

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

Postal Rate and Fee Changes, 2006

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Docket No. R2006-1

FOURTH INTERROGATORIES OF DIRECT MARKETING ASSOCIATION
TO USPS WITNESS RICHARD G. LOUTSCH (DMA/USPS-T6-30-33)

(July 14, 2006)

Pursuant to sections 25 and 26 of the Rules of Practice, Direct Marketing Association directs the following interrogatories to USPS witness Richard G. Loutsch (USPS-T-6). If the witness is unable to respond to any interrogatory, we request that a response be provided by an appropriate witness capable of providing an answer.

Respectfully submitted,

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DIRECT MARKETING ASSOCIATION INTERROGATORIES
TO USPS WITNESS RICHARD G. LOUSCH, USPS-T-6

DMA/USPS-T6-30. Page 16 of your Library Reference USPS-LR-L-49, in discussing the Powered Industrial Vehicle Management System (PIVMS), states “PIVMS...a wireless solution for tracking and managing the powered industrial vehicle asset, is a proven solution for controlling cost and staying lean. This technology provides a more effective tool for in-plant management to analyze and manage its day-to-day operations.”

- a) Please describe how USPS managerial and supervisory personnel use and will use this tool to manage Cost Segment 3 personnel, and whether and how PIVMS use does or will require more or less managerial and supervisory time and effort than not using the tool.
- b) Please confirm that in Attachments D, E, and F of spreadsheet L49_R2006_8.xls, which is part of USPS-LR-L-49, Cost Segment 2 (Supervisors) cost savings from PIVMS implementation are projected at zero for each year (2006-2008), while Cost Segment 3 (Clerks and Mail Handlers) cost savings are projected at zero, \$1.8 million, and \$5.6 million, respectively.

DMA/USPS-T6-31. Page 17 of your Library Reference, in discussing the Labor Scheduler Phase I, states “The Labor Scheduler is a web-based system that develops an optimal workforce schedule for both clerk and mail handler craft positions...Use of the optimized labor schedule results in reduced operating costs including reduced regular wages and overtime wages.”

- a) Please indicate who currently schedules clerk and mail handler work hours at USPS facilities, and whether and to what extent these same individuals will be the primary (or exclusive) users of the Labor Scheduler.
- b) Please provide any existing documentation regarding predicted changes in the time and effort required to formulate and optimize work schedules resulting from Labor Scheduler implementation. If no such documentation is available, please describe the basis upon which the investment in the Labor Scheduler was justified.
- c) Please also confirm that in Attachments D, E, and F of spreadsheet L49_R2006_8.xls, Cost Segment 2 (Supervisors) cost savings from Labor Scheduler implementation are projected at zero for each year (2006-2008), while Segment 3 (Clerks and Mail Handlers) cost savings are projected at \$7 million, \$2.5 million, and \$0.4 million, respectively.

DMA/USPS-T6-32. Pages 17-18 of your Library Reference, in discussing further deployment of Automated Postal Centers (APCs), state “This technology is a customer friendly interactive kiosk operated by customers without the assistance of postal employees.”

- a) Please indicate the number and percentage of APCs, both current and planned, that replace or augment existing postal facilities (e.g., Post Offices), and the number and percentage that serve or will serve customers that are not currently served by existing postal facilities.
- b) Please provide any existing documentation regarding predicted management and supervisor time and effort required to plan, deploy, and manage the operation of APCs. If no such documentation is available, please provide the complete rationale and supporting financial data upon which the investment in the APCs was justified.
- c) Please confirm that in Attachments D, E, and F of spreadsheet L49_R2006_8.xls, Cost Segment 2 (Supervisors) cost savings from further APC deployment are projected at zero for each year (2006-2008), while Cost Segment 3 (Clerks and Mail Handlers) cost savings are projected at \$45 million, \$36 million, and \$7 million, respectively.

DMA/USPS-T6-33. Departments and agencies throughout the federal government are actively improving their management of Human Capital in accordance with the President's Management Agenda. Please provide any reports, internal studies, and/or data that address how the Postal Service is projecting and managing the following issues:

- a) Fundamental change in the nature of the work performed by Postal Service employees, including but not limited to changes induced by automation and process improvements, at both the mail handling/clerical and supervisory levels;
- b) Demographic changes in the Postal Service workforce, in particular, as sizeable portions of the workforce approach retirement age;
- c) Retention of important practical and institutional knowledge within the Postal Service as more experienced employees retire or leave the Service for other reasons; and
- d) Competition for new employees with the appropriate technical and managerial skills to attain the Postal Service's service quality and productivity goals.