

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS LOUTSCH  
TO INTERROGATORIES OF THE DIRECT MARKETING ASSOCIATION  
(DMA/USPS-T6-30(b), 31(c), 32(c))**

The United States Postal Service hereby provides the responses of witness Loutsch to the following interrogatories of the Direct Marketing Association, filed on July 14, 2006: DMA/USPS-T6-30(b), 31(c), 32(c). Interrogatories 30(a), 31(a), 31(b), 32(a), and 32(b) were redirected to witness McCrery and interrogatory 33 was redirected to the Postal Service.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 31, 2006

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS LOUTSCH  
TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION**

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.

**RESPONSE:**

- a) Redirected to witness McCrery (USPS-T-42).
- b) Confirmed that the dollar amounts you have cited represent my quantification of the workhour savings estimated by the program manager. As explained on page 2 of LR L-49, the Cost Reduction Program descriptions and the workhour savings are sponsored by witness McCrery.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS LOUTSCH  
TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION**

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.

**RESPONSE:**

- a) Redirected to witness McCrery (USPS-T-42).
- b) Redirected to witness McCrery (USPS-T-42).
- c) Confirmed that the dollar amounts you have cited represent my quantification of the workhour savings estimated by the program manager. As explained on page 2 of LR L-49, the Cost Reduction Program descriptions and the workhour savings are sponsored by witness McCrery.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS LOUSCH  
TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION**

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.

**RESPONSE:**

- a) Redirected to witness McCrery (USPS-T-42).
- b) Redirected to witness McCrery (USPS-T-42).
- c) Confirmed that the dollar amounts you have cited represent my quantification of the workhour savings estimated by the program manager. As explained on page 2 of LR L-49, the Cost Reduction Program descriptions and the workhour savings are sponsored by witness McCrery.