote 29, Dr. Haldi suggests
6 that 60 percent of the Postal delivery network is restricted from using the
7 lowest-cost workmethod for handling sequenced full-coverage mailings, taking
8 that mail directly to the street as an additional bundle. Later, in Sections IV B
9 and C (pages 32 -45), Dr. Haldi discusses how this restriction constrains postal
10 managers' priorities for identifying the mail that carriers will handle as an
11 additional bundle.

12

13 The purpose of my testimony is to respond to the testimony of Dr. John
14 Haldi. I will provide an explanation of the workmethod preference for handling
15 letter-shaped sequenced full-coverage mail pieces and testimony and evidence
16 regarding the extent of the constraint on the number of additional bundles City
17 carriers can take directly to the street without prior in-office handling.

18

19 In association with my testimony, I am also sponsoring Library Reference K-150,
20 a field survey of delivery unit receipts of full coverage mailings and an analysis of
21 additional-bundle mail handling opportunities.

1 **2. Handling of Letter-Shaped Sequenced Full-Coverage Mailings**

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3 Most delivery units have delivery territories affected by the three-bundle
4 restriction. In handling sequenced full-coverage mailings, delivery managers
5 seek to minimize the amount of mail that carriers must handle in the office prior
6 to taking it to the street for delivery. In addition to implementing processes to
7 DPS letters from saturation full-coverage mailings, managers will defer, within
8 service commitment windows, delivery of mailings to avoid in-office handling of
9 sequenced full-coverage mailings. When, in spite of using these mail
10 management processes, a delivery unit has more than one sequenced
11 full-coverage mailing that carriers must deliver on the same day, the manager
12 must decide which mailing to take directly to the street and which to either case
13 or collate.

14

15 As Dr. Haldi notes at page 33 lines 7 to 11, when given the choice
16 between taking a flat or a letter-shaped mailing directly to the street, delivery
17 managers will most often take a flat shaped mailing, primarily for two reasons.
18 The first reason managers will choose to handle the letter-shaped pieces in the
19 office is, as Dr. Haldi says in his testimony at page 32 lines 14 and 14, casing
20 letter-shaped mail pieces is more efficient than casing a flat shaped mailing. If
21 given a choice between handling a letter-shaped mailing in the office or handling
22 a flat-shaped mailing in the office, most delivery managers will prefer to case a
23 sequenced letter-shaped mailing into an empty case rather than case or even

1 collate a flat mailing.

2

3 The second reason is drawn from our experience with handling bundles
4 on the street. At the inception of DPS processing, the NALC and USPS
5 approved two workmethods for handling DPS letters, the composite bundle
6 method and the Vertical Flats workmethod. When using the composite bundle
7 workmethod, carriers case non-DPS letters separate from flats and work from
8 two letter-shaped bundles of mail (the DPS letters and the cased letters) on the
9 street. When using the Vertical Flats workmethod, carriers case and carry
10 non-DPS letters together with their flats and work from only one letter-shaped
11 bundle on the street. In the years between DPS implementation in 1993 and
12 2000, both the NALC and delivery managers found that the composite bundle
13 method, where carriers worked from two letter-shaped bundles of mail, was
14 ergonomically difficult when carriers walked between delivery points. Working
15 from two letter-shaped bundles requires carriers either to use a finger to separate
16 the two bundles or to place the bundles back to back so that the addresses are
17 visible on either side of the bundle and then twist their wrist to read the
18 addresses when fingering the mail. In contrast, when working from two flat-
19 shaped bundles (the VFC bundle of cased mail and the bundle of flat-shaped
20 pieces from a full coverage mailing), carriers either put one bundle behind the
21 other in the satchel or carry one in the satchel and the other in the crook of their
22 arm. Carriers find that both methods for handling flat bundles are comfortable
23 and, because of the shape of a flat, each method protects the integrity of the flat

1 bundles.

2

3 Thus, when a delivery unit has more than one sequenced full-coverage
4 mailing that carriers must deliver on the same day, the manager must decide
5 which mailing to take directly to the street and which to either case or collate. If
6 one of the mailings is letter-shaped, the manager is more likely to decide, for
7 both efficiency and ergonomic reasons, to handle the letter-shaped mailing in the
8 office.

9

10 **3. The Third-bundle Constraint**

11

12 There are two dimensions to the third-bundle constraint. The first is the
13 number of delivery points that are of the type where management cannot require
14 carriers to work from more than three bundles when making delivery. The
15 second dimension is the number of times when, to meet service commitments, a
16 carrier must deliver more than one sequenced, full-coverage mailing on the same
17 day. Only where these two operational conditions overlap does the three-bundle
18 workrule cause a City carrier to case a sequenced full coverage mailing.

19

20 **4. Type of Delivery**

21

22 As described in my prior testimony (USPS-T-30) in this docket, the City
23 carrier workrule that restricts managers from requiring carriers to work from more

1 than three bundles of mail does not apply when City carriers are serving curblines,
2 cluster box, centralized, or dismount deliveries.

3

4 The Address Management System (AMS) provides a count of curblines,
5 cluster box, and centralized delivery points. It includes all delivery types that are
6 not curblines, cluster box, or centralized in an 'Other' category. The AMS does not
7 provide a separate count of dismount deliveries. The 'Other' category includes
8 both Dismount deliveries, which are not subject to the three-bundle limitation,
9 and deliveries that are subject to the three-bundle restriction.

10

11 The table below of data from the Address Management System shows
12 City deliveries classified by the type of delivery. The table shows that only 44.3
13 percent of city deliveries are other than curblines, cluster box, or centralized.
14 Therefore, the actual number of deliveries affected by the three-bundle restriction
15 is something less than 44.3 percent because the 'Other' category includes a type
16 of delivery, Dismount that is not constrained.

17

Possible Deliveries by Type of Delivery

	2002	%	2003	%	2004	%	2005	%
Curblines	19,217,974	22.8	19,448,992	23.0	19,652,058	23.1	19,806,178	23.1
Cluster Box	9,133,797	10.8	9,425,431	11.1	9,682,836	11.4	9,917,759	11.6
Centralized	17,425,332	20.7	17,672,036	20.9	17,843,557	20.9	17,995,141	21.0
Other	38,434,434	45.6	38,196,763	45.1	38,028,351	44.6	37,920,269	44.3

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1 **5. Multiple Sequenced Full-Coverage Mailings**

2

3 After my oral testimony, I decided to conduct a field survey of the receipt
4 of full coverage mailings to better understand the operational opportunities
5 presented by mailer-sequenced full-coverage mailings, and develop guidelines
6 for more efficient operational procedures. Materials related to this effort are
7 available as a Library Reference, USPS-LR-K-150 – Delivery Unit Survey
8 Materials, filed in association with my testimony.

9

10 On July 29th, I asked the Areas to have each District identify one delivery
11 unit to keep a log of every full coverage mailing that arrived in the delivery unit
12 outside of the DPS mailstream. The delivery units were to identify the date that
13 the mailing arrived at the unit and the requested or committed delivery date for
14 the mailing. I asked that the data-collection continue through August 25th in
15 order to complete the data-collection and analysis within the timeframe allowed
16 for rebuttal testimony.

17

18 From a service commitment perspective, delivery units generally have a
19 two-day window to deliver mailings after the mailings arrive at the delivery unit.
20 In analyzing whether service commitments required the delivery unit to deliver
21 more than one full-coverage mailing on the same day, I identified the delivery
22 window for each mailing. To replicate the process used by delivery managers in
23 handling full coverage mailings, I then used the delivery window and
24 mailer-requested delivery dates to develop a delivery scenario that attempted to

1 avoid delivering more than one full-coverage mailing per day and to minimize the
2 number of full-coverage mailings that delivery units had to deliver on any given
3 day.

4

5 Seventy-eight delivery offices participated in the survey of full-coverage
6 mailings. While not every office initiated data-collection on the same day or
7 completed the requested three-weeks of data collection, the survey provides
8 1,328 days of data about the units' receipt of full-coverage mailings. During the
9 data-collection period, the participating delivery units received 791 full-coverage
10 mailings; 180 were letter-shaped, 381 were flat-shaped, and 230 included both a
11 letter-shaped piece and a flat-shaped piece.

12

13 My analysis showed that of those 791 mailings, 337 either had more than
14 one piece (230), or had service commitment dates that required delivery units to
15 deliver them on the same day as another sequenced full-coverage mailing (107).
16 On 23 percent of the 1,328 survey days, delivery units had to deliver more than
17 one sequenced full-coverage mailing.

18

19 **6. Extent of Third Bundle Constraint**

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21 In summary, an analysis of AMS possible delivery data shows that the
22 three-bundle restriction applies to something less than 44.3 percent of delivery
23 points. The field survey of the receipt of sequenced full-coverage mailings

1 suggests that service commitments require delivery units to deliver more than
2 one sequenced full-coverage mailing on only about 23 percent of delivery days.
3 Thus, systemwide, the Postal delivery network appears to experience a
4 constraint in its ability to handle sequenced full-coverage mailings as additional
5 bundles only about 10 percent of the time (44.3 percent of delivery points times
6 23 percent of days).
7