

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF POSTAL SERVICE WITNESS McCrERY  
TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND  
ALLIANCE OF NONPROFIT MAILERS (MPA/USPS-T42-13-16)  
(July 3, 2006)

The United States Postal Service hereby provides the responses of witness McCrery to the above-mentioned interrogatories of Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers, filed on June 19, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**MPA/USPS-T42-13.**

(a) Please list and explain the current address hygiene requirements to qualify for (i) Periodicals Outside County nonautomation, non-carrier route rates; (ii) Periodicals Outside County automation rates; and (iii) Periodicals Outside County carrier route rates.

(b) Do you believe that failing to meet the address hygiene requirements to qualify for Periodicals Outside County automation rates and carrier route rates is a major reason why a portion of periodicals are entered at nonautomation, non-carrier route rates. If not, please explain fully.

(c) If a Periodicals Outside County flat does not meet the address hygiene requirements to qualify for automation rates, is it also likely that the flat would not meet the address hygiene requirements to qualify for carrier route rates? If not, please explain fully.

(d) Is the importance of address quality likely to increase in the future flats sequencing environment? Please explain fully.

**Response:**

(a) (i) Nonautomation, non-carrier route rates require that the accuracy of the five-digit ZIP Code associated with the address be verified and updated within twelve months of the date of mailing using one of the approved methods. See DMM 707.12.1.3 and 12.3 at <http://pe.usps.com/text/dmm300/707.htm>. (ii) Automation rates require that the accuracy of the ZIP+4 code and delivery point code information be updated within six months of the data of mailing using a Coding Accuracy Support System (CASS) certified address matching software program. See DMM 708.3.3.1 at <http://pe.usps.com/text/dmm300/708.htm>. (iii) Carrier route rates require that the accuracy of the carrier route codes and sequence of mailpieces within the carrier route be updated within 90 days of the date of mailing using a CASS certified address matching software program.

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Customers mailing carrier route mailings using simplified address formats must update the delivery statistics for the routes where the rates are claimed within 90 days of the date of mailing. See DMM 708.3.3.1.

(b) Possibly, though it could be that the mailer does not have the more sophisticated addressing and mailing software and address label printing processes that enable barcoding (e.g., small newspaper).

(c) It is likely, with the exception of mailings using a simplified address format.

(d) With the change from carrier route sorting, which sorts flats via ZIP+4 codes or recognition/coding results into carrier separations, to delivery point sequencing, which will sort flats via 11-digit codes or recognition/coding results into delivery order; yes, I believe that the importance of address hygiene will increase under this environment. Not only will the piece require the necessary address elements to make a correct carrier-route assignment, under flats sequencing the piece will then also require a correct and complete address such that it can be sequenced to the proper delivery point.

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**MPA/USPS-T42-14.** Please refer to your descriptions of the UFSM 1000, AFSM 100, and Flats Recognition Improvement Program (FRIP) on pages 14 through 16 of your testimony.

(a) In today's operating environment in which USPS flat sorters are equipped with both OCRs and BCRs, do you believe, based upon your operational experience, that a large portion of the worksharing cost avoidance for automation flats derives from the address hygiene requirements to qualify for automation rates? Please explain your response fully.

(b) In the Test Year operating environment, do you believe, based upon your operational experience, that a large portion of the worksharing cost avoidance for automation flats will derive from the address hygiene requirements to qualify for automation rates? Please explain your response fully.

**Response:**

(a) - (b) Assuming "address hygiene" relates to the required use of CASS certified address matching software when applying ZIP+4 codes and delivery point codes, it is my opinion that this would improve the flat mail base from the standpoint of address completeness and accuracy, thereby enhancing our ability to properly sort the flats through our system and to the carrier route level, now and in the Test Year. However, I have no basis on which to render an opinion as to whether this constitutes "a large portion of the cost avoidance".

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**MPA/USPS-T420-15.** Please discuss all changes in address hygiene requirements for Periodicals Outside County mail that are expected to occur by FY 2008.

**Response:**

The use of CASS certified address matching software will still be required for access to automation and carrier route rates. However, the way CASS certified address matching software assigns delivery point codes will be changing with the beginning of the 2007 CASS cycle, which begins August 1, 2007. Currently, address matching software matches the address to the range of primary numbers associated with the ZIP+4 code and calculates the delivery point code from the primary number. As an example, 123 Main St is matched to the range of 101-199 Main St. Beginning with the 2007 cycle, the primary number must delivery point validate (e.g. match to an identical number in the postal address database) before a delivery point code is assigned to the address by the software. If the primary number does not validate, only a five-digit ZIP Code will be returned by the address matching software. An address which does not delivery point validate will not be eligible for automation or carrier route rates.

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**MPA/USPS-T42-16.** This question refers to witness Tang's response to MPA/USPS-T35-1(a), where she confirms that "mailers may be allowed to enter Periodicals and Standard Mail in the same containers in the Test Year." Please provide the Postal Service's best estimate of when it will begin allowing mailers to enter Periodicals and Standard Mail in the same containers.

**Response:**

The goal is to begin a pilot test later this calendar year, with standards effective for general customer use by mid-2007.