

DOCKET SECTION

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

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OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE DIRECT MARKETING ASSOCIATION, INC.
(DMA/USPS-2-10)

The United States Postal Service hereby provides responses to the following interrogatories of the Direct Marketing Association, Inc.: DMA/USPS-2-10, filed on September 22, 1997.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 6, 1997

RESPONSE OF THE POSTAL SERVICE
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DMA/USPS-2. Please refer to the Postal Service's response to DMA/USPS-T14-34b where it states that "in comparison with MODS, the numbers used by different BMCs to refer to various operations are much less uniform across facilities." Please provide the operation codes or numbers used by BMCs to describe the various mail processing operations.

RESPONSE:

As stated in the original response, there are no standardized operation codes or numbers used in the PIRS system. Instead, individual BMC use different numbers or codes, depending on their local needs and practices.

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DMA/USPS-3. Please refer to the Postal Service's response to DMA/USPS-T14-34b where it lists various categories for operations, but notes that the manual letter (no. 045) and manual flat operations categories (no. 075) "are no longer in effect. Most facilities do not report hours or workload in those operations."

- a. Please explain why BMC facilities do not report data for these operations.
- b. Please explain the full extent to which BMCs report data on workhours or workload for flat or letter processing operations (including automated, mechanized and manual activities).

RESPONSE:

a.-b. Most facilities do not report data for single piece letter and flat operations because most BMCs no longer process single piece letters and flats. There is one BMC that still reports a small amount of data for letter and flat operations.

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DMA/USPS-4. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) where it discusses workhours at BMCs.

- a. What percentage of workers are clocked into a base operation for an entire tour?
- b. What percentage of workers actually work in one base operation for an entire tour?
- c. When an employee moves between operations during their tour, what percentage of such moves are calculated by (i) clock rings or (ii) use of Form 2345 by their supervisor?
- d. Please explain fully why some moves are calculated by clock rings and others by the Form 2345.
- e. What safeguards are in place to ensure the reliability that moves by employees are accurately reflected on either the clock rings or Form 2345?

RESPONSE:

a.-b. The original response may have introduced some ambiguity with the use of the term "base operation." A "base operation" in that response was intended to refer to one of the types of general operational activities that are performed at BMCs. These are the operational categories listed in the original response (e.g., PPSM, SPSM, SSM, etc.). In that sense, the majority of individuals clock into and remain working in the same "base operation" or activity throughout their tours. It is estimated that in excess of 90 percent of workers would fall into this category.

There are, however, more refined operation codes at BMCs, which are comparable in function to the three-digit MODS codes within activities. See USPS-T-14 at 25-27. Even workers who remain working within the same general activity (e.g.,

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PPSM, SPSM, SSM, etc.) may shift to a different portion of the activity, and thus move between operation codes at this more refined level. At this level of detail, probably less than 20 percent of employees work and are clocked into the same "operation" for the entire tour.

c.-d. In the past, Forms 2345 were the exclusive means of reporting worker movements. While these forms can be used to evaluate efficiency in various operations, they are in the process of being replaced by electronic time clocks. However, it is estimated that approximately four-fifths of movements are still reported by the use of Form 2345.

e. The only safeguards that exist are those created by local management review at the sites.

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DMA/USPS-5. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) where it states, "For manual operations, the workload measures are derived from the type and number of containers sorted, which is collected as the containers are being dumped. Conversion factors are used to estimate the number of pieces associated with the number of containers processed. Some of these conversion factors are fairly standard nationwide, while others exhibit more variation based on local equipment and handling practices."

- a. Please list the manual operations for which conversion factors are used (including, but not limited to, NMOs, IPPs, and 115s).
- b. Please describe the conversion factors used in each operation.
- c. When were these conversion factors last revised?
- d. Do these conversion factors assume that the containers are full?

RESPONSE:

a. NMO, IPP, and 115 are the operations for which conversion factors are used in deriving the workload for the manual portion of the operation.

b. The conversion factors used in each operation are a function of the type of containers that are used to bring mail to that operation. The conversion factors applied in a particular facility might reflect a national conversion factor, or might reflect local equipment and handling practices.

c. The national conversion factors were most recently revised in 1987.

d. The conversion factors were calculated for the "average" container, and therefore they do not necessarily assume that each container is full, but merely assume that, on average, this particular type of container contains this estimated number of pieces.

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DMA/USPS-6. Please refer to the Postal Service's response to DMA/USPS-T14-34(b).

- a. Please list all mechanized operations for which conversion factors are used (including, but not limited to, NMOs and 115s).
- b. Please describe the conversion factors used in each mechanized operation.
- c. When were these conversion factors last revised?
- d. Do these conversion factors assume that the containers are full?

RESPONSE:

a. NMO and 115 are the operations for which conversion factors may be used in deriving the workload for the mechanized portion of the operation.

b.-d. Please see the response to DMA/USPS-5, parts b. - d.

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DMA/USPS-7. Please refer to the Postal Service's response to DMA/USPS-T14-34(b). Please describe in greater detail how TEP (Total Equivalent Pieces) are calculated, including the determination of the weight to be given to pieces processed on different operations.

RESPONSE:

TEP is calculated as described in the original response. The weights come from an index which has been in use since at least 1987, in which parcels are given a weight of 1.00, and other types of pieces are given a weight based on the ratio of the estimated workload required to handle that type of piece to the estimated workload required to handle a parcel. The weights applied are:

Parcel	1.00
Sack	1.84
NMO	3.11
IPP	0.49
Flat	0.24
Letter	0.16
115	11.89
Pallet	30.48

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DMA/USPS-8. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) concerning reporting under PIRS.

- a. Please describe what it means by "Headquarters routine."
- b. Please explain when the "Headquarters routine" would be run on a (i) preliminary, (ii) revised or (iii) finalized basis.

RESPONSE:

a.-b. As described in the original response, the BMCs individually report their information to San Mateo. The Headquarters routine performs the task of taking the data as entered by individual BMCs and creating a database that can then be made available to all the BMCs for purposes of generating reports. One purpose of the Headquarters routine is to allow another opportunity for the data from each site to be reviewed for accuracy before they are entered into the data base. Another purpose is to provide the opportunity to correct formatting problems (i.e., make sure each site has used the correct format when entering its data). If the first run of the Headquarters routine causes no identification of any need for correction, the routine has been finalized. *If revisions are made after the first run, then, by definition, the first run has become preliminary.* No matter how many times the routine is run, once no more revisions are necessary, the routine has been finalized.

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DMA/USPS-9. Please refer to the Postal Service's response to DMA/USPS-T14-34(b) concerning data reliability under PIRS.

- a. Please explain the "steps" that are taken by Supervisors to ensure that operation workhours are accurately recorded.
- b. Have there been instances where the ending inventory for the supervisor from the prior shift is not equal to the beginning inventory for the next shift? If so, please explain fully.
- c. Please explain the manner in which "obvious reporting errors or questionable observations" are detected and corrected by local staff and the frequency of such errors or observations.
- d. Please explain the manner in which "potential errors and discrepancies" are detected and corrected by Headquarters personnel and the frequency of such errors or discrepancies.

RESPONSE:

a. Among the responsibilities of a supervisor are to keep track of where employees are working and the operations into which they are clocked. If an electronic time clock system is available, it can be used during a tour to monitor this type of information. In other situations, supervisors will need to pay attention that all necessary Forms 2345 have been submitted.

b. Beginning and ending inventories are formally reported each morning only on a daily (i.e. 24-hour) basis. Beginning and ending inventories on individual tours are done informally, and discrepancies would have to be worked out among the individual supervisors involved.

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c. The most "obvious" type of errors corrected at the local level would be, for example, a Form 2345 that purports to report an employee move during Tour 1, but reports a time of day that is in Tour 2. Local staff, however, can also rely on their experience to be aware of the likely range of valid workhour and workload information, plus their knowledge of local conditions (organization and structure of the facility, major equipment failures, heavy and light mail volume patterns, weather, etc.) to identify "obvious reporting errors or questionable observations." Once potential problems are identified, they may be corrected by consulting with the individuals likely to have accurate information. Since these actions are taken locally and informally, there is no information available on how frequently they might occur.

d. Headquarters staff rely on their experience to be aware of the likely range of valid workhour and workload information, plus whatever knowledge they may have of local conditions at the site in question, to identify "obvious reporting errors or questionable observations." Once potential problems are identified, they may be corrected by consulting with the individuals at the site likely to have accurate information. This process occurs each AP when the Headquarters routine is performed, as well as when performing daily review functions. As opposed to formatting problems, the detection of substantive reporting errors during the running of the Headquarters routine is infrequent. In FY 1997, of the 273 possibilities (21 BMCs over 13 APs), revisions were necessary in only 4 instances, and these tended to be formatting problems.

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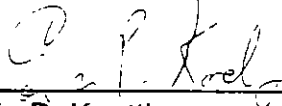
DMA/USPS-10. Please identify the individual who provided the Postal Service's responses to DMA/USPS-T14-34 and DMA/USPS-2-9.

RESPONSE:

There is no one individual who has provided the institutional responses to the referenced questions. Information has been compiled from different sources, including Headquarters operations personnel, personnel at BMCs, and consultants with experience conducting analysis of BMC issues.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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October 6, 1997