

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS MARC D. MCCRERY (VP/USPS-T42-1-14)
(May 12, 2006)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

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VP/USPS-T42-1.

Please refer to your testimony at page 4, with respect to the Advanced Facer Cancellor System (“AFCS”). Regarding the 1,083 AFCS machines you mention at page 4, line 8:

- a. How many Postal Service facilities have only one AFCS machine?
- b. How many Postal Service facilities have exactly two AFCS machines?
- c. How many Postal Service facilities have exactly three AFCS machines?
- d. How many Postal Service facilities have more than three AFCS machines?
- e. Is Periodical letter-shaped mail (*e.g.*, newsletters) processed on AFCS machines?
- f. To what extent, if any, are Standard Regular or Nonprofit letters processed on AFCS machines?

VP/USPS-T42-2.

Please refer to your testimony, at pages 4-5, regarding the Multiline Optical Character Reader (“MLOCR”).

- a. At page 5, lines 5-6, you state that 646 MLOCRs will be replaced by DIOSS-EC machines. Over what time period is the replacement of these 646 MLOCRs scheduled to occur?
- b. How many MLOCRs will be replaced by May 2007?

VP/USPS-T42-3.

Please refer to your testimony, at page 6, regarding the Delivery Bar Code Sorter (“DBCS”).

- a. Of the more than 5,200 DBCS machines mentioned at page 6, line 12, please indicate how many facilities have 1, 2, 3, 4-5, 6-10, or more than 10 DBCS machines.
- b. What is the largest number of DBCS machines at any facility?
- c. If more than one facility has the largest number, please indicate how many facilities have that number of DBCS machines.

VP/USPS-T42-4.

Please refer to your testimony at page 15. Regarding the 534 Automated Flats Sorting Machine 100 (“AFSM 100”) mentioned at page 15, line 8:

- a. In how many separate facilities are those 534 AFSM 100 machines deployed?
- b. For the facilities to which AFSM 100 machines have been deployed, please provide a distribution showing how many facilities have only one AFSM 100 machine, how many facilities have exactly two such machines, and how many facilities have exactly three such machines?
- c. What is the largest number of AFSM 100 machines at any facility?
- d. If more than one facility has the largest number, please indicate how many facilities have that number of AFSM 100 machines.

VP/USPS-T42-5.

Please refer to your testimony at page 6, lines 13-14, where you state that throughput of the DBCS machine is “approximately 37,000 pieces per hour and the staffing index is two clerks.”

- a. Would it be reasonable to infer that productivity of the DBCS machine, when running at a normal pace, is approximately 18,000 pieces per labor hour?
- b. Unless your answer to preceding part a is an unqualified affirmative, please explain why not, provide the correct figure for average productivity per labor hour, and explain how that figure is derived.

VP/USPS-T42-6.

Please refer to your testimony at page 15, line 14, where you state that throughput of the AFSM 100 is “approximately 17,000 per hour and the staffing index is five clerks.”

- a. Would it be reasonable to infer that productivity of the AFSM 100, when running at normal pace, is approximately 3,400 pieces per labor hour?
- b. Unless your answer to preceding part a is an unqualified affirmative, please explain why not, provide the correct figure for average productivity per labor hour, and explain how that figure is derived.

VP/USPS-T42-7.

- a. Please describe briefly the nature of activities that are performed in the cancellation cost pool.

- b. Please indicate the types of mail by shape (*e.g.*, letters, flats, parcels) that are handled in the cancellation cost pool, and give the approximate distribution of pieces by shape, if available.
- c. Please indicate the classes and subclasses of mail that are processed in the cancellation cost pool, and give the approximate distribution of pieces by subclass, if available. If such data are not available, please identify each subclass that represents less than 5 percent of the volume processed in the cancellation cost pool.

VP/USPS-T42-8.

- a. When **BCS/DBCS** equipment is used for an **outgoing primary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing primary sortation scheme?
- b. Does much Periodical letter-shape mail (*e.g.*, newsletters) receive an outgoing primary sortation on BCS/DBCS machines?
- c. Unless your answer to preceding part b is to the effect that no Periodical letter-shape mail receives outgoing primary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate?
- d. Does much Standard Regular letter-shape mail receive an outgoing primary sortation on BCS/DBCS machines?
- e. Unless your answer to preceding part d is to the effect that no Standard Regular mail receives outgoing primary sortation on BCS/DBCS equipment, would such

sortation be merged with First-Class Mail, or kept separate? Please explain how outgoing automation compatible Standard Regular letter mail is processed on automation equipment.

VP/USPS-T42-9.

- a. When **BCS/DBCS** equipment is used for an **outgoing secondary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing secondary sortation scheme?
- b. Does much Periodical letter-shape mail (*e.g.*, newsletters) receive an outgoing secondary sortation on BCS/DBCS machines?
- c. Unless your answer to preceding part b is to the effect that no Periodical letter-shape mail receives outgoing secondary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate?
- d. Does much Standard Regular letter-shape mail receive an outgoing secondary sortation on BCS/DBCS machines?
- e. Unless your answer to preceding part d is to the effect that no Standard Regular mail receives outgoing secondary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate? Please explain.

VP/USPS-T42-10.

- a. When the **AFSM 100** is used for an **outgoing primary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing primary sortation scheme?
- b. Does much Periodical flat-shape mail receive an outgoing primary sortation on the AFSM 100?
- c. Unless your answer to preceding part b is to the effect that no Periodical flat-shape mail receives outgoing primary sortation on the AFSM 100, would such sortation be merged with First-Class Mail, or Standard Regular, or kept separate?
- d. Does much Standard Regular flat-shape mail receive an outgoing primary sortation on the AFSM 100?
- e. Unless your answer to preceding part d is to the effect that no Standard Regular flats receive outgoing primary sortation on the AFSM 100, would such sortation be merged with First-Class flats, or kept separate? Please explain.

VP/USPS-T42-11.

- a. When the **AFSM 100** is used for an **outgoing secondary** sortation, what are the classes and subclasses of flats letter mail most commonly processed on that outgoing secondary sortation scheme?
- b. Does much Periodical flat-shape mail receive an outgoing secondary sortation on the AFSM 100?

- c. Unless your answer to preceding part b is to the effect that no Periodical flat-shape mail receives outgoing secondary sortation on the AFSM 100, would such sortation be merged with First-Class flats, or kept separate?
- d. Does much Standard Regular flat-shape mail receive an outgoing secondary sortation on the AFSM 100?
- e. Unless your answer to preceding part d is to the effect that no Standard Regular flats receive outgoing secondary sortation on the AFSM 100, would such sortation be merged with First-Class Mail, or kept separate? Please explain.

VP/USPS-T42-12.

This question concerns **primary incoming** sortation of letter mail on **BCS/DBCS** equipment.

- a. Are barcoded Periodical letters (*e.g.*, newsletters) merged with First-Class letters during either a primary or secondary incoming sortation?
- b. If your answer to preceding part a is negative, please explain how barcoded Periodical letters are processed up to the point where they are ready for DPSing.
- c. Are barcoded Standard Regular letters merged with First-Class letters during either a primary or secondary incoming sortation?
- d. If your answer to preceding part c is negative, please explain how barcoded Standard Regular letters are processed up to the point where they are ready for DPSing.

VP/USPS-T42-13.

This question concerns primary incoming sortation of flats on AFSM 100 machines.

- a. Are barcoded Periodical flats merged with First-Class flats during either a primary or secondary incoming sortation on the AFSM 100?
- b. If your answer to preceding part a is negative, please explain (i) how barcoded Periodical flats now are processed on automation equipment, and (ii) how barcoded Periodical flats will be processed after the deployment of the Flats Sequencing System (“FSS”), as discussed in your testimony at page 18, lines 10-16.
- c. Are barcoded Standard Regular flats merged with First-Class or Periodical flats during either a primary or secondary incoming sortation on the AFSM 100?
- d. If your answer to preceding part c is negative, please explain (i) how barcoded Standard Regular flats now are processed on automation equipment, and (ii) how barcoded Standard Regular flats will be processed after deployment of the FSS, discussed in your testimony at page 18, lines 10-16.

VP/USPS-T42-14.

- a. Are you the Postal Service’s expert witness on delivery operations in Docket No. R2006-1?
- b. Unless your response to preceding part a is affirmative, please indicate who is considered to be the Postal Service’s expert witness on delivery operations in Docket No. R2006-1.