

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS COOMBS  
TO INTERROGATORIES OF VALPAK. (VP/USPS-T44-9 – 15)  
(June 23, 2006)

The United States Postal Service hereby provides the response of witness  
Coombs to the following interrogatories of ValPak, Inc., filed on June 9, 2006:

VP/USPS-T44-9 – 15.

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

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June 23, 2006

## RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

### VP/USPS-T44-9.

This question concerns the practice of city carriers taking DALs directly to the street (*i.e.*, without casing them) as an extra bundle.

a. Assuming that taking DALs directly to the street as an extra bundle is a viable option — *i.e.*, that it is not precluded by the route type and contractual considerations — does the decision to use that option reside primarily with the carrier, or with the supervisor?

b. Is taking DALs directly to the street more likely to be a more common practice on some types of routes than on others? If so, please indicate the types of routes where such practice is more or less common, and explain the reason(s) why the practice differs as between route types.

c. Is the practice of city carriers taking DALs directly to the street as a third bundle influenced, either positively or negatively, by the presence of other saturation mailings to be delivered on the same day (*e.g.*, when the carrier on a given day must deliver not only one saturation mailing with DALs, but also one or more other saturation mailings, either with or without DALs)? If so, please indicate the situation, or setting, where such practice is more common, and explain the reason(s) why the practice differs with respect to other saturation mail that must be delivered concurrent with a DAL mailing.

d. Does the practice of city carriers taking DALs directly to the street vary systematically with respect to any consideration other than discussed in part b and part c? If so, please indicate any other reasons, or situations, for opting to take DALs directly to the street as a third bundle.

e. Does the Postal Service collect any kind of data that indicate the frequency with which DALs are taken directly to the street as extra bundles? If so, please indicate what the frequency is and where such data can be found.

f. Which practice is more common: (i) city carriers taking DALs directly to the street as extra bundles; or (ii) city carriers casing DALs in the office?

### RESPONSE:

a. Operational decisions reside primarily with the supervisor.

- b. It is generally more likely that the practice of taking DAL cards directly to the street will occur more frequently on routes that are entirely curblines because there is no bundle restriction on these routes.
- c. Decisions on when saturation mailings are delivered are influenced by work load and by other operational conditions. The decisions are made at the unit level.
- d. I do not believe it varies systematically. The determination is made at the unit level.
- e., f. I am not sure which practice is more common, but according to the estimates in the testimony of Postal Service Witness Kelley (USPS-T-30), 46 percent of DAL pieces are cased, and 54 percent of DAL pieces are taken directly to the street.

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### VP/USPS-T44-10.

a. Please assume that on day 1 city carriers take directly to the street, as two extra bundles, both unaddressed covers (*i.e.*, wraps) and the associated DALs. On day 2, please assume that the carriers have only one extra bundle of flats, consisting, say, of a single addressed saturation flat (*e.g.*, a catalog). Do the carriers require more street time to deliver both the DAL and the cover (on day 1) than is required when they have a simpler saturation mailing (on day 2)? Please explain, including whether the answer depends on the type of route.

b. Please assume that on day 1 city carriers take directly to the street, as two extra bundles, both unaddressed covers (*i.e.*, wraps) and the associated DALs. On day 2, please assume that the carriers case a set of DALs and take directly to the street only the covers. Do carriers require more time on the street to deliver the DALs and the covers (on day 1) than they require when they have previously cased the DAL and the only "extra" piece with which they must deal while on the street is the unaddressed saturation cover (on day 2)? Please explain, including whether the answer depends on the type of route.

### RESPONSE:

a., b. There is no clear yes or no answer. Across the system, and based on my operational experience, there are many different factors that could affect the time required. The type of route could be one of the factors.

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### **VP/USPS-T44-11.**

When city carriers have the option of casing DALs in the office or taking them directly to the street as an extra bundle, a trade-off seemingly exists between (i) in-office time to case DALs, and (ii) street time to deliver DALs as an extra bundle. That is, once a carrier takes time in the office to case DALs, they then can be handled expeditiously on the street as part of the carrier's cased mail, whereas taking DALs directly to the street involves essentially no in office time, but may increase the street time required to handle both the separate bundles of DALs and unaddressed covers.

- a. If you disagree with the foregoing and do not believe that such a trade-off exists, please explain why.
- b. If you agree that such a trade-off does exist, please state whether you consider the Postal Service's least costly handling method to be (i) in-office casing of DALs, or (ii) taking them directly to the street, and explain why. If the answer depends on the route type, please elaborate, and explain which method is generally the least costly by route type.

### **RESPONSE:**

- a. I do not agree. As indicated in my response to VP/USPS-T44-10, I do not believe that operational conditions exist that are sufficiently constant so it is not possible to respond universally.
- b. See the response to a.

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### **VP/USPS-T44-12.**

Please refer to your testimony at page 12, lines 6-8, where you state that “DAL cards are not bar coded and are often not on paper stock that is compatible with automation. This requires many DAL cards to be manually cased ....” Your testimony implies that DALs are subjected to DPS processing on automation equipment rarely, if ever. Also, please refer to the testimony of witness McCrery (USPS-T-42) at page 12, line 27 to page 13, line 1.

- a. Is this a correct interpretation of your testimony? If not, please clarify, and discuss the extent to which DALs are currently being subjected to DPS processing.
- b. Please reconcile whatever statement you provide in response to preceding part a with the above-referenced testimony of witness McCrery, where he states that DALs “are also often transported back to the plant for DPS processing in order to eliminate the need to manually case the cards in delivery.” (USPS-T-42, p.12, l. 27 to p. 13, l. 1.)

### **RESPONSE:**

- a. My testimony stated that DAL cards are often not automation compatible. No data exists to define the frequency at which DALs are cased, taken directly to the street, or automated using DPS.
- b. The testimony of witness McCrery appears to refer only to the DALs that are automation compatible.

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### VP/USPS-T44-13.

Please refer to your testimony at page 8, footnote 1, where you note that “[s]aturation flats are defined as mailings delivered to a minimum of 90 percent of total residential or 75 percent of total active deliveries on a route.” Also, please refer to your testimony at page 13, lines 15-19, where you discuss the practice of collating two sets of flats. Please assume that on some particular day a city carrier must deliver two sets of unaddressed saturation covers, both with DALs. Please assume further that the two mailings contain the same number of pieces and meet the minimum required percentage for a saturation mailing, but (i) each mailing is for somewhat less than 100 percent of the deliveries on the route, and (ii) the omitted addresses are non-identical. That is, a number of the addresses on the route will receive one, but not the other, of the two covers.

a. Under the above described conditions, would the carrier attempt to collate the two sets of covers? If so, at those delivery points for which only one cover is to be delivered, what would the carrier do with the other collated cover?

b. If the carrier does not collate the two covers, please describe how the carrier most likely would handle the two mailings of saturation covers, as well as the DALs. For example, would the carrier case both sets of DALs and take the two covers to the street as two extra bundles, or would the carrier case one set of DALs and take the other DALs to the street as an extra bundle (*i.e.*, take three extra bundles to the street) along with the two covers?

c. In your opinion, would the time required to handle on the same day two mailings of covers and DALs, such as those described here, be equal to or greater than the time required to handle the two mailings individually on separate days? That is, when two sets of covers and DALs, such as those described here, must be delivered on the same day, does the time required by the carrier to handle the two mailings increase **in proportion to** the increase in volume on that day, or **more than** in proportion to the doubled volume of saturation mail?

### RESPONSE:

- a. The decision to collate would be made at the delivery unit level. However, it is highly unlikely that two unaddressed saturation flats would be delivered on the same day. This scenario would only occur in a case

where there was no other alternative. The chances that this particular situation would occur are further narrowed by the fact that, in almost every case, the mailer provides a 2-3 day operational window for their product to be delivered.

- b. Both of these scenarios are possible. It is also possible, on the very rare occasions that this occurs, that the entire route would be motorized since that would eliminate any bundle issues.
- c. My operational experience, coupled with the unlikely probability of the hypothetical scenario described occurring, does not provide me with enough information to answer this question with any degree of certainty.

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**VP/USPS-T44-14.**

Please refer to your response to VP/USPS-T44-2. Has the Postal Service conducted any test runs of saturation covers (*i.e.*, wraps) on the Flat Sequencing System ("FSS") being developed and tested in Carmel, Indiana?

- a. If so, please describe the results, including whether they were deemed generally successful or unsuccessful.
- b. If not, why not?
- c. If not, have any such test runs been scheduled for this year?

**RESPONSE:**

No. I have been informed that test runs have not been completed for an entire mailing of saturation covers.

- a. See the response above.
- b. It was not the primary focus of the test.
- c. No.

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### VP/USPS-T44-15.

Please refer to your response to VP/USPS-T44-2. Please assume that (i) the FSS has been deployed, (ii) the Postal Service has a mailing of addressed saturation catalogs for delivery, and (iii) the catalogs can be sorted on the FSS, or (iv) the catalogs can be taken directly to the street as an extra bundle.

- a. Please define the phrase “operationally efficient” as you use it in your response to part a of the above-referenced interrogatory.
- b. What criteria would supervisors of carrier units use to determine whether alternative (iii) or (iv) is more operationally efficient?
- c. How would the relative cost of alternatives (iii) and (iv) be factored into the determination of which alternative is more operationally efficient?
- d. What information does the supervisor of a carrier unit have available to determine the relative cost of two alternatives such as those described here?

### RESPONSE:

- a. Operationally efficient, as used in the above listed interrogatory response, means that the process is the most effective use of operational resources.
- b. The supervisor might not be the managerial decision-maker in this scenario. It is more likely that the determination to process the catalogs would be made at the processing facility based on operational resources.
- c. I would expect that this will be determined in the future after the appropriate FSS studies are conducted.
- d. It is likely that the supervisor at a delivery unit only has knowledge of

the delivery conditions at that unit. To the extent that it can be determined, it would be based on total cost estimates, for example, including mail processing costs.

## 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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