# OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL RATE COMMISSION

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In the Matter of: )
) Docket No.: R2006-1
POSTAL RATE AND FEE CHANGES )

VOLUME #11

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Date: August 17, 2006

Place: Washington, D.C.

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POSTAL RATE COMMISSION

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| In the Matter of: | ) | |
| | ) | |
| POSTAL RATE AND | ) | Docket No.: R2006-1 |
| FEE CHANGES | ) | |

Suite 200
Postal Rate Commission
901 New York Avenue, N.W.
Washington, D.C.

Volume 11
Thursday, August 17, 2006

The above-entitled matter came on for hearing pursuant to notice, at 9:35 a.m.

BEFORE:

HON. GEORGE A. OMAS, CHAIRMAN
HON. DAWN A. TISDALE, VICE-CHAIRMAN
HON. TONY HAMMOND, COMMISSIONER
HON. RUTH Y. GOLDWAY, COMMISSIONER

APPEARANCES:

On behalf of United States Postal Service:

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APPEARANCES: (Cont'd.)

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On behalf of National Newspaper Association:

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On behalf of Pitney Bowes, Inc.:

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On behalf of Valpak Dealers Association, Inc.and Valpak Direct Marketing Systems, Inc.:

JEREMIAH MORGAN, Esquire
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(703) 356-5070

# C O N T E N T S

WITNESSES APPEARING:
MARC D. MCCRERY


| WITNESSES: | DIRECT | CROSS | REDIRECT | RECROSS | VOIR DIRE |
|---|---|---|---|---|---|
| Marc D. McCrery | 2727 | -- | 3312 | -- | -- |
| by Mr. Olson | -- | 3143 | -- | -- | -- |
| by Mr. Anderson | -- | 3169<br>3302 | -- | -- | -- |
| by Mr. Volner | -- | 3207 | -- | -- | -- |
| by Mr. Horwood | -- | 3253 | -- | -- | -- |
| by Mr. Hall | -- | 3255 | -- | -- | -- |
| by Ms. Rush | -- | 3271 | -- | -- | -- |
| by Mr. Morgan | -- | 3282 | -- | -- | -- |

| DOCUMENTS TRANSCRIBED INTO THE RECORD | PAGE |
|---|---|
| Designated written cross-examination of Marc D. McCrery, USPS-T-42 | 2730 |
| Responses of Witness McCrery to DMA interrogatories redirected from Witness Loutsch, DMA/USPS-T6-30(a), 31(a) and (b), and 32(a) and (b) | 3139 |
| Response of Witness McCrery to McGraw-Hill Companies, Inc. Interrogatory, MH/USPS-T42-6 | 3250 |
| Cross-Examination Exhibit of Valpak Dealers Association, Inc./Valpak Direct Marketing Systems, Inc., VP-CX-1 | 3301 |

# E X H I B I T S

| EXHIBITS AND/OR TESTIMONY | IDENTIFIED | RECEIVED |
|---|---|---|
| Corrected direct testimony of Marc D. McCrery on behalf of the United States Postal Service, USPS-T-42 | 2726 | 2728 |
| Designated written cross-examination of Marc D. McCrery, USPS-T-42 | 2729 | 2729 |
| Responses of Witness McCrery to DMA interrogatories redirected from Witness Loutsch, DMA/USPS-T6-30(a), 31(a) and (b), and 32(a) and (b) | 3138 | 3138 |
| Response of Witness McCrery to McGraw-Hill Companies, Inc. Interrogatory, MH/USPS-T42-6 | 3249 | 3249 |
| Photograph of flats tube, NNA L-1 | 3275 | 3275 |
| Cross-Examination Exhibit of Valpak Dealers Association, Inc./ Valpak Direct Marketing Systems, Inc., VP-CX-1 | 3296 | 3300 |
| USPS-RD-1 | 3315 | 3318 |
| USPS-RD-2 | 3315 | 3318 |
| USPS-RD-3 | 3316 | 3318 |
| USPS-RD-4 | 3316 | 3318 |

1 P R O C E E D I N G S

2 (9:35 a.m.)

3 CHAIRMAN OMAS: Good morning. Today we

4 continue hearings to receive the testimony of Postal

5 Service witnesses in support of Docket No. R2006-1,

6 Request for Rate and Fee Changes.

7 Does anyone have a procedural matter they'd

8 like to discuss at this time?

9 (No response.)

10 CHAIRMAN OMAS: One witness is scheduled to

11 appear today.

12 Ms. Portonovo, would you like to identify

13 your witness?

14 MS. PORTONOVO: Thank you, Mr. Chairman.

15 The Postal Service calls Marc D. McCrery to the stand.

16 CHAIRMAN OMAS: Stand, Mr. McCrery, and

17 raise your right hand.

18 Whereupon,

19 MARC D. MCCRERY

20 having been duly sworn, was called as a

21 witness and was examined and testified as follows:

22 CHAIRMAN OMAS: Please be seated.

23 (The document referred to was

24 marked for identification as

25 Exhibit No. USPS-T-42.)

1 DIRECT EXAMINATION

2 BY MS. PORTONOVO:

3 Q Mr. McCrery, in front of you you have two
4 copies of a document entitled Direct Testimony of Marc
5 D. McCrery on Behalf of the United States Postal
6 Service marked as USPS-T-42.

7 Were the contents of these documents
8 prepared by you or under your direct supervision?

9 A Yes.

10 Q And if the contents were given as oral
11 testimony today, would they be the same?

12 A Yes.

13 Q Do you have any library references
14 associated with your testimony?

15 A Yes, I do.

16 Q And would they be Section 1(a) and 2(a) of
17 USPS-LR-L-49?

18 A Correct.

19 MS. PORTONOVO: Mr. Chairman, I move to have
20 these two copies of Mr. McCrery's testimony and his
21 associated library reference entered into reference.

22 CHAIRMAN OMAS: Is there any objection?

23 (No response.)

24 CHAIRMAN OMAS: Hearing none, I will direct
25 counsel to provide the reporter with two copies of the

1 corrected direct testimony of Marc D. McCrery.
2 That testimony is received into evidence.
3 However, as is our practice, it will not be
4 transcribed.
5 (The document referred to,
6 previously identified as
7 Exhibit No. USPS-T-42, was
8 received in evidence.)
9 CHAIRMAN OMAS: Mr. McCrery, have you had an
10 opportunity tc examine the packet of designated
11 written cross-examination that was made available to
12 you this morning?
13 THE WITNESS: Yes, I have.
14 CHAIRMAN OMAS: If the questions contained
15 in that packet were posed to you orally today, would
16 they be the same as those you previously provided in
17 writing?
18 THE WITNESS: Yes, they would.
19 CHAIRMAN OMAS: Counsel, would you please
20 provide the reporter with two copies of the designated
21 written cross-examination of Witness McCrery?
22 I direct that they be received into evidence
23 and transcribed.
24 //
25 //

1 (The document referred to was
2 marked for identification as
3 Exhibit No. USPS-T-42 and was
4 received in evidence.)
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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes, 2006 Docket No. R2006-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS MARC D. MCCRERY
(USPS-T-42)

| Party | Interrogatories |
|---|---|
| Advo, Inc. | ADVO/USPS-T42-1-7, 10-13, 15, 17<br>NAA/USPS-T44-6-7 redirected to T42<br>VP/USPS-T44-20 redirected to T42 |
| Alliance of Nonprofit Mailers | MPA/USPS-T42-1a-b, 2-22<br>MPA/USPS-T27-1a, c-d redirected to T42 |
| Amazon.com, Inc. | AMZ/USPS-T42-1-6, 8-9 |
| American Bankers Association and National Association of Presort Mailers | ABA-NAPM/USPS-T22-9, 10a, h, 14a redirected to T42<br>DFS & MSI/USPS-T22-1b-g redirected to T42<br>MMA/USPS-T42-3-5, 7<br>MMA/USPS-T22-40 redirected to T42<br>PB/USPS-T42-6, 9, 11-13<br>PB/USPS-T22-9 redirected to T42 |
| American Postal Workers Union, AFL-CIO | AMZ/USPS-T42-2, 4-6<br>APWU/USPS-T42-2, 9, 15-16, 19-20<br>PostCom/USPS-T42-1-2, 4, 9<br>UPS/USPS-T42-1<br>VP/USPS-T42-1-4, 8-13, 20-21 |

| Party | Interrogatories |
|---|---|
| Association for Postal Commerce | ADVO/USPS-T42-10, 12-13<br>AMZ/USPS-T42-2-4, 9<br>MMA/USPS-T42-5-6<br>MPA/USPS-T42-14<br>PB/USPS-T42-11<br>PostCom/USPS-T42-2-3, 5-9<br>PSA/USPS-T42-2<br>VP/USPS-T42-2 |
| Greeting Card Association | APWU/USPS-T42-4, 17<br>GCA/USPS-T42-1-8<br>MMA/USPS-T42-3<br>OCA/USPS-T42-1-4, 5a-b, d, 6<br>VP/USPS-T42-7, 10-11 |
| Magazine Publishers of America | MPA/USPS-T42-1a-b, 2-22 |
| Mailing & Fulfillment Service Association | ADVO/USPS-T42-10, 12-13<br>AMZ/USPS-T42-2-4, 9<br>MMA/USPS-T42-5-6<br>MPA/USPS-T42-14<br>PB/USPS-T42-11<br>PostCom/USPS-T42-2-3, 5-9<br>PSA/USPS-T42-2<br>VP/USPS-T42-2 |
| Major Mailers Association | APWU/USPS-T42-1, 3-6, 10, 18<br>APWU/USPS-T30-4 redirected to T42<br>MMA/USPS-T42-3-7 |
| McGraw-Hill Companies, Inc., The | MH/USPS-T42-1-5<br>MPA/USPS-T42-3, 5<br>TW/USPS-T42-8-11 |
| National Newspaper Association | NNA/USPS-T42-1-4 |

| Party | Interrogatories |
| --- | --- |
| Newspaper Association of America | ADVO/USPS-T42-7, 10<br>ADVO/USPS-T44-4-5 redirected to T42<br>VP/USPS-T42-8-13, 28<br>VP/USPS-T44-20 redirected to T42 |
| Office of the Consumer Advocate | APWU/USPS-T42-7<br>MMA/USPS-T42-6<br>PostCom/USPS-T42-4 |
| Parcel Shippers Association | PSA/USPS-T42-2 |
| Pitney Bowes Inc. | APWU/USPS-T30-4 redirected to T42<br>PB/USPS-T42-1-9, 11-18<br>PB/USPS-T22-9, 12 redirected to T42<br>PRC/USPS-POIR No.5 - Q1, POIR No.8 - Q15a, 15b, 15c redirected to T42 |

| Party | Interrogatories |
|---|---|
| Postal Rate Commission | ABA-NAPM/USPS-T22-9, 10a, h, 14a redirected to T42 |
| | ADVO/USPS-T42-1-7, 10-13, 15, 17 |
| | ADVO/USPS-T44-4-5 redirected to T42 |
| | AMZ/USPS-T42-1-6, 8-9 |
| | APWU/USPS-T42-1-10, 15-21 |
| | APWU/USPS-T30-4 redirected to T42 |
| | DFS & MSI/USPS-T22-1b-g redirected to T42 |
| | GCA/USPS-T42-1-8 |
| | MH/USPS-T42-1-5 |
| | MMA/USPS-T42-1-7 |
| | MMA/USPS-T22-40 redirected to T42 |
| | MPA/USPS-T42-1a-b, 2-22 |
| | MPA/USPS-T27-1a, c-d redirected to T42 |
| | NAA/USPS-T44-6-7 redirected to T42 |
| | NNA/USPS-T42-1-4 |
| | OCA/USPS-T42-1-4, 5a-b, d, 6 |
| | PB/USPS-T42-1-9, 11-18 |
| | PB/USPS-T22-9, 12 redirected to T42 |
| | PostCom/USPS-T42-1-9 |
| | PRC/USPS-POIR No.5 - Q1, POIR No.8 - Q15a, 15b, 15c redirected to T42 |
| | TW/USPS-T42-1-40 |
| | TW/USPS-T20-9 redirected to T42 |
| | TW/USPS-T27-3-6 redirected to T42 |
| | UPS/USPS-T42-1-2 |
| | VP/USPS-T42-1-28 |
| | VP/USPS-T44-20 redirected to T42 |
| Time Warner Inc. | MPA/USPS-T42-1a-b |
| | TW/USPS-T42-1-40 |
| United Parcel Service | AMZ/USPS-T42-1-6, 8-9 |
| | APWU/USPS-T42-8-9, 15-17 |
| | UPS/USPS-T42-1 |
| | VP/USPS-T42-1-7, 20-21 |

| Party | Interrogatories |
| --- | --- |
| Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association Inc. | APWU/USPS-T42-6 |
| | PostCom/USPS-T42-6 |
| | TW/USPS-T20-9 redirected to T42 |
| | VP/USPS-T42-1-27 |
| | VP/USPS-T44-20, 36 redirected to T42 |

Respectfully submitted,

Steven W. Williams
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
WITNESS MARC D. MCCRERY (T-42)
DESIGNATED AS WRITTEN CROSS-EXAMINATION

| Interrogatory | Designating Parties |
|---|---|
| ABA-NAPM/USPS-T22-9 redirected to T42 | ABA-NAPM, PRC |
| ABA-NAPM/USPS-T22-10a redirected to T42 | ABA-NAPM, PRC |
| ABA-NAPM/USPS-T22-10h redirected to T42 | ABA-NAPM, PRC |
| ABA-NAPM/USPS-T22-14a redirected to T42 | ABA-NAPM, PRC |
| ADVO/USPS-T42-1 | Advo, PRC |
| ADVO/USPS-T42-2 | Advo, PRC |
| ADVO/USPS-T42-3 | Advo, PRC |
| ADVO/USPS-T42-4 | Advo, PRC |
| ADVO/USPS-T42-5 | Advo, PRC |
| ADVO/USPS-T42-6 | Advo, PRC |
| ADVO/USPS-T42-7 | Advo, NAA, PRC |
| ADVO/USPS-T42-10 | Advo, MFSA, NAA, PostCom, PRC |
| ADVO/USPS-T42-11 | Advo, PRC |
| ADVO/USPS-T42-12 | Advo, MFSA, PostCom, PRC |
| ADVO/USPS-T42-13 | Advo, MFSA, PostCom, PRC |
| ADVO/USPS-T42-15 | Advo, PRC |
| ADVO/USPS-T42-17 | Advo, PRC |
| ADVO/USPS-T44-4 redirected to T42 | NAA, PRC |
| ADVO/USPS-T44-5 redirected to T42 | NAA, PRC |
| AMZ/USPS-T42-1 | Amazon, PRC, UPS |
| AMZ/USPS-T42-2 | Amazon, APWU, MFSA, PostCom, PRC, UPS |
| AMZ/USPS-T42-3 | Amazon, MFSA, PostCom, PRC, UPS |
| AMZ/USPS-T42-4 | Amazon, APWU, MFSA, PostCom, PRC, UPS |
| AMZ/USPS-T42-5 | Amazon, APWU, PRC, UPS |
| AMZ/USPS-T42-6 | Amazon, APWU, PRC, UPS |
| AMZ/USPS-T42-8 | Amazon, PRC, UPS |
| AMZ/USPS-T42-9 | Amazon, MFSA, PostCom, PRC, UPS |
| APWU/USPS-T42-1 | MMA, PRC |

| Interrogatory | Designating Parties |
|---|---|
| APWU/USPS-T42-2 | APWU, PRC |
| APWU/USPS-T42-3 | MMA, PRC |
| APWU/USPS-T42-4 | GCA, MMA, PRC |
| APWU/USPS-T42-5 | MMA, PRC |
| APWU/USPS-T42-6 | MMA, PRC, Valpak |
| APWU/USPS-T42-7 | OCA, PRC |
| APWU/USPS-T42-8 | PRC, UPS |
| APWU/USPS-T42-9 | APWU, PRC, UPS |
| APWU/USPS-T42-10 | MMA, PRC |
| APWU/USPS-T42-15 | APWU, PRC, UPS |
| APWU/USPS-T42-16 | APWU, PRC, UPS |
| APWU/USPS-T42-17 | GCA, PRC, UPS |
| APWU/USPS-T42-18 | MMA, PRC |
| APWU/USPS-T42-19 | APWU, PRC |
| APWU/USPS-T42-20 | APWU, PRC |
| APWU/USPS-T42-21 | PRC |
| APWU/USPS-T30-4 redirected to T42 | MMA, Pitney Bowes, PRC |
| DFS & MSI/USPS-T22-1b redirected to T42 | ABA-NAPM, PRC |
| DFS & MSI/USPS-T22-1c redirected to T42 | ABA-NAPM, PRC |
| DFS & MSI/USPS-T22-1d redirected to T42 | ABA-NAPM, PRC |
| DFS & MSI/USPS-T22-1e redirected to T42 | ABA-NAPM, PRC |
| DFS & MSI/USPS-T22-1f redirected to T42 | ABA-NAPM, PRC |
| DFS & MSI/USPS-T22-1g redirected to T42 | ABA-NAPM, PRC |
| GCA/USPS-T42-1 | GCA, PRC |
| GCA/USPS-T42-2 | GCA, PRC |
| GCA/USPS-T42-3 | GCA, PRC |
| GCA/USPS-T42-4 | GCA, PRC |
| GCA/USPS-T42-5 | GCA, PRC |
| GCA/USPS-T42-6 | GCA, PRC |
| GCA/USPS-T42-7 | GCA, PRC |
| GCA/USPS-T42-8 | GCA, PRC |
| MH/USPS-T42-1 | McGraw-Hill, PRC |
| MH/USPS-T42-2 | McGraw-Hill, PRC |
| MH/USPS-T42-3 | McGraw-Hill, PRC |
| MH/USPS-T42-4 | McGraw-Hill, PRC |
| MH/USPS-T42-5 | McGraw-Hill, PRC |

| Interrogatory | Designating Parties |
|---|---|
| MMA/USPS-T42-1 | PRC |
| MMA/USPS-T42-2 | PRC |
| MMA/USPS-T42-3 | ABA-NAPM, GCA, MMA, PRC |
| MMA/USPS-T42-4 | ABA-NAPM, MMA, PRC |
| MMA/USPS-T42-5 | ABA-NAPM, MFSA, MMA, PostCom, PRC |
| MMA/USPS-T42-6 | MFSA, MMA, OCA, PostCom, PRC |
| MMA/USPS-T42-7 | ABA-NAPM, MMA, PRC |
| MMA/USPS-T22-40 redirected to T42 | ABA-NAPM, PRC |
| MPA/USPS-T42-1a | ANM, MPA, PRC, TW |
| MPA/USPS-T42-1b | ANM, MPA, PRC, TW |
| MPA/USPS-T42-2 | ANM, MPA, PRC |
| MPA/USPS-T42-3 | ANM, McGraw-Hill, MPA, PRC |
| MPA/USPS-T42-4 | ANM, MPA, PRC |
| MPA/USPS-T42-5 | ANM, McGraw-Hill, MPA, PRC |
| MPA/USPS-T42-6 | ANM, MPA, PRC |
| MPA/USPS-T42-7 | ANM, MPA, PRC |
| MPA/USPS-T42-8 | ANM, MPA, PRC |
| MPA/USPS-T42-9 | ANM, MPA, PRC |
| MPA/USPS-T42-10 | ANM, MPA, PRC |
| MPA/USPS-T42-11 | ANM, MPA, PRC |
| MPA/USPS-T42-12 | ANM, MPA, PRC |
| MPA/USPS-T42-13 | ANM, MPA, PRC |
| MPA/USPS-T42-14 | ANM, MFSA, MPA, PostCom, PRC |
| MPA/USPS-T42-15 | ANM, MPA, PRC |
| MPA/USPS-T42-16 | ANM, MPA, PRC |
| MPA/USPS-T42-17 | ANM, MPA, PRC |
| MPA/USPS-T42-18 | ANM, MPA, PRC |
| MPA/USPS-T42-19 | ANM, MPA, PRC |
| MPA/USPS-T42-20 | ANM, MPA, PRC |
| MPA/USPS-T42-21 | ANM, MPA, PRC |
| MPA/USPS-T42-22 | ANM, MPA, PRC |
| MPA/USPS-T27-1a redirected to T42 | ANM, PRC |

| Interrogatory | Designating Parties |
|---|---|
| MPA/USPS-T27-1c redirected to T42 | ANM, PRC |
| MPA/USPS-T27-1d redirected to T42 | ANM, PRC |
| NAA/USPS-T44-6 redirected to T42 | Advo, PRC |
| NAA/USPS-T44-7 redirected to T42 | Advo, PRC |
| NNA/USPS-T42-1 | NNA, PRC |
| NNA/USPS-T42-2 | NNA, PRC |
| NNA/USPS-T42-3 | NNA, PRC |
| NNA/USPS-T42-4 | NNA, PRC |
| OCA/USPS-T42-1 | GCA, PRC |
| OCA/USPS-T42-2 | GCA, PRC |
| OCA/USPS-T42-3 | GCA, PRC |
| OCA/USPS-T42-4 | GCA, PRC |
| OCA/USPS-T42-5a | GCA, PRC |
| OCA/USPS-T42-5b | GCA, PRC |
| OCA/USPS-T42-5d | GCA, PRC |
| OCA/USPS-T42-6 | GCA, PRC |
| PB/USPS-T42-1 | Pitney Bowes, PRC |
| PB/USPS-T42-2 | Pitney Bowes, PRC |
| PB/USPS-T42-3 | Pitney Bowes, PRC |
| PB/USPS-T42-4 | Pitney Bowes, PRC |
| PB/USPS-T42-5 | Pitney Bowes, PRC |
| PB/USPS-T42-6 | ABA-NAPM, Pitney Bowes, PRC |
| PB/USPS-T42-7 | Pitney Bowes, PRC |
| PB/USPS-T42-8 | Pitney Bowes, PRC |
| PB/USPS-T42-9 | ABA-NAPM, Pitney Bowes, PRC |
| PB/USPS-T42-11 | ABA-NAPM, MFSA, Pitney Bowes, PostCom, PRC |
| PB/USPS-T42-12 | ABA-NAPM, Pitney Bowes, PRC |
| PB/USPS-T42-13 | ABA-NAPM, Pitney Bowes, PRC |
| PB/USPS-T42-14 | Pitney Bowes, PRC |
| PB/USPS-T42-15 | Pitney Bowes, PRC |
| PB/USPS-T42-16 | Pitney Bowes, PRC |
| PB/USPS-T42-17 | Pitney Bowes, PRC |
| PB/USPS-T42-18 | Pitney Bowes, PRC |

| Interrogatory | Designating Parties |
|---|---|
| PB/USPS-T22-9 redirected to T42 | ABA-NAPM, Pitney Bowes, PRC |
| PB/USPS-T22-12 redirected to T42 | Pitney Bowes, PRC |
| PostCom/USPS-T42-1 | APWU, PRC |
| PostCom/USPS-T42-2 | APWU, MFSA, PostCom, PRC |
| PostCom/USPS-T42-3 | MFSA, PostCom, PRC |
| PostCom/USPS-T42-4 | APWU, OCA, PRC |
| PostCom/USPS-T42-5 | MFSA, PostCom, PRC |
| PostCom/USPS-T42-6 | MFSA, PostCom, PRC, Valpak |
| PostCom/USPS-T42-7 | MFSA, PostCom, PRC |
| PostCom/USPS-T42-8 | MFSA, PostCom, PRC |
| PostCom/USPS-T42-9 | APWU, MFSA, PostCom, PRC |
| PRC/USPS-POIR No.5 - Q1 redirected to T42 | Pitney Bowes, PRC |
| PRC/USPS-POIR No.8 - Q15a redirected to T42 | Pitney Bowes, PRC |
| PRC/USPS-POIR No.8 - Q15b redirected to T42 | Pitney Bowes, PRC |
| PRC/USPS-POIR No.8 - Q15c redirected to T42 | Pitney Bowes, PRC |
| PSA/USPS-T42-2 | MFSA, PostCom, PSA |
| TW/USPS-T42-1 | PRC, TW |
| TW/USPS-T42-2 | PRC, TW |
| TW/USPS-T42-3 | PRC, TW |
| TW/USPS-T42-4 | PRC, TW |
| TW/USPS-T42-5 | PRC, TW |
| TW/USPS-T42-6 | PRC, TW |
| TW/USPS-T42-7 | PRC, TW |
| TW/USPS-T42-8 | McGraw-Hill, PRC, TW |
| TW/USPS-T42-9 | McGraw-Hill, PRC, TW |
| TW/USPS-T42-10 | McGraw-Hill, PRC, TW |
| TW/USPS-T42-11 | McGraw-Hill, PRC, TW |
| TW/USPS-T42-12 | PRC, TW |
| TW/USPS-T42-13 | PRC, TW |
| TW/USPS-T42-14 | PRC, TW |
| TW/USPS-T42-15 | PRC, TW |
| TW/USPS-T42-16 | PRC, TW |
| TW/USPS-T42-17 | PRC, TW |
| TW/USPS-T42-18 | PRC, TW |

| Interrogatory | Designating Parties |
|---|---|
| TW/USPS-T42-19 | PRC, TW |
| TW/USPS-T42-20 | PRC, TW |
| TW/USPS-T42-21 | PRC, TW |
| TW/USPS-T42-22 | PRC, TW |
| TW/USPS-T42-23 | PRC, TW |
| TW/USPS-T42-24 | PRC, TW |
| TW/USPS-T42-25 | PRC, TW |
| TW/USPS-T42-26 | PRC, TW |
| TW/USPS-T42-27 | PRC, TW |
| TW/USPS-T42-28 | PRC, TW |
| TW/USPS-T42-29 | PRC, TW |
| TW/USPS-T42-30 | PRC, TW |
| TW/USPS-T42-31 | PRC, TW |
| TW/USPS-T42-32 | PRC, TW |
| TW/USPS-T42-33 | PRC, TW |
| TW/USPS-T42-34 | PRC, TW |
| TW/USPS-T42-35 | PRC, TW |
| TW/USPS-T42-36 | PRC, TW |
| TW/USPS-T42-37 | PRC, TW |
| TW/USPS-T42-38 | PRC, TW |
| TW/USPS-T42-39 | PRC, TW |
| TW/USPS-T42-40 | PRC, TW |
| TW/USPS-T20-9 redirected to T42 | PRC, Valpak |
| TW/USPS-T27-3 redirected to T42 | PRC |
| TW/USPS-T27-4 redirected to T42 | PRC |
| TW/USPS-T27-5 redirected to T42 | PRC |
| TW/USPS-T27-6 redirected to T42 | PRC |
| UPS/USPS-T42-1 | APWU, PRC, UPS |
| UPS/USPS-T42-2 | PRC |
| VP/USPS-T42-1 | APWU, PRC, UPS, Valpak |
| VP/USPS-T42-2 | APWU, MFSA, PostCom, PRC, UPS, Valpak |
| VP/USPS-T42-3 | APWU, PRC, UPS, Valpak |
| VP/USPS-T42-4 | APWU, PRC, UPS, Valpak |
| VP/USPS-T42-5 | PRC, UPS, Valpak |
| VP/USPS-T42-6 | PRC, UPS, Valpak |
| VP/USPS-T42-7 | GCA, PRC, UPS, Valpak |

| Interrogatory | Designating Parties |
|---|---|
| VP/USPS-T42-8 | APWU, NAA, PRC, Valpak |
| VP/USPS-T42-9 | APWU, NAA, PRC, Valpak |
| VP/USPS-T42-10 | APWU, GCA, NAA, PRC, Valpak |
| VP/USPS-T42-11 | APWU, GCA, NAA, PRC, Valpak |
| VP/USPS-T42-12 | APWU, NAA, PRC, Valpak |
| VP/USPS-T42-13 | APWU, NAA, PRC, Valpak |
| VP/USPS-T42-14 | PRC, Valpak |
| VP/USPS-T42-15 | PRC, Valpak |
| VP/USPS-T42-16 | PRC, Valpak |
| VP/USPS-T42-17 | PRC, Valpak |
| VP/USPS-T42-18 | PRC, Valpak |
| VP/USPS-T42-19 | PRC, Valpak |
| VP/USPS-T42-20 | APWU, PRC, UPS, Valpak |
| VP/USPS-T42-21 | APWU, PRC, UPS, Valpak |
| VP/USPS-T42-22 | PRC, Valpak |
| VP/USPS-T42-23 | PRC, Valpak |
| VP/USPS-T42-24 | PRC, Valpak |
| VP/USPS-T42-25 | PRC, Valpak |
| VP/USPS-T42-26 | PRC, Valpak |
| VP/USPS-T42-27 | PRC, Valpak |
| VP/USPS-T42-28 | NAA, PRC |
| VP/USPS-T44-20 redirected to T42 | Advo, NAA, PRC, Valpak |
| VP/USPS-T44-36 redirected to T42 | Valpak |

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
REDIRECTED FROM POSTAL SERVICE WITNESS ABDIRAHMAN

**ABA-NAPM/USPS-T-22-9.** How many AADCs, 3-digit and 5-digit areas are there?

**Response:**

161 AADCs (160 effective August 3), 929 three-digit ZIP Codes, and 42,311 five-digit

ZIP Codes including ZIP Codes fcr PO boxes, unique firms, and military ZIP Codes.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
REDIRECTED FROM POSTAL SERVICE WITNESS ABDIRAHMAN

**ABA-NAPM/USPS-T-22-10.**
(a) Please describe for outbound operations in mail processing how the number of different 5-digit ZIP Codes in a batch of mail being processed and the number of bins on automation machinery can affect the number of passes that must be made to finish a given operation.
(b) For each machine operation that assumes the processing of an Incoming Primary sortation, do you make any assumption about the number of 5-digit ZIP Codes for the 10,000 pieces fed? If so, what are they? If not, why not?
(c) For each machine operation that assumes the processing of an Incoming Primary sortation, do you make any assumption about the number of bins for each machine? If so, what are they? If not, why not?
(d) Is your mail flow model representative of all Incoming facilities and operations? Please fully explain your answer.
(d) Would a 1,000,000 mail piece entry model enable you to provide more accurate results for your cost models than a 10,000 piece entry model?
(f) How many sweepers do you assume for your 10,000 piece entry model; how many would you assume for a 100,000 or 1,000,000 piece entry model; and at what speed do you assume the sweepers are sweeping the mail from the sorting bins to letter trays?
(g) Would explicit assumptions about the number of 5-digit ZIP codes and bins in a 100,000 piece or 1,000,000 piece mail flow model affect how many sweepers you had to assume for such a model, if the sweepers were assumed to sweep mail at the same rate as indicated in your answer to the preceding part of this question?
(h) Please describe the relationship between the number of bins on an MLOCR or a BCS relative to the number of different 5-digit ZIP codes to be sorted, and how many times some or all of the mailpieces will have to be passed on that machine.

**Response:**

(a & h) Generally speaking, the greater the number of separations (e.g., 5-digit ZIP Codes) that must be finalized in an operation (e.g., incoming primary) and the fewer the number of output bins on the machine, the greater the increase in the volume requiring one or more additional passes in order to finalize the operation.

(b - g) Retained by Witness Abdirahman.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
REDIRECTED FROM POSTAL SERVICE WITNESS ABDIRAHMAN

**ABA-NAPM/USPS-T-22-14.** USPS witness McCrery states on page 11 of his testimony, lines 11-16, as follows: The availability of extra sort bins on the DBCS equipment provides the ability to process a significant portion of the letters to the 5-digit ZIP Code level on the incoming primary sort scheme even when the scheme has been established to sort the entire service area of the plant, a service area likely containing multiple 3-digit ZIP Codes. Therefore, a pure 3-digit letter tray versus a multiple 3-digit letter tray can have similar value in terms of the reduction in pieces handling. Yet, from LR-L-141, page 9, the weighted cents per piece for an AADC letter processed at an Incoming MMP is 1.326 cents, and at an Incoming SCF/Primary the weighted cents per piece for that letter is 0.26 cents. On page 11, the 3-digit presort letter avoids any processing at an incoming MMP and the incoming primary sort at an SCF costs a weighted average of 1.225 cents per piece

(a) Is the phenomenon witness McCrery is noting true for all plants and service areas or only those selected for upgrades in bin capacity?

(b) Please reconcile witness McCrery's statement above with the mail processing cost differences noted above between AADC and 3-digit presort for the incoming primary sort, namely a difference of 0.361 cents((.986+.340+.188+.072)-( 958+ 267)), as shown in LR-L-41, page 9.

(c) In your existing mail flow models, have you accounted at all for expanded bin capacities for DBCS? If so, please specify where and how. If not, why have you not accounted for any such changes?

(d) If witness McCrery's statement implies a change in your mail flow models as a result of adding extra bins to DBCS and changing, for example, the number of piece handlings caused by fewer passes for a given mailpiece, please indicate specifically how your model would have to change and how the relative costs above would change, if at all.

(e) Apart from network re-alignment plans, once the full deployment of DBCS with expanded bin capacity is completed, does the Postal Service envision dropping the 3-digit presort requirement in the DMM in favor of an AADC requirement?

(f) Apart from network re-alignment plans, once the full deployment of DBCS with expanded bin capacity is completed, does the Postal Service envision eliminating the 3-digit presort rate?

(g) If your answer to part (e) was in the affirmative, has the Postal Service contemplated the financial impact on the private sector mail processing industry from such a change?

(h) If your answer to part (e) was in the affirmative, please explain fully whether such a change would, or would not, involve avoiding fewer costs for the Postal Service in mail processing than at are avoided at present. -

**Response:**

(a) The statement is true for most plants and service areas. The extent to which the two tray levels have similar value is dependent on the number of bins;

consequently, sites selected for upgrades in the number of bins will experience this phenomenon to a greater extent. The more bins that are available, the fewer the number of passes required for finalization of mail even when a tray contains pieces for multiple 3-digit ZIP Code areas (e.g., an AADC tray). However, a single 3-digit tray has significantly greater value, for example, when destinating to a typically smaller SCF located downstream from and within the service area of an AADC facility. The 3-digit ZIP Code tray can then be dispatched directly to the SCF facility at which a greater number of separations will certainly be performed on an incoming primary sortplan in comparison to the processing of these pieces on an AADC sort plan when placed in a multi-3-digit ZIP Code tray.

(b – h) Redirected to the Postal Service.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-1.** For the following types of mailer-prepared saturation/high-density flat mail containers dropped at a destination processing plant, please identify the steps the clerk/mailhandlers at that plant will perform on the mail:
(a) 5-Digit Pallets with CR bundles
(b) 5-Digit Pallets with CR sacks
(c) CR sacks
(d) 5-Digit Rolling containers with CR bundles
(e) 5-Digit Rolling containers with CR sacks

**Response:**

(a & b) The pallet will be staged then cross-docked onto transportation to the appropriate delivery unit.

(c) The sacks will be sorted across a belt, on a sawtooth, or in a bullpen to the appropriate delivery unit containers; and these containers will then be loaded onto the appropriate delivery unit transportation.

(d & e) The rolling container will be staged then cross-docked onto transportation to the appropriate delivery unit.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-2.** Please explain the extent to which and the conditions under which high-density flats and, separately, saturation flats are processed on:

(a) The Delivery Bar Code Sorter
(b) The Multiline Optical Character Reader (MLOCR)
(c) The Remote Bar Coding System
(d) Carrier Sequence Bar Code Sorter (CSBCS)
(e) The Automated Flats Sorting Machine 100
(f) The Upgraded Multi-Position Flats Sorting Machine 1000

**Response:**

(a) High density and saturation flats that have a length and width within the range of letter dimensions but exceed the maximum thickness of letters, which results in the pieces being categorized as flats, may be processed on DBCS equipment with expanded capabilities (see USPS-T-42, pages 6 and 7), if available, in order to merge the pieces into the DPS letter mail stream. In my opinion, this occurs to a minimal extent.

(b) I am not aware of any circumstances where this equipment would be used for either high density or saturation flats.

(c) If a bundle of high density or saturation flats breaks open prematurely, the pieces may subsequently be processed on an AFSM 100, which could utilize RBCS technology if any piece is unable to be resolved through barcode reader or OCR technology. The processing of pieces from broken bundles in this manner occurs routinely. Furthermore, any pieces processed on a DBCS with expanded capabilities as described in subpart (a) may also utilize RBCS technology if any

piece is unable to be resolved through barcode reader or OCR technology. In my opinion, this occurs to a minimal extent.

(d) I am not aware of any circumstances where this equipment would be used for either high density or saturation flats.

(e & f) If a bundle of high density or saturation flats breaks open prematurely, the pieces may subsequently be processed on an AFSM 100 or UFSM 1000. The processing of pieces from broken bundles in this manner occurs routinely.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-3.** If saturation flat bundles, trays, sacks, pallets or other containers are opened at destination processing plants, please explain:
(a) Under what conditions would a saturation flat bundle, tray, sack, pallet or other container be opened?
(b) What kind of bundle, tray, or sack processing typically occurs on the saturation flats there?
(c) If opened at the plant, how are the saturation flats then prepared and containerized for transfer to the next facility/DDU?
(d) What DDU processing saved if plant processing is performed?

**Response:**

(a) I can think of no circumstances where saturation flats would be intentionally opened and the pieces processed at a destination processing plant.

(b & c) With the exception of the processing of flats from broken bundles, the only processing at plants on saturation flats would be the distribution of bundles, trays, and sacks if prepared on multi-zone containers (e.g., 3-digit or SCF pallets). Bundles would likely be sorted into wiretainers or pallet boxes for distribution to the appropriate delivery unit, while sacks would likely be sorted into rolling containers or pallet boxes and trays likely sorted into rolling containers.

(d) N/A. See response to subpart (a).

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-4.** If high-density flat bundles, trays, sacks, pallets or other containers are opened at destination processing plants, please explain:
(a) Under what conditions would a high-density flat bundle, tray, sack, pallet or other container be opened?
(b) What kind of bundle, tray, or sack processing typically occurs on the saturation flats there?
(c) If opened at the plant, how are the saturation flats then prepared and containerized for transfer to the next facility/DDU?
(d) What DDU processing saved if plant processing is performed?

**Response:**

(a) I can think of no circumstances where high-density flats would be intentionally opened and the pieces processed at a destination processing plant.

(b & c) With the exception of the processing of flats from broken bundles, the only processing at plants on high-density flats would be the distribution of bundles, trays, and sacks if prepared on multi-zone containers (e.g., 3-digit or SCF pallets). Bundles would likely be sorted into wiretainers or pallet boxes for distribution to the appropriate delivery unit, while sacks would likely be sorted into rolling containers or pallet boxes and trays likely sorted into rolling containers.

(d) N/A. See response to subpart (a).

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-5.** Please provide responses to the following and explain if this differs by type of mail:
(a) What are the typical types of containers used by the USPS to transport plant-processed mail from one plant/BMC to another?
(b) Does the USPS ever put postal-processed mail into sacks for transport between facilities? If so, please explain the circumstances when this occurs.
(c) Does the USPS ever put postal-processed mail onto pallets for transport between facilities? If so, please explain the circumstances when this occurs.
(d) Does the USPS ever bundle postal-processed mail prior to transporting it between facilities? If so, please explain the circumstances when this occurs.

**Response:**

(a) Letter trays (all applicable classes), flat trays (all applicable classes), sacks, pallet boxes, and rolling containers (e.g., general purpose mail containers, wiretainers, and BMC containers).

(b) Yes, parcels from all applicable classes may be sacked for transport to another facility, and letters and flats from all applicable classes sorted to destinations with only a few pieces, typically out of a manual operation, may be bundled then sacked.

(c) Yes, pallets with pallet boxes, typically used for bundles and sacks in Periodicals, Standard Mail, and Bound Printed Matter.

(d) Yes, postal processed letter and flat mail may be bundled prior to transportation between facilities to maintain the orientation of the pieces in less than full trays or in sacks for all applicable classes.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-6.** Please identify the typical types of containers that are used to transport the following from the processing plant to the delivery units. If some are in trays/tubs/other smaller containers that are then placed in larger containers, please explain. Please also explain whether any of the mail groupings listed below are containerized together.
(a) Postal processed DPS mail
(b) Postal processed Non-DPS, non-CR-bundled letter mail
(c) CR-bundled letter mail
(d) Postal automation-processed flat mail
(e) Postal non-automation-processed, non-CR-bundled flat mail
(f) CR-bundled flat mail
(g) Mailer-prepared sacked CR bundles.

**Response:**

(a, b, & c) Transported in letter trays. Letter trays would be placed in another rolling container for transport to the delivery unit, and the letter trays from these three groupings could be containerized together.

(d & e) Transported in flat trays. Flat trays would be placed in another rolling container for transport to the delivery unit, and the flat trays from these two groupings could be containerized together.

(f & g) Transported in hampers, general purpose mail containers, BMC containers, pallet boxes, and wiretainers. Some carrier route bundled flat mail may be placed in sacks, dependant on volume. Those sacks would be placed in another rolling container for transport to the delivery unit.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-7**. On page 21, you state: "In FY2005, 69 percent of flat mail incoming secondary (non carrier-route presort) volume was processed in the plants . . . "
(a) Does this mean that the remainder was sorted to carrier route manually at the delivery units? Please explain.
(b) Does this mean that the remainder were sent to the delivery unit in either mailer-prepared 5-digit bundles/sacks/trays or as separate pieces (in postal containers)? Please explain.
(c) For the 69 percent that were sorted to carrier routes in the plant, how was that sort maintained while being transferred to the delivery unit (e.g., in bundles or flat trays/tubs)?

**Response:**

(a) Yes, the remainder was sorted to carrier route manually at the delivery units.

(b) Yes, the remainder is sent to the delivery units in either mailer-prepared 5-digit bundles/sacks/trays or as separate pieces in postal containers.

(c) The 69 percent that were sorted to carrier routes in the plant are dispatched almost entirely in flat trays/tubs.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

Revised August 16, 2006

**ADVO/USPS-T42-10.** Please identify the range of mail characteristics (weight, dimensions, stiffness) that each of the following can accommodate:
(a) DBCS
(b) CSBCS with the Wide Field of View cameras
(c) DIOSS-EC
(c) MLOCR
(d) RBCS
(e) AFSM 100
(f) UFSM 1000

**Response:**

| | | |
|---|---|---|
| (a) DBCS: | Weight | 3.3 ounces maximum (3.5 with restrictions) |
| | Thickness | .007 - 0.25 inches |
| | Length | 5.0 – 11.5 inches |
| | Height | 3.5 – 6.125 inches |
| | Stiffness | Bends when subjected to a transport belt tension of 20 pounds around an 11-inch diameter turn. |

(b) CSBCS: same as DBCS

| | | |
|---|---|---|
| (c) DIOSS-EC: | Weight | 6 ounces maximum |
| | Thickness | .007 – 0.5 inches |
| | Length | 5.0 – 11.5 inches |
| | Height | 3.5 - 6.125 inches |
| | Stiffness | Bends when subjected to a transport belt tension of 20 pounds around a 14-inch diameter turn. |

(d) MLOCR: same as DBCS

(e) RBCS: N/A. RBCS is not a system that physically processes mail.

| | | |
|---|---|---|
| (f) AFSM100: | Weight | 20.0 ounces maximum |
| | Thickness | .009 - 0.75 inches |
| | Length | 6 – 15 inches |
| | Height | 5 – 12 inches |
| | Stiffness | Must meet USPS Turning Ability Requirement to ensure stiffer, large pieces can be processed. |
| | Flimsiness | Must meet USPS Minimum Rigidity Requirement to assure enough stiffness such that pieces do not wrap around rollers or catch in belts. |
| (g) UFSM1000: | Weight | 96.0 ounces (6 pounds) maximum |
| | Thickness | .009 – 1.25 inches |
| | Length | 5 – 15.75 inches (down to 4 inches for pieces .25" or greater in thickness) |
| | Height | 4 – 12 inches |
| | Stiffness | No requirement |

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-11.** For each of the following, please quantify the number of machines in service in 2007 and 2008 (as of the end of the year).
(a) DBCS
(b) CSBCS with the Wide Field of View cameras
(c) DIOSS-EC
(c) MLOCR
(d) RBCS
(e) AFSM 100
(f) UFSM 1000

**Response:**

The attached file provides the number of machines estimated to be in service by March 2007 and March 2008. Machine quantities by 2007 and 2008 year end are not readily available.

## EQUIPMENT DEPLOYMENTS - CURRENT and PROJECTED

| EQUIPMENT / PROGRAMS | Estimated Inventory as of March 31, 2007 (middle of test year) | Estimated Inventory as of March 31, 2008 (middle of test year) |
|---|---|---|
| AFSM 100 | 537 | 537 |
| CSBCS | 3,750 | 3,750 |
| DBCS TOTAL | 5,346 | 5,547 |
| DBCS-I thru V plain & with kits and 94 DBCS-ECS | 5,181 | 5,181 |
| # of DBCS-I thru V and EC converted under PARS I & II and OCR Enhancements | (445) | (506) |
| DBCS VI | 5 | 235 |
| DIOSS-D machines (OCR Enhancements) | 374 | 395 |
| DIOSS-E and -C kits (OCR Enhancements) | 211 | 222 |
| DBCS V mach (PARS II) | 20 | 20 |
| UFSM 1000 | 355 | 355 |
| MLOCR | 294 | 229 |

B. Duong - 1/20/2006

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-12.** For each of the following, please quantify the proportion of zones and routes in the system that each will cover in 2007 and 2008 (as of the end of the year).
(a) DBCS
(b) CSBCS with the Wide Field of View cameras
(c) DIOSS-EC
(c) MLOCR
(d) RBCS
(e) AFSM 100
(f) UFSM 1000

**Response:**

Decisions on how zones are assigned or reassigned to different types of equipment are made locally and there is no national source to provide such data.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-13.** Will there be combinations of DBCSs, DBCS-ECs, CSBCS, and DIOSS-ECs in some plants?
(a) Will each of these types of machines be used for DPSing? If not, please explain.
(b) If so, please explain how they will be used in combination. If not, please\ explain how they will be deployed (by geography and/or type or size of facility).
(c) If so, please quantify the proportion of zones and routes in the system that will be covered in total by these types of machines in 2007 and 2008 (as of the end of the year).

**Response:**

Some plants will have combinations of DBCSs, DBCS-ECs, CSBCSs, and DIOSS-ECs. CSBCSs are primarily located in delivery units.

(a) Yes, they may.

(b) The decision to use combinations of DBCSs, DBCS-ECs and CSBCSs is made locally. In general, CSBCSs are used for automated zones with a fewer number of routes, the mail for which is first sorted to carrier-route on the DBCS machines. The main drivers for the assignment of zones to DBCS equipment are the number of stackers on the machines, if they differ, the number of deliveries in the zone, and how they can be packed with other zones. Whether a machine has expanded capabilities is not a significant factor. DIOSS capabilities are not a factor in DPS processing.

(c) Decisions on how zones are assigned or reassigned to different types of equipment are made locally and there is no national source to provide such data.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-15.** For ECR/NECR High-Density, or Saturation barcoded, machinable letter mail:
(a) How is that mail subsequently processed if it is rejected by the DBCS?
(b) If there are statistics on DPS rejection rates for that type of mail for FY05, please provide them.

**Response:**

(a) The letters may be sent to another barcode sorter in attempt to process the rejected pieces to the carrier-route level; otherwise, they would be dispatched in a 5-digit tray to the delivery unit.

(b) I am not aware of statistics for DPS rejection rates specific for these types of mail.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF ADVO INC.

**ADVO/USPS-T42-17.** On page 33, you discuss the Breakthrough Productivity Initiative (BPI).
(a) Please explain how annual BPI hour/cost savings are calculated.
(b) Are BPI hour/cost savings calculated for processing operations at the delivery unit too? Please explain.
(c) Are BPI hour/cost savings calculated for carrier operations at the delivery unit too? Please explain.

**Response:**

a. The premise of BPI is the reduction of opportunity hours. I am told that opportunity hours are determined using a number of parameters -- actual work load, actual work hours, actual productivities, target productivities, and earned work hours – as described below. Actual productivity is the result of actual work load divided by actual work hours. Target productivities are parameters established by specific work categories based on expected results.

Actual productivity is compared to target productivity through the use of earned hours. Earned hours are the result of actual work load divided by the target productivity. Opportunity hours are the difference between actual work hours and earned work hours.

The following demonstrates the calculations:

| Actual Work Load | Actual Work Hours | Actual Productivity | Target Productivity | Earned Hours | Opportunity Hours |
|---|---|---|---|---|---|
| (A) | (B) | (C=A/B) | (D) | (E=A/D) | (F=B-E) |
| 150,000 | 250 | 600 | 750 | 200 | 50 |

b. Opportunity hours are calculated for processing distribution operations at Post Offices.

c. Opportunity hours are calculated for carrier operations at Post Offices.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF ADVO INC.
REDIRECTED FROM WITNESS COOMBS

**ADVO/USPS-T44-4.** On page 6, you describe the FSS pilot program and plans for a multi-year deployment.
(a) Has a budget been approved for any pre-production FSS machines (to be deployed in 2007)? Please explain.
(b) Has a budget been approved for any full-production FSS machines? Please explain.
(c) How many years does the multi-year deployment represent? Please explain.

**Response:**

a) Funding has been approved for the deployment of a pre-production machine in 2007.

b) No, a funding request for ihe program has yet to be submitted for approval.

c) The timeframe cannot be determined at this time.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF ADVO INC.
REDIRECTED FROM WITNESS COOMBS

**ADVO/USPS-T44-5.** With respect to the FSS space requirements:
(a) Please identify the space requirements for one FSS machine.
(b) Generally, for high-value (plant) candidates receiving the first machines, please quantify the number of FSS machines they would require.
(c) Do processing plants currently have sufficient space for FSS capacity to cover their delivery areas? If not, please explain the USPS plan to acquire sufficient FSS space.
(d) Will FSS ever be deployed at delivery units? Please explain.

**Response:**

(a) The current planning space is 15,000 square feet per machine, though this may change if and when production machines are deployed.

(b) The number of machines deployed to a site is based on cased volumes. It is estimated that each machine could process approximately 280,000 pieces per day Though plans have yet to be finalized, it appears that high-value plants could receive anywhere from 2 to 6 machines.

(c) The space is under review. We are currently evaluating space availability.

(d) It is unlikely.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF AMAZON.COM INC.

**AMZ/USPS-T42-1.**
Please refer to your testimony at page 22, line 22 through page 24, line 8, where you discuss parcel processing, and describe the equipment currently used to process BPM and Media Mail entered at destinating BMCs.
a. In what ways does a Parcel Sorter Machine ("PSM") differ from a Small Parcel and Bundle Sorter ("SPBS")? Please explain all critical differences, including throughput rate, number of separations, productivity, footprint, etc., including which of the two machines represents newer technology.
b. To what extent are pre-barcoded BPM and Media Mail parcels sorted on Parcel Sorter Machines at destinating BMCs?
c. To what extent are pre-barcoded BPM and Media Mail parcels sorted on Small Parcel and Bundle Sorters at destinating BMCs?
d. To what extent are pre-barcoded BPM and Media Mail parcels processed through the Singulate, Scan, Induction Unit ("SSIU") at destinating BMCs?
e. Are machinable, pre-barcoded BPM and Media Mail parcels ever sorted manually at destinating BMCs? If so, to what extent and under what circumstances?
f. Are machinable, pre-barcoded BPM and Media Mail parcels ever sent from destinating BMCs to plants for further separation? If so, to what extent and under what circumstances?

**Response:**

a. Parcel Sorter Machines (PSMs) are located only in the BMC network. These machines use either scanning technology for barcoded packages or require keying to sort mail. Parcel Sorter Machines have barcode printing ability and are able to track and record package DELCON information. A varying number of trays / cartridges are pulled on a carousel chain that can be set at a cycle of up to 160 trays per minute. Parcels are fed onto the trays / cartridges using high speed induction units that induct and align parcels on the trays or cartridges. The number of parcel sorting machines, separations and footprint vary within the network of 21 BMCs including small (14), medium (5) and large (2) configurations. Separations on primary parcel sorters range from 19 to 54 container loaders and discharge chutes or roller tables for up to 95 separations.

Separations to the BMC network and heavy volume destinating SCFs are made on the Primary Parcel Sorters. Secondary Parcel Sorters are used to distribute parcels to 5-digit separations for the BMC's service area. Separations on secondary parcel sorters range from 40 to 252 container loaders and 83-414 chutes / slides used for manual sacking or containerization. This incorporates a wide variation in parcel sorters machines footprints. National throughput for BMC Parcel Sorter Machines for FY 2005 was 3,587. National productivity for BMC Parcel Sorter Machines for FY 2005 was 370. The Parcel Sorting machines can accommodate larger packages (up to 35 lbs) due to the fact that they have larger trays / cartridges.

Refer to page 26, lines 10 - 22 of my testimony for information on number of separations, induction stations, and throughput of SPBS machines. In FY 2005 the productivity of SPBS machines in BMCs was 268. Most SPBS machines have a linear footprint with the output bins on both sides. However, some SPBS machines have a right-angled configuration to accommodate facility constraints. SPBS machines represent newer technology.

b. The BMC Parcel Sorting Machines (PSMs) and Singulate, Scan, Induction Units (SSIUs) are the primary pieces of equipment used to process machinable BPM and Media Mail parcels at destination BMCs (see USPS-T-42, pages 23 and 24, for more information).

c. The SPBSs are not used to process machinable BPM and Media Mail parcels at destination BMCs.

d. See response to subpart (b).

e. Yes, pre-barcoded BPM and Medial Mail parcels may be sorted manually at BMCs for the following reasons:

1) *Damaged mail* – Mail that is damaged while transporting, handling, and/or processing is repaired and may be sorted manually. This occurs infrequently and the exact extent cannot be predicted.

2) Equipment downtime – Mail may be sorted manually if the processing equipment is inoperable. This occurs infrequently and the exact extent cannot be predicted.

3) Volume exceeds capacity – If the volume of mail is above the available capacity of the equipment, then manual units may be set up to supplement the equipment processing. This occurs infrequently.

4) Massed zones – Low volume zones are occasionally grouped and sorted to a single run-out where a pouch rack is used to make the final 5-digit sort. This occurs commonly at all BMCs.

f. Certain zones are massed together and sent to the plant for further separation for the final sort. This occurs commonly at all BMCs, typically for lower volume 5-

digit destinations. Refer to Labeling list 607

(http://pe.usps.com/text/dmm300/L607.htm) for a list of zones.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF AMAZON.COM INC.

**AMZ/USPS-T42-2.**
Please refer to your testimony at page 26, line 23 to page 27, line 23, where you describe the Automated Package Processing System ("APPS").
a. Will the APPS be deployed to BMCs and replace the older, more labor-intensive SPBS machines at the 19 BMCs that have one or more SPBS machines?
b. How many APPS machines will be deployed at the 21 existing BMCs, as well as at Auxiliary Service Facilities ("ASFs")?
c. Will the APPS machines be used to sort pre-barcoded BPM and Media Mail?
d. You state (at page 27, line 18) that APPS will be deployed to larger offices. After this deployment is complete, will those larger offices with APPS then sort pre-barcoded BPM and Media Mail to 5 digits, or to carrier route? Please explain how APPS will affect the handling of pre-barcoded BPM, Media Mail, and similar parcels, especially smaller parcels under the existing network configuration with 21 BMCs.
e. How does productivity of an APPS with 100 sort bins compare with productivity of an SPBS with 100 sort bins?
f. Please compare the productivity of an APPS with 200 sort bins to an SPBS with 100 sort bins.
g. Will 76 APPS machines be purchased as part of Phase I, or do the 76 machines mentioned on page 27, line 17, of your testimony include the 20 machines expected to be purchased in Phase II? That is, when Phase II is complete, will the Postal Service have 76, or 96, APPS machines?
h. What are the dimensions and weight of the smallest parcel that can be processed on an APPS machine?

**Response:**

a. Yes.

b. According to the current plans, 14 APPS machines have been deployed to BMCs and ASFs in phase I, though it is anticipated that most BMCs and ASFs could ultimately receive APPS equipment.

c. No. It is anticipated that even under a realigned network, the SSIUs will be used for the processing of machinable BPM and Media Mail at BMCs or former BMC facilities.

d. See response to subpart (c) above and AMZ/USPS-T42-1, subpart (b). Current and future plans dictate that parcels will continue to only be sorted in plant operations to the 5-digit level.

e and f. Productivity data for APPS equipment with 100 or 200 bins and SPBS equipment with 100 bins is not readily available for comparison. Refer to the response to interrogatory TW/USPS-T42-13a for productivity numbers on the APPS. Generally speaking, for the same number of output bins, an APPS is more productive than an SPBS due to the higher throughput and automated processing of mail as opposed to mechanized processing on an SPBS. As stated on page 26, line 15 of my testimony, "The average throughput of the SPBS is between 678 and 945 pieces per hour per induction station". The throughput of a dual-induction APPS is 9,500 pieces per hour while that of a single-induction APPS is 5,500 piece per hour. An APPS with 200 bins is more productive for aforementioned reasons and provides more depth of sort than an SPBS with 100 bins. However, they also require more time for sort scheme change-over than an SPBS or APPS with 100 bins due to twice the number of containers to be changed-over.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF AMAZON.COM INC.

g. There will be 76 machines will be deployed as part of phase I. Current plans for phase II are to deploy 8 additional APPS machines.

h. The dimensions and weight are 3.0" x 3.5" x 0.05" (W x L x H) and 1.6 ounces.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF AMAZON.COM INC.

**AMZ/USPS-T42-3.**
a. Has the Postal Service deployed any equipment that will sort barcoded BPM, Media Mail, and similar parcels to carrier route?
b. Does the Postal Service currently have on order any equipment that will sort barcoded BPM, Media Mail, and similar parcels to carrier route?
c. Within the foreseeable future, does the Postal Service plan to procure and deploy any equipment that will sort barcoded BPM, Media Mail, and similar parcels to carrier route?

**Response:**

a. APPS has the capability to sort BPM, Media Mail and similar parcels to carrier route, however, there are no current plans to use APPS for sorting parcels in this manner.

b. No.

c. No.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF AMAZON.COM INC.

**AMZ/USPS-T42-4.**
Please refer to your testimony at page 34, lines 5-21, where you discuss future network considerations.
a. As the Postal Service implements a network of Regional Distribution Centers ("RDCs"), will those RDCs take the place of BMCs with respect to distribution of pre-barcoded BPM and Media Mail that are entered at, or upstream of, the destinating RDC? If not, please describe where distribution of such parcels most likely will take place after the Postal Service has moved to shape-based distribution facilities.
b. What role will a local distribution center have with respect to handling of smaller parcels, such as pre-barcoded BPM and Media Mail?
c. Please assume that (i) the Postal Service's volume of parcels does not change over the next several years, and (ii) the Postal Service replaces its existing network of 21 BMCs with a network of, say, 75 RDCs. The volume of parcels that is sorted at 21 BMCs then will be sorted at 75 RDCs; *i.e.*, since such a future network will have over three times as many RDCs as the current network of 21 BMCs, the average volume of parcels per RDC necessarily will be somewhat less than the average volume of parcels per BMC. Please explain how reducing and spreading out the volume of parcels in this manner will help the Postal Service realize efficiencies, as you mention at page 34, lines 13-15, of your testimony.
d. Will the contemplated evolution to a more shape-based network result in small parcels being handled more efficiently (*i.e.*, at lower cost)? If you believe this to be the case, please explain the main factors that will enable a shape-based network to handle small parcels more efficiently.

**Response:**

a. Yes.

b. The current vision is that all machinable parcels will be processed at the RDCs. The only parcel processing at local/destination processing facilities would be non-machinable pieces.

c. Efficiencies are gained because not only will the RDCs process the BMC parcels, but Priority and First Class parcels, as well as all bundles. The efficiencies are observed when one looks across all of the locations currently

processing these products today and then consolidates the operations into RDCs.

d. Yes, by centralizing the processing of small parcels more will be processed on APPS rather than on less productive SPBS or manual operations.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF AMAZON.COM, INC.

**AMZ/USPS-T42-5.**
Please refer to your responses to AMZ/USPS-T42-1(b) and AMZ/USPS-T42-2(c), where you state that the Singulate, Scan, Induction Unit ("SSIU") is and will be one of the primary pieces of equipment used to process machinable BPM and Media Mail at BMCs.
a. How many separations are the SSIUs capable of achieving?
b. What is the throughput of the SSIU?
c. What is the productivity of the SSIU?

**Response:**

a. The SSIU is an "add-on" piece of sorting equipment to the BMC Secondary Parcel Sorter Machines. Each BMC has two Secondary Parcel Sorters with SSIUs, except for the Chicago & New Jersey BMCs, which do not have SSIUs. The separations on Secondary Parcel Sorters range from 724 – 4127 5-digit separations.

b. The current national average for throughput is 3,520 pieces per hour.

c. The National average for productivity is 347.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF AMAZON.COM, INC.

**AMZ/USPS-T42-6.**

Your responses to AMZ/USPS-T42-2(b) and 2(c) appear to state that Automated Package Processing System ("APPS") machines will not be used to process machineable BPM and Media Mail at BMCs. Please explain why the 14 APPS machines currently deployed to BMCs are not, and will not be, used to process machinable BPM and Media Mail.

**Response:**

It has been determined that in BMC facilities used for the regional distribution of parcels under the current or realigned network, secondary parcel sorting machines – which have recently been modified with SSIUs (see USPS-T-42, pages 23 and 24), continue to have a useful life, and distribute to a large number of separations – will continue to be used for the distribution of machinable parcels, including BPM and Media Mail. The APPS will be sized and deployed in BMC facilities primarily for the processing of bundles.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF AMAZON.COM, INC.

**AMZ/USPS-T42-8.**
Your response to AMZ/USPS-T42-1(f) states that parcels for certain lower-volume 5- digit destinations are massed together and sent from the BMC to the plant for further separation.
a. After such parcels arrive at the plant, is the further separation to 5-digit destinations achieved on mechanized sorting equipment, or manually?
b. Please describe the handling process for parcels at plants.

**Response:**

a. Manually.

b. Containers of parcels are sorted to individual 5-digit zones in manual breakup units (sack rack, bullpen, etc).

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF AMAZON.COM, INC.

**AMZ/USPS-T42-9.**

Please refer to your responses to AMZ/USPS-T42-2(c) and AMZ/USPS-T42-4(d) which appear to state, respectively, that:
• "even under a realigned network," APPS will **not** be used to sort machinable BPM or Media Mail; [Response to AMZ/USPS-T42-2(b) and (c).]
• "by centralizing the processing of small parcels [under network realignment] more will be processed on APPS rather than on less productive SPBS or manual operations." [Response to AMZ/USPS-T42-4(d).]
a. Please explain why the more productive APPS machine will not be used to sort BPM and Media Mail parcels after the first 76 APPS machines are deployed.
b. If the more productive APPS machines will not be used to process BPM and Media Mail parcels, what efficiencies does network realignment offer to parcels in BPM and Media Mail?
c. Does network realignment envision any automated or mechanized sortation of small parcels to carrier route (*e.g.*, in those 5-digit destinations that receive a higher volume of parcels)?

**Response:**

a – b. See response to AMZ/USPS-T42-6. The current realignment plans dictate that in any facilities established for the consolidated regional distribution of parcels that are not former BMC facilities, APPS equipment will be utilized for the distribution of machinable parcels, including BPM and Media Mail parcels.

c. No.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-1** On page 11 of your testimony you state that non-barcoded presorted letters must first be barcoded on an MLOCR/DIOSS before they are processed.

a) Are there operational reasons anymore for maintaining a nonautomation presort discount of any sort?
b) Are there operational reasons anymore for maintaining a nonautomation presort discount for nonmachinable mail?

**Response:**

a. Yes.

b. Yes.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-2** Is accountable letter mail processed through the automated mail stream? If so, where does it enter the mail stream? Where does it exit from the mail stream; will it, for example, be delivery point sequenced?

**Response:**

Accountable letter mail is processed through both the automated as well as the manual mail streams. Accountable mail enters through the mail prep (e.g., AFCS within the collection mail) and bulk mail (e.g., Business Mail Entry Unit) operations and exits out of the incoming secondary operation (i.e., carrier route or DPS), unless held out on primary sort schemes. It should be noted that accountable mail is held out on the first pass of DPS to ensure that they are properly accounted for downstream. Rejects and non-machinable pieces are processed in manual units.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-3** Are postal-applied barcodes always 11-digit? If not, under what circumstances is a 9-digit barcode applied?

**Response:**

No, postal-applied barcodes can be 5-digit, 9-digit, or 11-digit. Below are some instances where a 5/9-digit barcode is applied:

a) If a unique firm record requires only a 5-digit barcode (e.g., IRS, KC, MO 64999), then only a 5-digit barcode will be applied. However, if the mailer provides a ZIP+4 Code within the address and even though only a 5-digit is required for the purposes of distribution, a 9-digit barcode could be applied.

b) For non-automated zones, only a 5-digit barcode may be applied.

c) Sites will apply only a 5-digit barcode if the pieces cannot be resolved to the 9/11-digit level.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-4** Can mail be delivery point sequenced using a postal-applied ID code rather than a barcode?

**Response:**

Yes.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-5** What are the five most important reasons, in order of volume, for mail to fail to be delivery point sequenced?

**Response:**

See response to APWU/USPS-T30-4 on factors that determine whether a letter-shape piece of mail is delivery point sequenced. Consequently, if any one of these factors does not hold true, the piece will fail to be delivery point sequenced. I do not have sufficient data that can be used to rank these in order of specific volumes.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-6** How many zones are not delivery pointed sequenced? Is there a conversion timetable to covert those routes to DPS processing?

**Response:**

In my testimony (USPS-T-42, page 12, line 24), I state that approximately 23,000 of the 42,300 ZIP Codes are DPSed, leaving approximately 19,300 ZIP Codes that are not DPSed. However, there are ZIP Codes for which DPS distribution is either not necessary or non-DPS distribution can result in equivalent or similar value. For example, some unique ZIP Codes are held out at the finest depth at the five-digit ZIP Code level. Other unique ZIP Codes, which are shared firm codes, can receive a sector segment sort (where multiple ZIP+4 codes for a single firm are jackpotted into a single stacker). Furthermore, many PO Boxes have a unique ZIP+4 code assigned to each PO Box number, so the distribution of these PO Box zones would be identified as a sector segment sort plan. Though we continue to explore additional opportunities, for example in growth areas, there is no timetable to convert the remaining zones to DPS processing. There will be ZIP Codes which could never receive a DPS sort due to distance and minimal volume.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-7** On pages 12 and 13 of your testimony you discuss DPS percentages.

a) Does footnote 10 on page 12 mean that 79 percent of letter mail is delivery point sequenced? If not, please provide a more complete explanation of the 90 percent and 79 percent numbers mentioned in line 23 of page 12 and in footnote 10.
b) When you refer to the total secondary distribution performed on automation on page 13 of your testimony, is that referring only to letter mail, letter and cards? Is there anything else included in that?
c) On page 13 you state that 90 percent of the total is sorted to DPS, 4 percent to sector/segment, and 6 percent to carrier route. Which of this mail will require further sorting once it reaches its delivery unit.
d) What source of data does the Postal Service use to obtain DPS statistics, both the percentage of mail that is delivery point sequenced and the distribution of mail by the categories listed in question (c)?

**Response:**

a. No, 79 percent of incoming secondary letter mail was sorted to delivery point sequence in FY 2005 The incoming secondary volume does not represent the total letter mail volume. The 90 percent figure represents the portion of barcoded incoming secondary letter mail that was delivery point sequenced. The 79 percent figure represents the portion of all (barcoded and non-barcoded) incoming secondary letter mail volume that was delivery point sequenced.

b. Yes and no, respectively.

c. None of these three requires further incoming secondary distribution at the delivery unit, however, both sector/segment and carrier route volume will require further distribution by box section clerks or carriers.

d. Finalization on Automation Secondary Tracking (FAST), Management Operating Data System (MODS), and FLASH reports.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-8** On page 5 of your testimony you discuss the replacement of MLOCRs with more efficient DBCS DIOSS-EC machines.

a) Is it correct to understand that 646 of the MLOCRs will be replaced by DBCS DIOSS-EC machines by May 2007?

b) Would you anticipate a lower reject rate from the automation mail stream for mail that is processed on a DBCS DIOSS-EC than on an MLOCR?

**Response:**

a) Yes.

b) It is anticipated that there will be a comparable reject rate for mail processed on the DIOSS-EC versus the MLOCR.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-9** On page 9 of your testimony you discuss the PARS system.

a) When you state that 50 percent of move-related mail is intercepted at the origin processing facility, what time frame is that percentage for?
b) What do you anticipate that percentage will be by the time Phase II of PARS is completed in September 2007?
c) Approximately how many downstream handlings are eliminated by the interception of such mail at origin?
d) If successfully processed by the AFR/REC identification process, does the mail remain in the automated mail stream for forwarding or return to sender activities?
e) Once processed by the CIOSS system does the mail remain in the automated mail stream?

**Response:**

a) This is the daily intercept percentage that plants should expect based on testing and recent data.

b) Approximately 60%.

c) Minimum of 3.

d) Yes.

e) Everything but rejects, which are about 5% of the mail processed, remains in the automated mail stream.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-10** Which pieces of Postal equipment are equipped to scan for CONFIRM (PLANET) codes? Are these picked up during the scanning process for regular barcodes or must this feature be "turned on". If this feature is not "on" all the time what determines whether it is on or off.

**Response:**

All letter mail equipment (DBCS, DIOSS, CIOSS, CSBCS, MLOCR, and MPBCS), flat mail equipment (AFSM, UFSM) and package mail equipment (APPS) scan and decipher CONFIRM (PLANET) codes automatically during the normal scanning process. Turning this feature on or off is not an option. With the exception of APPS, all equipment mentioned above also generates CONFIRM reports automatically from which CONFIRM (PLANET) records are extracted.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-15** In a typical mail processing facility, on what tour is workshared mail most likely to be processed and during which part of the tour is it most likely to be processed?

**Response:**

Significant volumes of workshared mail are 5-digit/scheme presorted letters, which are most heavily processed on Tour 1, particularly in the second half of Tour 1. The balance of First-Class workshared mail is Mixed ADC/AADC, processed mostly on Tour 3; ADC/AADC, processed mostly on Tours 2 and 3; and 3-digit/scheme, processed mostly on Tours 3 and 1. Otherwise, a significant percentage of the balance of workshared mail is Standard Mail which is processed on Tour 2, unless it is needed elsewhere to fill out run times for the schedule of sort plans in the Operating Plan.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-16** In a typical mail processing facility, on what tour is bulk metered mail most likely to be processed and during which part of the tour is it most likely to be processed?

**Response.**

Tour 3 and Tour 1 throughout both tours.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-17** Does the Postal Service keep an operational count of manually sorted mail by shape and class? If so, what have those data showed over the past 5 years?

**Response:**

No.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-18** On page 12 you list unreadable barcode as a reason for mail to be sent to manual processing. Are postal applied barcodes less likely to be unreadable than are mailer applied barcodes?

**Response:**

Postal barcodes are applied to mailpieces by inkjet printers at automation speeds.

Mailer-applied barcodes are generated using inkjet, dot matrix, and laser printers. Dot matrix and laser printers are generally of higher quality than inkjet printers; therefore, postal-applied barcodes are more likely to be unreadable than mailer-applied dot matrix and laser barcodes.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-19** On page 12 you list insufficient barcode as a reason for mail to be sent to manual processing. Are postal applied barcodes less likely to be insufficient than are mailer applied barcodes?

**Response:**

Mailer applied barcodes use address lists that are constantly changing and can be incomplete. Postal applied barcodes take advantage of recognition and data entry finalization to determine results and are less likely to be insufficient when compared to mailer applied barcodes.

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T42-20** With reference to your response to PB/USPS-T42-5, would your response also include all changes and corrections you made to the PB/USPS-T29-8 responses during your oral cross-examination for R2005-1?

**Response:**

Yes.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**APWU/USPS-T42-21** With reference to your response to PB/USPS-T42-7, please provide an estimate of what percentage of the IOCS tallies may statistically represent these infrequent occurrences.

**Response:**

I have no basis on which to provide an estimate.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF
AMERICAN POSTAL WORKERS UNION, AFL-CIO
REDIRECTED FROM POSTAL SERVICE WITNESS JOHN KELLEY

**APWU/USPS-T30-4** *What are the primary factors that determine whether a letter shape piece of mail is delivery point sequenced?*

***Response:***

Below are some factors that determine whether a letter-shape mail piece is delivery point sequenced:

1) Machinability: A mailpiece should conform to the machinability standards of the machine on which it is processed.

2) 11-digit barcode: Mailpiece should possess a valid 11-digit barcode.

3) Automated zone: Address should be within an automated zone (i.e., one that is DPSed).

4) Valid delivery point: Mailpiece should possess a valid delivery point containing all address elements required for delivery point sequencing.

5) Readable address and barcode: Mailpiece should possess a readable address and barcode.

6) Automatable mailstream: Mailpiece should remain part of the automation mailstream throughout in order to be DPSed.

7) Delivery point record should be part of delivery point file (DPF): A valid record for example, new construction, cannot be delivery point sequenced if not part of the DPF.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF
DISCOVER FINANCIAL SERVICES LLC & MORGAN STANLEY, INC.
REDIRECTED FROM WITNESS ABDIRAHMAN

**DFS-MSI/USPS-T-22-1.**
Attached please find two figures from USPS witness Shah's testimony in N2006-1, one labeled "Current Network Complexities", the other labeled "Network Simplification".
(a) Using the Shah figure, please indicate for each modeled rate category of First Class Presort letters in this case, how your mail flow model would change under Network Simplification. For example, indicate changed entry points, consolidation of steps in the existing mail flow model, and elimination of redundant steps. For purposes of your answer, assume that DIOSS and DBCS with 300 bin capacities are fully deployed.
(b) Assuming Network Realignment moves forward along the lines currently envisioned by the USPS, will the relative value to the Postal Service of presorting letters to the 3 digit level and the 5 digit level remain the same as today or will it be different? If different please fully explain your answer.
(c) Assuming Network Realignment is completed according to the Postal Service's current plans, will the value to the Postal Service of presorting letters to the 3 digit level under existing DMM guidelines become diminished versus presorting just to the AADC level. If your answer is anything other than an unqualified "No.", please fully explain.
(d) If your answer to (c) was in the affirmative, does the Postal Service envision dropping the 3 digit presort requirement currently in the DMM in favor of an AADC presort requirement?
(e) If your answer to (d) was in the affirmative, does the Postal Service envision eliminating the 3-digit presort rate category?
(f) If your answer to (e) was in the affirmative, has the Postal Service contemplated the financial impact on the private sector?
(g) If your answer to (e) was in the affirmative, please explain fully whether such a change would, or would not, involve avoiding fewer costs for the Postal Service in mail processing than are avoided at present.
Response:

a. Retained by Witness Abdirahman.

b. Remain relatively the same.

c. No. In fact, the preliminary plans dictate that both the 5-digit and 3-digit levels would remain, with increased use of both 5-digit and 3-digit schemes.

d – g. N/A

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
MARC D. McCRERY TO INTERROGATORIES OF
THE GREETING CARD ASSOCIATION

**GCA/USPS-T42-1**

For purposes of the following questions, please assume a single-piece First-Class letter which (i) is a piece of collection mail, paid with an adhesive stamp, (ii) weighs one ounce or less, (iii) is less than 6.125 in. tall, (iv) is less than 11.5 inches long, (v) is less than 0.25 inches thick, and (vi) has an aspect ratio lower than 1:1.3.
(a) Please assume that the above-described piece was successfully processed on the facer canceller.
(i) On that assumption, please describe fully the subsequent processing of the piece.
(ii) If more than one processing flow would be possible, please indicate which processing flow(s) would be most probable.
(b) Please assume that the above-described piece was not successfully processed on the facer canceller.
(i) On that assumption, please describe fully the subsequent processing of the piece.
(ii) If more than one processing flow would be possible, please indicate which processing flow(s) would be most probable.

**Response:**

a (i) Refer to figure 1 on page 17 of the testimony of witness Bozzo (USPS-T12) for the processing flow of a machinable stamped collection mailpiece successfully processed on the AFCS.

(ii) If the mailpiece described in GCA/USPS-T42-1 is successfully processed on the AFCS, the most probable mail flow would be in the letter automated mail stream as described in response to interrogatory PB/USPS-T29-8 in Docket No. R2005-1.

b. (i) Mailpieces that could not be successfully processed on the AFCS are routed to a manual unit for processing. Certain facilities manually face and cancel the rejects and direct them to a MLOCR/DIOSS for automated

processing. Refer to figure 1 on page 17 of the testimony of witness Bozzo (USPS-T12) for subsequent processing flows of the piece.

(ii) The mailpieces in the reject stacker that fail to be oriented, cancelled and processed on AFCS are cancelled by hand and sent to a manual unit for processing.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
MARC D. McCRERY TO INTERROGATORIES OF
THE GREETING CARD ASSOCIATION

**GCA/USPS-T42-2**

Please refer to the discussion of the Advanced Facer Canceller System, at pages 2-3 of your prefiled testimony.
Please confirm that the hypothetical piece described in the introductory portion of GCA/USPS-T42-1 would be not be considered a "non-letter sized" piece. If you do not confirm, please explain fully.

**Response:**

Confirmed, but note that letters are also culled for other conditions such as

stiffness or address orientation.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
MARC D. McCRERY TO INTERROGATORIES OF
THE GREETING CARD ASSOCIATION

**GCA/USPS-T42-3**

Please refer to the discussion of manual processing at pages 11-12 of your prefiled testimony.
On the assumption that the hypothetical piece described in the introductory portion of GCA/USPS-T42-1 would be considered non-machinable, please explain fully how it would be "excluded from automated processing" (USPS-T-42, page 12, line 1).

**Response:**

The mailpiece described in GCA/USPS-T42-1 has a certain probability of being rejected on the AFCS due to location of the stamp relative to the orientation of the mailpiece. A certain percentage of such mailpieces do not get cancelled or processed on the AFCS even after repetitive attempts on the AFCS. The rejected mailpieces are cancelled by hand and directed to a manual unit for processing. Furthermore, mailpieces with an aspect ratio of less than 1:1.3 have a tendency to tip over on a side during subsequent automated processing steps. This prevents the barcode from being read even after repetitive attempts for processing. The rejects from automation equipment are directed to manual units for processing.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF GREETING CARD ASSOCIATION

**GCA/USPS-T42-4:**
Please refer to your response to GCA/USPS-T42-1(b)(i), in which you refer to certain facilities at which pieces rejected by the AFCS are manually faced and cancelled and directed to a MLOCR/DIOSS for automated processing.
(a) Please provide the volume of single-piece First-Class Letters that are manually faced and cancelled and directed to a MLOCR/DIOSS, as described in your response.
(b) Does the Postal Service intend either to maintain or to expand its use of this method of processing First-Class Letters rejected by the AFCS?

**RESPONSE:**

a. The volume of single piece First-Class letters rejected off the AFCS and directed to a MLOCR/DIOSS can not be determined as machine rejects can be re-fed into the system for another attempt at processing. Moreover, the manually faced and cancelled volume is commingled with rejects from the Dual Pass Rough Cull (DPRC) system and other rejects that are identified as 'Hand Cancel Only' volume. However, the volume of mail cancelled by hand or on another more tolerant piece of canceling equipment is provided in response to interrogatory VP/USPS-T42-7.

b. Yes.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF GREETING CARD ASSOCIATION

**GCA/USPS-T42-5:**
Please describe the markings, applied by the Postal Service, which would be found on a stamped single-piece First-Class Letter at the time it is received by the addressee –
(a) When the piece has been successfully processed on the AFCS;
(b) When the piece has not been successfully processed on the AFCS and has been directed to a manual unit for processing; and
(c) When the piece has not been successfully processed on the AFCS and has been directed to a MLOCR/DIOSS for processing.

**RESPONSE:**

a. The new postmark, cancellation bars, an ID tag, and/or a POSTNET barcode (if not pre-barcoded). Refer to GCA/USPS-T42-6 for details on the new postmark.

b. The postmark and possibly cancellation bars.

c. The postmark, and possibly cancellation bars, an ID tag and/or a POSTNET barcode (if not pre-barcoded).

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF GREETING CARD ASSOCIATION

**GCA/USPS-T42-6:**
Please describe the differences (if any), which would be discernible by visual inspection, between a cancellation applied manually to a stamped single-piece First-Class Letter and a cancellation applied to such a piece by the AFCS.

**RESPONSE:**

The Ink-Jet Canceller on the AFCS uses inkjet printing technology to apply a cancellation mark on each mail piece by spraying tiny ink droplets at high velocity under computer control. The new postmark includes the following information:

- City, state, and the 3-digit ZIP with a single space between each item but no comma between the city and state.
- Date in day, month, year (DD MMM YY) with a single space in between.
- Time in hours, minutes (HH:MM) using military time or PM designation.
- AFCS machine identification.
- Lead (L) or Trail (T) cancellation identification.
- Cancellation wavy bars to the right of all the above.

The manual canceller is a round rubber stamp with the city, state, 3-digit ZIP, and date. The manual letter and flat outgoing primary operations are also equipped with a dauber for canceling stamps.

RESPONSE OF POSTAL SERVICE WITNESS TO
INTERROGATORY OF GREETING CARD ASSOCIATION

**GCA/USPS-T42-7**
Please refer to page 14, lines 2-4, of your prefiled testimony.
(a) Please describe how collection mail flats for which cancellation is necessary are cancelled (i.e., manually or by machine).
(b) If more than one method of cancellation is employed on the flats specified in part (a), please provide your best estimate of the proportion of those pieces cancelled by each such method.

**Response**:

a. Flats are cancelled both by machine and manually. Flats that are obtained from the Flats Extractor are automatically fed to the flats canceller. The model 15 flats canceller is a mechanical piece of equipment designed to cancel and stack flat mail. Operators remove flat mail from the output bins and place cancelled flat mail into a flat mail cart (FMC), gurney or flat mail trays for transport to processing on the AFSM 100 or the UFSM 1000. Other flats are cancelled manually. Manual canceling is accomplished using a hand-stamp. Flats are laid out on a canceling belt, the stamps are canceled, and then the flats are picked up, faced and placed in an FMC or flat mail tray. Manual primary flat cases are equipped with a dauber that can also be used for canceling stamps before casing mail, if necessary.

b. See response to VP/USPS-T42-7.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE GREETING CARD ASSOCIATION**

**GCA/USPS-T42-8** Please refer to (i) your response to GCA/USPS-T-42-7(a) and (b); and (ii) your response to VP/USPS-T-42/7, to which your response to GCA refers.

(a) Does the notation "40% LETTERS – 60% FLATS" in the "Operation Name" column of the table in your response to VP/USPS-T42-7 refer only to Operation 010 "HAND CANCELLATIONS"? If your answer is not an unqualified "Yes," please explain fully.

(b) Do the data provided in the line labeled Operation 016 "FLAT CANCELLATIONS" in the same table relate solely to machine cancellations of the kind described in your response to GCA/USPS-T42-7(a)? If your answer is not an unqualified "Yes," please explain fully.

(c)

(i) Please explain the relationship between the volume figures in the "Volume Non-ADD TPH" column of the table and piece volume figures as reported in the RPW system.

(ii) If a letter-shape piece is rejected by the Advanced Facer Canceller System and then cancelled manually, would that piece be reflected in the TPH reported in the table for Operation 015 and reflected a second time in the TPH reported for Operation 010?

(d) Would it be a correct interpretation of your response to VP/USPS-T42-7 that

(i) letter-shape cancellations amount to approximately

| | |
|---|---|
| Hand cancellations | 349.8 million |
| Micro Mark | 757.6 |
| M-36 | 23.3 |
| Mark II/Half Mark | 429.9 |
| Flyer | 724.7 |
| Adv Facer Canceller Sys | 26,483.8 |
| Total | 28,769.1 |

and (ii) flat-shape cancellations amount to approximately

| | |
|---|---|
| Hand cancellations | 524.8 million |
| Flat cancellations | 269.5 |
| Total | 794.3 |

If your answer is not an unqualified "Yes," please explain fully and provide correct figures.

(e) Again with reference to the table cited above, please describe the operations and equipment reflected under Operation 011 "MICRO MARK," Operation 012 "M-36," Operation 013 "MARK II/HALF MARK," and Operation 014 "FLYER."

**Response:**

a. Yes.

b. Yes.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE GREETING CARD ASSOCIATION**

c. (i) There is no relationship between volume reported in the RPW System and the volume figures in the referenced "Volume Non-ADD TPH" column. The two systems' volume data are derived from two completely different methodologies. MODS TPH volumes are based on (a) counter readings from machines and (b) applying a pounds-to-pieces conversion factor to mail in operations that do not use a machine to handle or sort individual pieces. RPW volumes are primarily based on statistical samples of live mail as it exits the Postal Service and volume entered on postage statements at Bulk Mail Entry Units, both of which are reconciled and controlled to Accounting data, and data from other systems.

(ii) The piece will be reflected only in the TPH reported for Operation 010.

d. (i) No, the 'AFCS Cancelled mode only' volume provided in the response to interrogatory GCA/USPS-T42-7(a) should also be added to the letter-shape cancellations.

(ii) Yes.

e. All the equipment listed are cancellation equipment. The Operations are grouped under 010C – Composite Mail Preparation – Stamped.

Operation 011 - The Micro Mark was the main cancellation machine prior to the AFCS. Most Micro Marks have been scrapped. Some large sites have retained one or two machines to handle "non-machinable" rejects off of the AFCS. Some were also moved to small facilities that previously did not have cancellation equipment to handle local turn-around mail.

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE GREETING CARD ASSOCIATION**

Operation 012 - The M-36 was a cancellation machine that was being developed to replace the Micro Mark. It was not widely deployed.

Operation 013 - The Mark II machines were Micro Mark machines prior to a modification and upgrade.

Operation 014 - The Flyer is a small canceller that is manually fed. It is primarily used for thick mail pieces.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

**MH/USPS-T42-1.** Please refer to *Postal Bulletin* 22156 (6-9-05), pages 17 and 23, which announced revisions to the Domestic Mail Manual, including part 707.28.4.6 (entry of Periodicals mail at the destination delivery unit), and explained those revisions in part as follows:
The Postal Service is finding ways to make it easier for customers to enter mail. One way is by offering optional entry of unsacked bundles for specified flat-size mail. This will help reduce dependency on sacks and also help us increase efficiency and reduce costs. . . .
When entering mail at DDU facilities, mailers (or their drivers) must unload the mail within 1 hour of arrival and place the mail into containers that entry facility employees specify. DDU facility employees may also require drivers to keep bundles separated by individual 5-digit ZIP Codes or by 5-digit schemes.
Please explain fully whether it may be practicable and valuable to the Postal Service to extend this policy to other (non-DDU) facilities, including (but not limited to) other entry facilities relying significantly on manual bundle sorting operations, assuming that mailers unload the bundles, separate them as specified by Postal Service employees at the facility and place them into rolling containers specified by such employees. If you answer in the affirmative, please specify the applicable types of facilities.

**Response:**

Yes it may be beneficial to extend the policy to other (non-DDU) facilities, particularly for smaller-volume mailers that are unable to efficiently and effectively palletize the bundles and/or do not have vehicles that can transport pallets. In my opinion, this may be practical at destination SCFs, where the mailers (or their drivers) would be required to unload the bundles from the vehicle, separate them as specified, and place the mail into facility-specified containers.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

**MH/USPS-T42-2.**

(a) Please confirm that under part 705.8.5.6 (and other parts) of the Domestic Mail Manual, sacks of Periodicals (and other) mail may be entered on pallets. If you do not confirm, please explain fully.
(b) Please explain whether in some circumstances, entering Periodicals mail in sacks on pallets, as opposed entering unpalletized sacks, or unsacked bundles on pallets, may save costs or otherwise have value to the Postal Service. If you answer in the affirmative, please provide examples and explain how, in those circumstances, entering Periodicals mail in sacks on pallets may save costs or otherwise have value to the Postal Service.

**Response:**

a. Confirmed.

b. Partially confirmed. Entering sacks on pallets would save costs when the alternative is unpalletized sacks. Having the sacks on a pallet facilitates the offload and movement of the mail within the plant, saving the cost of also placing the unpalletized sack into equipment such that the mail can then be moved through the facility. In my opinion, there are limited circumstances where sacks on pallets save costs or otherwise have value compared to unsacked bundles on pallets.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

**MH/USPS-T42-3.** Please refer to USPS-LR-L-158, Standard Operating Procedures for Periodicals Processing, at page 3. The second paragraph discusses a new requirement (effective July 6, 2006) that Periodicals mailers separate out origin mixed ADC flats from other mixed ADC flats – "[s]plitting the pieces into two separate bundles and the bundles into two separate sacks" – so that origin mixed ADC flats (having destinations closer to the entry office than other mixed ADC flats) can be sent to facilities designated in labeling list L201 for processing with First-Class mail receiving surface transportation, while other mixed mail sacks are sent to more distant facilities. (See also *Postal Bulletin* 22166 [10-27-05] at page 6). Please provide your best estimate of the extent to which this new rule may increase the number of sacks of Periodicals mail entered in TY 2008, and explain the basis for your estimate.

**Response:**

In most cases, the new rule should result in no more than one additional sack per mailing; therefore, the overall impact is quite small.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

**MH/USPS-T42-4.** Please refer to USPS-LR-L-158, Standard Operating Procedures for Periodicals Processing, at page 11, which states in the final paragraph: "Red Tag News Publications is a nonprofit association of consumer and business magazines who have a common interest in improving the delivery of their publications through the Postal Service. Red Tag has developed a network of individuals around the country who receive free magazine subscriptions in return for reporting (by phone or the internet) the day the magazines arrive. Red tag monitors nearly 838 million copies delivered to over 20 million readers. Red Tag Delivery Reports can be found at http://www.redtag.org/redtag/usps/init.asp." Please confirm that according to the Red Tag Delivery Reports for the past 12 months, the 53 weekly publications sampled were delivered late 44.4% of the time on average, and were delivered four or more days late 11.4% of the time on average. If you do not confirm, please explain fully and show your calculations.

**Response:**

Not confirmed. I was unable to retrieve a report from the publicly-accessible portion of this website that provided delivery information for the past 12 months.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

**MH/USPS-T42-5.** Please refer to your response to Presiding Officer's Information Request No. 5, Question 1.a-d. Please provide a similar description of the flow of the following categories of Outside-County Periodicals mail through the Postal Service from nondestination entry through delivery:
(a) Basic flats
(b) 3-Digit flats
(c) 5-Digit flats
(d) Carrier Route flats

**Response:**

If more than one flow is possible, the various options are indicated with upper-case letters i.e., A, B, C. If the container destinates within the origin plant service area (intra-BMC), the destination plant steps can be skipped.

(a) Basic flats

Basic flats can be prepared in 3 ways:

I) ADC bundle

II) Mixed ADC bundle labeled to L009.

III) Origin Mixed ADC bundle labeled to L201.

The following flows assume the ADC bundle is prepared in an ADC sack. If the mail is prepared on a pallet, the sack-sorting operations are eliminated and the pallet is cross-docked to the appropriate destination office.

I) ADC bundle

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
    b. Mail is verified and accepted.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

2. Transport to local plant (if necessary).
3A. Transport to OBMC.
3B. Transport to Origin HASP.
4A. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
4B. Manual sack sorting operation.
   a. Set up containers in a U-shaped configuration for manual sack sorting operation.
   b. Containers with sacks are moved to operation.
   c. Sacks are sorted to corresponding containers.
   d. Dispatch containers are placarded and prepared for dispatch.
5A. Transport to destination BMC (if necessary).
   Mail is transported to the destination BMC.
5B. Transport to destination HASP (if necessary).
   Mail is transported to the destination HASP.
6A. Mechanized sack sorter operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
6B. Manual sack sorting operation.
   a. Set up containers in a U-shaped configuration for manual sack sorting operation.
   b. Containers with sacks are moved to operation.
   c. Sacks are sorted to corresponding containers.
   d. Dispatch containers are placarded and prepared for dispatch.
7. Transport to DADC
   Mail is transported to destination ADC.
8. Sack shake-out operation

a. Sacks are processed across a sorting belt.
b. Working mail sacks are opened and contents are dumped into containers.
c. Direct sacks are routed to the corresponding operation.

9A. APPS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is sorted to containers.
e. Dispatch containers are "swept" when full or at end of run.
f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is keyed to corresponding destination/operations.
e. Mail sorts to containers.
f. Dispatch containers are "swept" when full or at end of run.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation
a. Set up containers in a U-shaped configuration for manual distribution of mail.
b. Working mail pallets and sacks are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.
e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep
a. Working mail containers are moved to mail prep operation.
b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
d. Mail pieces are decompensated if necessary.
e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A. AFSM 100 - ADC piece distribution operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 - ADC piece distribution operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming primary operation (if necessary).
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming primary operation (if necessary).
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

14. Transport to DDU / AO
a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.

d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

15. DDU operations - Incoming secondary (unless performed at the plant)
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.
    f. Trays are sorted and dispatched to carriers.
16. Carrier casing
    a. Carrier cases the flats into the carrier case.
    b. Carrier "sweeps" the mail into trays.
    c. Trays are loaded into containers.
17. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

II) Mixed ADC bundle labeled to a L009 site.

Assuming that the mixed ADC bundle is prepared with pieces for destinations outside of the FCM surface reach of the origin plant, in a sack labeled to site listed in L009 labeling list.

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
    b. Mail is verified and accepted.
2. Transport to local plant.
    Mail is transported to the local plant.
3. Manual sack sorting operation.
    a. Set up containers in a U-shaped configuration for manual sack sorting operation.
    b. Containers with sacks are moved to operation.
    c. Sacks are sorted to corresponding containers.
    d. Dispatch containers are placarded and prepared for dispatch.
4. Transport sack to local site listed in L009 labeling list. See http://pe.usps.com/text/dmm300/L009.htm for a list of sites.
    Dispatch containers are transported to plant.
5. Sack shake-out operation
    a. Sacks are processed across a sorting belt.
    b. Working mail sacks are opened and contents are dumped into containers.
    c. Direct sacks are routed to the corresponding operation.

6A. APPS operation

a. Set up bundle distribution operation (i.e., load sort scheme, set up containers, label containers).
b. Working mail containers are moved to operation.
c. *Containers contents are dumped onto the machine.*
d. Mail is sorted to containers.
e. Dispatch containers are "swept" when full or at end of run.
f. Dispatch containers are staged in dispatch staging area or loading docks.

6B. SPBS operation

a. Set up bundle distribution operation (i.e., load sort scheme, set up containers, label containers).
b. Working mail containers are moved to operation.
c. Containers contents are dumped onto the machine.
d. Mail is keyed to corresponding destination/operations.
e. *Mail sorts to containers.*
f. Dispatch containers are "swept" when full or at end of run.
g. Dispatch containers are staged in dispatch staging area or loading docks.

6C. Manual bundle sorting operation

a. Set up containers in a U-shaped configuration for manual distribution of mail.
b. Working mail containers are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.
e. Dispatch containers are staged in dispatch staging area or loading docks.

7. Flat mail prep

a. Working mail containers with mixed ADC bundles are moved to mail prep operation.
b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
d. Mail pieces are decompensated if necessary.
e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

8A. AFSM 100 outgoing primary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

8B. UFSM 1000 outgoing primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9A. AFSM 100 outgoing secondary operation (if necessary)
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9B. UFSM 1000 outgoing secondary operation (if necessary)
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.)
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

10. Transport to destination office

Mail is transported to the destination office.

11A. AFSM 100 - ADC piece distribution operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 - ADC piece distribution operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming primary operation (if necessary).

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming primary operation (if necessary).

a. *Set up piece distribution operation (i.e., load sort scheme, set up* and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. *Dispatch containers are staged in dispatch staging area or* loading docks.

13B UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

14. Transport to DDU / AO
    a. Dispatch containers are moved to truck loading bay.
    b. Dispatch containers are loaded onto the truck.
    c. Dispatch containers are transported to the DDU/AO.
    d. Received containers are unloaded from the truck at the DDU/AO.
    e. Received containers are staged at working mail staging area.
15. DDU operations - Incoming secondary (unless performed at the plant)
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.
    f. Trays are sorted and dispatched to carriers.
16. Carrier casing
    a. Carrier cases the flats into the carrier case.
    b. Carrier "sweeps" the mail into trays.
    c. Trays are loaded into containers.
17. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

III) Origin mixed ADC bundle labeled to L201 site.
Assuming that the origin mixed ADC bundle is prepared with pieces for destinations within the FCM surface reach of the origin plant, in a sack labeled to site listed in L201 labeling list.

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
    b. Mail is verified and accepted.
2. Transport sack to local site listed in L201 labeling list (list of sites performing the origin distribution), if not already entered at this location. See http://pe.usps.com/text/dmm300/L201.htm for a list of sites.
    Dispatch containers are transported to plant.
3. Manual sack sorting operation.
    a. Set up containers in a U-shaped configuration for manual sack sorting operation.
    b. Containers with sacks are moved to operation.
    c. Sacks are sorted to corresponding containers.
    d. Dispatch containers are placarded and prepared for dispatch.
4. Sack shake-out operation
    a. Sacks are processed across a sorting belt.

b. Working mail sacks are opened and contents are dumped into containers.

c. Direct sacks are routed to the corresponding operation.

5. Manual bundle sorting operation

a. Set up containers in a U-shaped configuration or set up a sack/tub rack for manual distribution of mail.

b. Working mail containers are moved to operation.

c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.

d. Dispatch containers are "swept" when full or at end of processing.

e. Dispatch containers are staged in dispatch staging area or loading docks.

6. Flat mail prep

a. Working mail containers with origin mixed ADC bundles are moved to mail prep operation.

b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.

c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.

d. Mail pieces are decompensated if necessary.

e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.

f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

7A. AFSM 100 outgoing primary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

7B. UFSM 1000 outgoing primary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

8A. AFSM 100 outgoing secondary operation (if necessary)
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

8B. UFSM 1000 outgoing secondary operation (if necessary)
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9. Transport to destination office
Mail is transported to the destination office.

10A. AFSM 100 - ADC piece distribution operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

10B. UFSM 1000 - ADC piece distribution operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11A. AFSM 100 incoming primary operation (if necessary).

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 incoming primary operation (if necessary).

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming secondary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

13. Transport to DDU / AO
a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.
d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

14. DDU operations - Incoming secondary (unless performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched to carriers.

15. Carrier casing

a. Carrier cases the flats into the carrier case.
b. Carrier "sweeps" the mail into trays.
c. Trays are loaded into containers.

16. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

The following flow assumes that the mail is prepared in an ADC sack. If the mail is prepared on a pallet, the sack-sorting operations are eliminated and the pallet is cross-docked to the appropriate destination office. Furthermore, when mail is prepared in/on more finely sorted containers, some or all of the bundle distribution steps will be eliminated.

(b) 3-Digit flats

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary).
3A. Transport to OBMC.
3B. Transport to Origin HASP.
4A. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.
    e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
    f. Sacks are manually sorted to the corresponding container according to the label.
    g. Dispatch containers are placarded and prepared for dispatch.
4B. Manual sack sorting operation.
    a. Set up containers in a U-shaped configuration for manual sack sorting operation.
    b. Containers with sacks are moved to operation.

c. Sacks are sorted to corresponding containers.
d. Dispatch containers are placarded and prepared for dispatch.

5A. Transport to destination BMC (if necessary).
Mail is transported to the destination BMC.

5B. Transport to destination HASP (if necessary).
Mail is transported to the destination HASP.

6A. Mechanized sack sorter operation
a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
b. Containers with sacks are moved to the sack sorter induction area.
c. Sacks are inducted into the sack sorter.
d. Sacks are keyed or scanned.
e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

6B. Manual sack sorting operation.
a. Set up containers in a U-shaped configuration for manual sack sorting operation.
b. Containers with sacks are moved to operation.
c. Sacks are sorted to corresponding containers.
d. Dispatch containers are placarded and prepared for dispatch.

7 Transport to DADC
Mail is transported to destination ADC.

8 Sack shake-out operation
a. Sacks are processed across a sorting belt.
b. Working mail sacks are opened and contents are dumped into containers.
c. Direct sacks are routed to the corresponding operation.

9A. APPS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is sorted to containers.
e. Dispatch containers are "swept" when full or at end of run.
f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is keyed to corresponding destination/operations.

e. Mail sorts to containers.
f. Dispatch containers are "swept" when full or at end of run.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation
a. Set up containers in a U-shaped configuration for manual distribution of mail.
b. Working mail pallets and sacks are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.
e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep
a. Working mail containers are moved to mail prep operation.
b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
d. Mail pieces are decompensated if necessary.
e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A. AFSM 100 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

13. Transport to DDU / AO
a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.
d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

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TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

14. DDU operations - Incoming secondary (unless performed at the plant)
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.
    f. Trays are sorted and dispatched to carriers.
15. Carrier casing
    a. Carrier cases the flats into the carrier case.
    b. Carrier "sweeps" the mail into trays.
    c. Trays are loaded into containers.
16. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

(c) 5-Digit flats

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary).

3A. Transport to OBMC.

3B Transport to Origin HASP.

4A. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.
    e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
    f. Sacks are manually sorted to the corresponding container according to the label.
    g. Dispatch containers are placarded and prepared for dispatch.

4B. Manual sack sorting operation.
    a. Set up containers in a U-shaped configuration for manual sack sorting operation.
    b. Containers with sacks are moved to operation.
    c. Sacks are sorted to corresponding containers.
    d. Dispatch containers are placarded and prepared for dispatch.

5A. Transport to destination BMC(if necessary).

Mail is transported to the destination BMC.

5B. Transport to destination HASP(if necessary).

Mail is transported to the destination HASP.

6A. Mechanized sack sorter operation

a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).

b. Containers with sacks are moved to the sack sorter induction area.

c. Sacks are inducted into the sack sorter.

d. Sacks are keyed or scanned.

e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.

f. Sacks are manually sorted to the corresponding container according to the label.

g. Dispatch containers are placarded and prepared for dispatch.

6B. Manual sack sorting operation.

a. Set up containers in a U-shaped configuration for manual sack sorting operation.

b. Containers with sacks are moved to operation.

c. Sacks are sorted to corresponding containers.

d. Dispatch containers are placarded and prepared for dispatch.

7. Transport to DADC

Mail is transported to destination ADC.

8. Sack shake-out operation

a. Sacks are processed across a sorting belt.

b. Working mail sacks are opened and contents are dumped into containers.

c. Direct sacks are routed to the corresponding operation.

9A. APPS operation

a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).

b. Working mail pallets and sacks are moved to operation.

c. Container contents are dumped onto the machine.

d. Mail is sorted to containers.

e. Dispatch containers are "swept" when full or at end of run.

f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation

a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).

b. Working mail pallets and sacks are moved to operation.

c. Container contents are dumped onto the machine.

d. Mail is keyed to corresponding destination/operations.

e. Mail sorts to containers.

f. Dispatch containers are "swept" when full or at end of run.

g. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation

a. Set up containers in a U-shaped configuration for manual distribution of mail.

b. Working mail pallets and sacks are moved to operation.

c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.

d. Dispatch containers are "swept" when full or at end of processing.

e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep

a. Working mail containers are moved to mail prep operation.

b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.

c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.

d. Mail pieces are decompensated if necessary.

e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.

f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A. AFSM 100 incoming secondary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 incoming secondary operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11C. Manual incoming secondary operation

a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

12. Transport to DDU / AO

a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.
d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

13. DDU operations - Incoming secondary

a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched to carriers.

14 Carrier casing

a. Carrier cases the flats into the carrier case.
b. Carrier "sweeps" the mail into trays.
c. Trays are loaded into containers.

15. Carrier loading

a. Containers are moved to platform by carrier.
b. Mail is loaded into delivery vehicles.
c. Empty containers are disposed.
d. Mail is delivered.

(d) Carrier Route flats

It is assumed that the carrier route flats are prepared in a carrier route sack.

1. Mail acceptance and entry

a. Non-automation presort mail is received through acceptance units (e.g., BMEU, DMU).
b. Mail is verified and accepted.

2. Transport to local plant (if necessary).

3A. Transport to OBMC.

3B. Transport to Origin HASP.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF THE McGRAW-HILL COMPANIES, INC.

4A. *Mechanized sack sorting operation*

a. Set up sack sorter (i.e., load sort scheme, set up and label containers).

b. Containers with sacks are moved to the sack sorter induction area.

c. Sacks are inducted into the sack sorter.

d. Sacks are keyed or scanned.

e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.

f. Sacks are manually sorted to the corresponding container according to the label.

g. Dispatch containers are placarded and prepared for dispatch.

4B. Manual sack sorting operation.

a. Set up containers in a U-shaped configuration for manual sack sorting operation.

b. Containers with sacks are moved to operation.

c. Sacks are sorted to corresponding containers.

d. Dispatch containers are placarded and prepared for dispatch.

5A. Transport to destination BMC (if necessary).

Mail is transported to the destination BMC.

5B. Transport to destination HASP (if necessary).

Mail is transported to the destination HASP.

6A. Mechanized sack sorter operation

a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).

b. Containers with sacks are moved to the sack sorter induction area.

c. Sacks are inducted into the sack sorter.

d. Sacks are keyed or scanned.

e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.

f. Sacks are manually sorted to the corresponding container according to the label.

g. Dispatch containers are placarded and prepared for dispatch.

6B. Manual sack sorting operation.

a. Set up containers in a U-shaped configuration for manual sack sorting operation.

b. Containers with sacks are moved to operation.

c. Sacks are sorted to corresponding containers.

d. Dispatch containers are placarded and prepared for dispatch.

7. Transport to DSCF

Mail is transported to destination SCF.

8. Transport to DDU / AO

a. Dispatch containers are moved to truck loading bay.

b. Dispatch containers are loaded onto the truck.

c. Dispatch containers are transported to the DDU/AO.

d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

9. Sack shake-out operation
   a. Working mail sacks are opened and contents are dumped into containers.
   b. Carrier route bundles are sorted to carriers.
   c. Carriers break open the bundles to release the individual pieces.
10. Carrier casing
   a. Carrier cases the flats into the carrier case.
   b. Carrier "sweeps" the mail into trays.
   c. Trays are loaded into containers.
11. Carrier loading
   a. Containers are moved to platform by carrier.
   b. Mail is loaded into delivery vehicles.
   c. Empty containers are disposed.
   d. Mail is delivered.

## RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

### MMA/USPS-T42-1

Please refer to page 2 of your direct testimony where you describe how non-letters are culled out from the raw mail within the Advanced Facer Canceller System (AFCS). What happens to a mail piece that is less than 6 1/8" tall, less than ¼" thick and less than 11 ½ inches long, but weighs up to 4 ounces. In other words, will the mail that meets the definition of a letter except for weight still be processed on automated equipment within the letter production line?

**Response:**

The AFCS does not measure weight, only thickness and stiffness. Such a piece could be ejected at the fine cull on the AFCS, although if it makes it past the fine cull it will probably process, though at slower speed and a higher jam/reject rate. If it is a random single piece on the DBCS, it could be processed on the equipment. If it is part of a large mailing of similar pieces, the operator will send the mail to manual processing, due to the unacceptable jam/reject rate on a MLOCR/DBCS, or to a DBCS with expanded capabilities (see USPS-T-42, pages 6 and 7) if the site is equipped with one

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

**Revised June 26, 2006**

**MMA/USPS-T42-2**

Please refer to page 2 of your direct testimony where you describe how non-letters are culled out from the raw mail within the Advanced Facer Canceller System (AFCS). What happens to a mail piece that is less than 6 1/8" tall, less than ¼" thick and less than 11 ½ inches long, but weighs up to 3.5 ounces. In other words, will the mail that meets the definition of a letter except for weight still be processed on automated equipment within the letter production line?

**Response:**

Please see the response to MMA/USPS-T42-1. The answer is the same for 3.5 ounces as for 4.0 ounces for mail processed on the AFCS. If the mail satisfies DMM section 201.3.13.4 "Heavy Letter Mail" (see http://pe.usps.com/text/dmm300/201.htm), it should process on the DBCS.

## RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

### MMA/USPS-T42-3

On page 12 of your direct testimony you note that automation-compatible mail rejected from a particular piece of equipment is directed to manual operations. In general, is it safe to conclude that any letters rejected from automation will be processed manually from that point on, until the letter reaches the delivery function? If no, please explain.

**Response:**

Destination plants often direct manual mail to an MLOCR/DIOSS operation for an attempt at automating the manual letters, volume which can consist of rejects generated at the origin plant as well as mail that bypassed automation (e.g., mail directed to manual units due to clearance time commitments of the MLOCR/DIOSS operation). DBCS equipment with expanded capabilities has a high tolerance for mail piece thickness. Sites with this equipment will route manual mail from origin sites to automation as well.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T42-4**

Please refer to page 12 of your direct testimony where you provide some recent statistics regarding barcoding within the Postal Service, as follows:

> During FY 2005, the total letter mail volume was approximately 154 billion pieces, of which approximately 99 billion were barcoded through automation discounts, or 64.7 percent of all letters. Customer applied barcodes comprised almost 76 percent of the total letter mail barcodes.

A. Can you confirm the volumes shown in the table below based on the description that you provide in your testimony? If not, please make corrections to the table, along with any explanations that are required.

FY 2005 Volumes

(Billions)

| | | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|---|
| | Description | Mailer Barcoded (Discount) | Mailer Barcoded (No Discount) | Total Mailer Barcoded (1) + (2) | USPS Barcoded | Total Letters (3) + (4) |
| [1] | First Class | 46 | 18 | 64 | | |
| [2] | Other Classes | 53 | 0 | 53 | | |
| [3] | Total Pieces [1] + [2] | 99 | 18 | 117 | 37 | 154 |
| [4] | Percent of Total (1) / (5) for [3] | 64% | 12% | 76% | 24% | 100% |

B. Can you fill in the table with actual figures (rounded to the nearest million), as well as the two empty boxes under Column 4, USPS Barcoded? If not, please explain.

C. Can you confirm that all letters are either barcoded by mailers or by the Postal Service and that of the 154 billion "total letter mail volume," all such letters were barcoded? Please explain your answer. If there are volumes of letters that are not barcoded, please provide those volumes split up between First-Class and Other classes.

**Response:**

A. See R2005-1, MMA/USPS-T29-3. The Postal Service does not track postal applied barcodes data that differentiate classes of mail. The volumes I can confirm in the above table are the following: In FY 2005,

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION**

the volume of total letters was 154 billion pieces, and the mailer barcoded automation discount volume was 99 billion pieces.

B.

FY 2005 Volumes

(Billions)

| | Description | (1) Mailer *Barcoded* (Discount) | (2) Mailer *Barcoded* (No Discount) | (3) Total Mailer *Barcoded* (1) + (2) | (4) USPS Barcoded | (5) Total Letters Barcoded (3) + (4) |
|---|---|---|---|---|---|---|
| [1] | First Class | 49.2 | 8.9 | 58.1 | ? | |
| [2] | Other Classes | 50.3 | 5.0 | 55.3 | ? | |
| [3] | Total Pieces [1] + [2] | 99.5 | 13.9 | 113.4 | 34.7 | 148.1 |
| [4] | Percent of Total (1) / (5) for [3] | 67% | 9% | 77% | 23% | 100% |

I am not able to fill in all the blank cells in the table with actual figures, since the Postal Service does not track the volume of postal applied barcoded letters by class of mail. Also, I changed the heading in the table for column (5) to read "Total Letters Barcoded" (including cards) in order to avoid any confusion with the total letter volume for FY 2005 which was 153.6 (or 154) billion pieces. The "Mailer Barcoded (No Discount)" column (2) figure (13.9 billion) includes business reply mail, courtesy reply mail, as well as Enhanced Carrier Route (ECR) High Density and Saturation letter mail which is required to be barcoded by the mailer but receives no additional automation discount. In order to be fully consistent with what is believed to be the data requested in each column, the current analysis reflects the volume of ECR High Density and Saturation carrier route letter mail as "Mailer Barcoded (No Discount)". This volume had previously not been included in this category, and the reference in the testimony also does

not include this volume as mailer barcoded; therefore, this increases the percentage of "Total Mailer Barcoded" to 77%.

C. No. The 5.5 billion pieces (153.6 billion pieces minus 148.1 billion pieces) that were not barcoded included letters that were not able to be barcoded, as well as letters that the Postal Service does not ordinarily barcode, for example, letters for non-automation zones, political mail, and local mail entered late at destination delivery units such that time did not permit barcoding. This volume of non-barcoded letters cannot be differentiated by class.

# RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

**MMA/USPS-T42-5**

Please describe the experiment that took place a few years ago whereby Standard letters weighing up to 4 ounces were processed on automated letter processing equipment. Please provide any relevant documents, including those relating to the design, conduct, and results of the study, the recommendations made and any steps taken by the Postal Service as a result of that study.

**Response:**

Attached is the study that tested letter mail up to 3.7 ounces.

UNITED STATES POSTAL SERVICE

# 3.5 ounce Heavy Letter Mail Field Evaluation Report

April 6, 2001
Technology Development and Applications Engineering

## Introduction and Background Information

Since 1994 the U.S. Postal Service has accepted and discounted automation compatible mail that weighed as much as 3.3 ounces. Following a request from mailing industry representatives, the U. S. Postal Service agreed to conduct a test to determine the feasibility of raising the weight limit for automation compatible mail from 3.3 to 3.5 ounces. To make this determination test decks were obtained from a commercial mailing house. Mail pieces within the test deck were designed around a strict criterion, written by U.S.P.S. Engineering. This was done to eliminate those aspects, of currently accepted heavy mail pieces, that have proven to be problematic. The test was conducted at two geographic locations, Fort Myers Fl. and the suburbs of Philadelphia, Pennsylvania. At each location, two field sites participated in the test, a P&DC and a local Delivery Unit. In each P&DC mail was run on the MPBCS and the DBCS. In the Delivery Units, mail was run on the CSBCS. The test was conducted between 4/20/99 and 5/13/99. The goals and objectives of the test were as follows:

- To assess the impact of the 3.5 ounce mail on the automation equipment's ability to sort mail.
- To determine the degree to which the heavier mail affects the ergonomics of mail handling.
- To study the influence of the heavier mail upon the overall operational environment.
- To ascertain the extent to which the heavier mail will increase equipment maintenance costs.
- To provide data to be used in the processing cost comparison of the 3.5 oz. versus the 3.3 oz. mail
- To do preemptive testing on 3.7 ounce mail for future reference.

## Test Plan

Six types of test decks were prepared for the test. Their contents were as follows:

- Test Deck 1 – 1 ounce letters with a 2% mix of 3.3 ounce letters.
- Test Deck 2 – 1 ounce letters with a 2% mix of 3.5 ounce letters.
- Test Deck 3 – all 3.3 ounce letters.
- Test Deck 4 – all 3.5 ounce letters.
- Test Deck 5 – all 3.7 ounce letters
- Test Deck 6 – 1 ounce letters with a 2% mix of 3.7 ounce letters.

The test consisted of daily test deck volume runs on the aforementioned equipment. Throughput, accept, reject, error, flyout, damage and jam rates were recorded. All mail pieces were manually examined for sort accuracy, stacker count and mail damage. The effect of the heavy mail on equipment maintenance was also evaluated. An Ergonomic evaluation was conducted as part of the test. Hour long volume runs were conducted to simulate the handling and fatigue conditions operators will experience during continuous processing of heavy mail.

## Observations and Test Results

The following are observations made during the test and summarized results based on the reduction of the raw data taken:

- As was expected, the 2% seeded decks of 3.3, 3.5 and 3.7 ounce mail processed extremely well and were no cause for concern.

- Test decks of 100% 3.7 ounce mail caused excessive amounts of damage to the equipment. Because of this, processing of the 3.7 ounce test decks was discontinued. Because of this, it is recommended that any future request to raise the weight limit above 3.5 ounces should be *rejected as impractical given the current* configurations of USPS mail processing equipment.

- CSBCS runs of 100% 3.3 and 3.5 ounce mail placed an enormous burden on the operators because of excessive overflow conditions. If volumes of pure heavy mail trays that reach delivery units grow to a level comparable to that processed during this test, sites may find their operations debilitated, given their current sweeping practices.

- Given that 3.3 ounce mail pieces are currently being accepted, the "worst case" comparison that this test examined was that of the performance of 100% 3.3 ounce mail versus 100% 3.5 ounce mail. The table below summarizes the results of this "worst case" condition.

| | 100% 3.3 OZ | 100% 3.5 OZ | DELTA |
|---|---|---|---|
| →CSBCS← | | | |
| FORT MYERS D.U. | | | |
| THROUGHPUT | 2,682 PIECES | 2,474 PIECES | |
| ACCEPT RATE | 96.90% | 97.70% | 0.80% INCREASE |
| ERROR RATE | 1.02% | 0.06% | 0.96% DECREASE |
| JAM RATE | 0.34% | 0.55% | 0.21% INCREASE |
| BLUE BELL D.U. | | | |
| THROUGHPUT | 2,671 PIECES | 2,726 PIECES | |
| ACCEPT RATE | 97.80% | 98.60% | 0.80% INCREASE |
| ERROR RATE | 0.02% | 0.00% | 0.02% DECREASE |
| JAM RATE | 0.22% | 0.82% | 0.6% INCREASE |
| →DBCS← | | | |
| FORT MYERS P&DC | | | |
| THROUGHPUT | 13,738 PIECES | 11,269 PIECES | |
| ACCEPT RATE | 97.70% | 96.90% | 0.80% DECREASE |
| ERROR RATE | 0.00% | 0.06% | 0.06% INCREASE |
| JAM RATE | 0.20% | 0.24% | 0.04% INCREASE |
| SEPA P&DC | | | |
| THROUGHPUT | 14,075 PIECES | 15,347 PIECES | |
| ACCEPT RATE | 98.50% | 98.80% | 0.30% INCREASE |
| ERROR RATE | 0.00% | 0.00% | NO DELTA |
| JAM RATE | 0.10% | 0.11% | 0.01% INCREASE |
| →MPBCS← | | | |
| FORT MYERS P&DC | | | |
| THROUGHPUT | 14,293 PIECES | 9,906 PIECES | |
| ACCEPT RATE | 98.30% | 98.60% | 0.30% INCREASE |
| ERROR RATE | 0.00% | 0.00% | NO DELTA |
| JAM RATE | 1.47% | 0.92% | 0.55% DECREASE |
| SEPA P&DC | | | |
| THROUGHPUT | 11,977 PIECES | 13,184 PIECES | |
| ACCEPT RATE | 96.70% | 98.70% | 2.00% INCREASE |
| ERROR RATE | 0.01% | 0.00% | 0.01% DECREASE |
| JAM RATE | 0.92% | 0.43% | 0.49% DECREASE |

- As can be seen from the table, the performance differences between 3.3 ounce and 3.5 ounce mail pieces were marginal.

- The test revealed no increase in maintenance requirements due to the running of 3.5 oz. versus 3.3 oz. mail. However, it should be noted that the relatively short duration of the test could not reveal the long-term effects that the equipment may experience.

- The difference in throughput rates, error rates, and jam rates for the 3.5 oz. test decks and the 3.3 oz. test decks were negligible. However, it should be noted that throughput rates for both the 3.3 oz. and 3.5 oz. test decks were significantly lower than the typical throughput rates for 1 oz. letter mail.

**Recommendations**

The U. S. Postal Service should consider increasing, with conditions, the weight limit for automation compatible letter mail from 3.3 ounces to 3.5 ounces. The conditions for this increase are as follows:

- The DMM should be amended to restrict the design of 3.5 oz. mail pieces. The purpose of these restrictions is to eliminate mail piece design that renders mail essentially nonmachinable in spite of the fact that it has been given an automation compatible discount The following mail piece restrictions should be codified for inclusion in the DMM at the time of the next rate case:

1) Maximum mail piece thickness should not exceed 0.255 inches. Mail piece thickness should not vary more than 15% over the surface of the mail piece.

2) Size A8 envelops (8.12 x 5.5) should be prohibited.

3) The use of envelope windows, particularly open windows, should be prohibited.

4) Envelope material should be no less than 28 lb. basis weight paper.

5) Envelopes should be trayed using USPS white/red plastic corrugated EMM trays.

6) Insert shift in the lengthwise direction should not exceed a maximum of .562 inches.

- Ergonomic concerns may be minimized by a directive to the field requiring that incoming trays of heavy mail be mixed with trays of lighter mail. Such a procedure will limit the risks, faced by the equipment operators, of lifting and repetitive motion injuries inherent in the continuous handling of heavy mail. An Ergonomics report is included in this report, (see attachment B).

- Consideration should be given to the potential that heavy mail volume that reaches the CSBCS machines in Delivery Units might rise to an unmanageable level. Before this occurs the current methods of operation should be reevaluated.

# RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION

## MMA/USPS-T42-6

Please describe and discuss the design specifications/capabilities of the latest automated letter sorting equipment as they relate to the weight of a letter. Please provide all related documents including technical information/specifications furnished by or to the manufacturers of such equipment if such documents relate to the weight of a letter. For each model of automated letter sorting equipment, please indicate the number of machines deployed at the end of BY 2005 and the number that the Postal Service estimates will be deployed by the end of TY 2008.

**Response:**

I am not aware of any documents furnished to or by the manufacturers regarding the weight of a letter. The DBCS equipment with expanded capabilities has a maximum weight specification of 6 ounces. The design specification for all other automated letter sorting equipment is 3.0 ounces, however, experience and subsequent testing has determined that DBCS equipment can operate at an acceptable jam/reject rate and throughput with letters up to 3.5 ounces. There were 1083 AFCS machines deployed by 2005 with no plans for additional machines by 2008. There were 875 MLOCRs deployed by 2005, and it is expected that approximately 400 machines will remain in operation by 2008. There were over 5200 DBCS machines deployed by 2005 and 250 additional machines will be deployed by 2008. There were 94 DBCS machines with expanded capabilities deployed by 2005. All 94 DBCS -EC machines and a number of DBCS machines are expected to be converted to DIOSS-ECs, for a total of 617 DBCS machines with expanded capabilities by 2008. There were approximately 500 MPBCS deployed by 2005, and it is expected that

approximately 300 machines will remain in operation by 2008. There were over 3500 CSBCS deployed by 2005 and no plans for additional machines by 2008.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION

**MMA/USPS-T42-7**

USPS witness Kelley was asked how presort level might impact the probability that letters can be DPSed and therefore impact the cost of delivery. Specifically, he was asked to confirm that Mixed AADC Automation letters require more manual processing than 5- digit letters to prepare the mail for delivery. Can you confirm that statement? If not, please explain.

**Response:**

From what I understand and have been told about the cost model and estimates, the DPS percentages are driven by the number of times a mail piece in the model passes through an automation operation, due to the application of acceptance rates, such that the more finely presorted the mail piece (in general) the higher the DPS percentage. The acceptance rates, however, are based on average data that includes FCM single-piece, FCM presort, and Standard Mail pieces. Furthermore, the acceptance rates for "downstream" operations tend to be higher than those for "upstream" operations. This could be solely due to the fact that unreadable barcodes have been culled "upstream" or some other reason(s). There are no studies that have been conducted to determine the likelihood that a mail piece that is accepted in an "upstream" operation is accepted or rejected in "downstream" operations. Furthermore, there are no DPS percentages from a data collection system that indicate the values would differ by rate category, and it would not be possible to conduct any such studies because there is no way to be certain what rate a mail piece was assessed when viewing it at a delivery unit. The presort level would not be discernible at the delivery unit, and it would not be possible to

ascertain if the piece was assessed an automation rate if it was prebarcoded by a mailer, nor could you be certain it was assessed a nonautomation rate if it bore a PERMIT and was not barcoded, or barcoded by the USPS (see Docket No. R2005-1, POIR No. 1, question 1a).

However, assuming we are comparing similar pieces in terms of the mail piece physical characteristics and address/barcode quality, I presume that Mixed AADC Automation letters could require more manual processing than 5-digit Automation letters due to the fact that the Mixed AADC letters likely require multiple automated piece handlings prior to being DPSed unlike 5-digit Automation letters. Whenever a piece is sorted on automation, there is a chance that it will be damaged or otherwise rejected and subsequently diverted to a manual operation. Thus, the more handlings on automation, the more opportunities for damage requiring subsequent manual processing. Empirically, however, I have no basis to suggest whether the magnitude of the potential difference in the amount of manual handling relating to this presumption is material or not.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF MAJOR MAILERS ASSOCIATION
REDIRECTED FROM WITNESS ABDIRAHMAN

**MMA/USPS-T22-40**
Please refer to your response to Interrogatory MMA/USPS-T22-7(A) where you indicate that mail pieces that have been successfully processed (i.e., accepted) in an "upstream" automation operation are likely to be successfully processed in a "downstream" operation as well. Are mail pieces that have been unsuccessfully processed (i.e., rejected) in an "upstream automation operation more likely to be processed by manual operations in a "downstream" operation? If no, please explain.

**Response:**

Confirmed.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY
TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC.

**MPA/USPS-T42-1.** Please refer to lines one through three on page 20 of your testimony, where you state, "Very few delivery units have an FSM, so the vast majority of the incoming secondary processing at the delivery units is manual. Very little manual incoming secondary distribution takes place at plants." Please also refer to lines four through six on page 21 of your testimony where you state, "In FY 2005, 59 percent of flat mail incoming secondary (non carrier-route presort) volume was processed in the plants, and 93 percent of this volume was finalized on automated operations."
(a) In FY 2005, what percentage of non-carrier-route presort flats received manual incoming secondary sorts? Please explain your calculation and produce, or provide citations to, underlying documents sufficient to replicate your results.
(b) In FY 2005, what percentage of Periodicals Outside County non-carrier route presort flats received manual incoming secondary sorts? Please explain your calculation and produce, or provide citations to, underlying documents sufficient to replicate your results. If no data specific to the Periodicals Outside County subclass are available, please provide your best estimate and explain the rationale for your estimate.
(c) What was the Postal Service's total piggybacked FY 2005 Periodicals Outside County manual incoming secondary flat sorting cost? Please explain your calculation and produce, or provide citations to, underlying documents sufficient to replicate your results.

Response:

a. In FY 2005, 44.7% of incoming secondary flats were finalized in manual operations in the field. The percentage is derived from flat volume of 13,188,243,000 pieces that received manual incoming secondary distribution in the field out of 29,501,658,000 total incoming secondary flat volumes.

Source: MODS and FLASH reports.

b. The systems that record volume for particular operations do not collect information by mail class or subclass, therefore, a calculated percentage cannot be provided. Furthermore, I have no basis on which to provide an estimate.

c. Redirected to Postal Service witness Smith.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY
TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC.

**MPA/USPS-T42-2.** Please refer to your testimony at page 20, line 29, through page 21, line 2. There you state, "Also, any automation compatible Periodicals volume currently processed in a manual incoming secondary operation will be moved to an automated processing operation to the greatest extent possible when the processing window exists."
(a) In the Test Year, what percentage of Periodicals Outside County incoming secondary flat sorts do you expect to be manual? Please explain your response fully and produce, or provide citations to, underlying documents sufficient to replicate your results.
(b) In the Test Year, what percentage of incoming secondary sorts for Periodicals Outside County flats that qualify for automation rates do you expect to be manual? Please explain your response fully and produce, or provide citations to, underlying documents sufficient to replicate your results..
(c) In the Test Year, what percentage of incoming secondary sorts for Periodicals Outside County non-carrier-route flats that do not qualify for automation rates do you expect to be manual? Please explain your response fully and produce, or provide citations to, underlying documents sufficient to replicate your results.

Response:

a – c. Without even baseline percentages from which to start, I have no basis upon which to provide estimates for the percentage of manual incoming secondary flats in the Test Year for this subclass and categories within the subclass.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

**MPA/USPS-T42-3.** Please refer to the Report of the Periodicals Operations Review Team, which was filed as part of Docket No. R2000-1, USPS-LR-I-193. Page 19 of the Report states: "One of the most resounding themes heard from local USPS P&DC managers and Postmasters was a desire for more 5-digit 'cross-dock' pallets."
(a) Please describe the mail flow for Periodicals Outside County Carrier Route flats entered on 5-Digit pallets at the Destination Sectional Center Facility (DSCF).
(b) Please describe the mail flow for Periodicals Outside County Carrier Route flats entered on SCF or 3-Digit pallets at the Destination Sectional Center Facility (DSCF).
(c) Are there any additional mail flow differences between Carrier Route flats entered on SCF or 3-Digit pallets and those entered on 5-Digit pallets if the pallets are entered further upstream? If so, please describe them.
(d) Please describe the mail flow for Periodicals Outside County 5-Digit flats entered on 5-Digit pallets at the Destination Sectional Center Facility (DSCF).
(e) Please describe the mail flow for Periodicals Outside County 5-Digit flats entered on SCF or 3-Digit pallets at the Destination Sectional Center Facility (DSCF).
(f) Are there any additional mail flow differences between 5-Digit flats entered on SCF or 3-Digit pallets and those entered on 5-Digit pallets if the pallets are entered further upstream? If so, please describe them.

**Response:**

a. After entry, the pallets are staged and then cross-docked onto transportation to the appropriate delivery unit. If the contents of the pallet do not justify the space it will occupy on the truck or there is not adequate space on the truck, the contents of the pallet are likely to be consolidated into another container (see response to TW/USPS-T42-8, subparts (b) and (d)). The pallet or consolidated container will be offloaded at the delivery unit and staged. The Periodicals Outside County Carrier Route bundles will then be manually distributed to the appropriate carriers or box section.

b. After entry, the pallets are staged then moved to an automated, mechanized, or manual bundle distribution operation where the contents will be dumped

and the Periodicals Outside County Carrier Route bundles distributed to the appropriate delivery unit containers. These containers will be staged then transferred onto the appropriate delivery unit transportation. The containers will be offloaded at the delivery units and staged. The Periodicals Outside County Carrier Route bundles will then be manually distributed to the appropriate carriers or box section.

c. Generally, no. See response to TW/USPS-T42-10, subpart (a).

d. If placed on a 5-Digit pallet with only Periodicals Outside County 5-Digit flats, the pallet will be staged then moved to a prep operation where the bundles will be readied for automated incoming secondary piece distribution. After distribution, the sorted flats will be placed in rolling stock, staged, and then transferred onto the appropriate delivery unit transportation. The rolling container will be offloaded at the delivery unit, staged, and then the flat tubs will be manually distributed to the appropriate carriers or box section. If placed on a merged 5-Digit pallet containing both Periodicals Outside County 5-Digit and Carrier Route flats, after entry, the pallets are staged then cross-docked onto transportation to the appropriate delivery unit. If the contents of the pallet do not justify the space it will occupy on the truck or there is not adequate space on the truck, the contents of the pallet are likely to be consolidated into another container (see response to TW/USPS-T42-8, subparts (b) and (d)). The pallet or consolidated container will be offloaded at the delivery unit and staged. The contents of the pallet will be manually

distributed and the Periodicals Outside County 5-Digit flats will be moved to a manual incoming secondary distribution operation.

e. After entry, the pallets are staged then moved to an automated, mechanized, or manual bundle distribution operation where the contents will be dumped and the Periodicals Outside County 5-Digit bundles distributed to the appropriate delivery unit or automated scheme containers. The delivery unit containers will be staged then transferred onto the appropriate delivery unit transportation. The containers will be offloaded at the delivery units and staged. The bundles will then be manually distributed and the Periodicals Outside County 5-Digit flats will be moved to a manual incoming secondary distribution operation. The automated scheme containers will be staged then moved to a prep operation where the bundles will be readied for automated incoming secondary piece distribution. After distribution, the sorted flats will be placed in rolling stock, staged, and then transferred onto the appropriate delivery unit transportation. The rolling container will be offloaded at the delivery unit, staged, and then the flat tubs will be manually distributed to the appropriate carriers or box section.

f. Generally, no. See response to TW/USPS-T42-10, subpart (a).

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

**MPA/USPS-T42-4.** Please refer to lines one through 8 on page 26 of your testimony, where you state, "Bundle integrity can have a significant impact on the productivity of any bundle sorting operation. If and when a bundle breaks prematurely, the value of the bundle presort can be partially or completely lost, and the bundle may require distribution in a residual distribution operation. Also, productivity can suffer when, for example, a mailhandler attempts to capture and repair a ruptured bundle within the bundle sorting operation. Any improvements to bundle integrity either through customer mail preparation, changes in mailing standards, or more rigid mail acceptance procedures will reap significant savings within mail processing."
(a) Please confirm that, on April 30, 2006, the Postal Service implemented a new mailing standard that requires mailers to use two bands to secure all bundles of presorted flat-size mail and irregular parcels when those bundles are not shrinkwrapped. Discuss the expected effect of this new rule on mail processing costs, and produce any empirical data or analyses of the effect to date.
(b) Please confirm that in 2005 the Postal Service performed multiple "Bundle Blitzes," provide the dates of these Bundle Blitzes, and discuss their purpose and results.
(c) Please describe all Postal Service efforts since the beginning of FY 2005 to educate customers on proper bundle preparation.
(d) Please produce copies of all educational material on proper bundle preparation that the USPS has made available to customers since the beginning of FY 2005.
(e) Have mail acceptance procedures related to bundle integrity become "more rigid" since the beginning of FY 2005? If so, please explain fully, and provide all data, analyses, reports and other documentation that support your response.
(f) Has bundle integrity improved since the beginning of FY 2005? Please be as quantitative as possible and explain your response fully. Please also provide all data, analyses, reports and other documentation that support your response.

**Response:**

a. Confirmed. Since the new rule only impacts bundles one inch thick or less (bundles over one inch in thickness were already required to be secured with two bands and/or shrinkwrapped), I do not believe the impact is significant. These thin bundles comprise only a small portion of the bundles and many were already optionally secured with two bands and/or shrinkwrapped. I am not aware of any empirical data or analyses conducted to date.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

b. Confirmed. The dates of blitzes were:

1) 1st blitz: May 16th – Jun 10th (selected sites only)

2) 2nd blitz: July 22nd – Aug 5th (nationwide)

3) 3rd blitz: Oct 17th – Oct 29th (nationwide)

The purpose of the blitzes was to use Electronic Mail Improvement Reporting (eMIR) to identify bundle breakage issues that impact the efficient mail processing of business mailings.

Results: The data generated from eMIR blitzes is not statistically significant data, however, below are some conclusions:

- Of the reports where containers were identified, bundles in sacks accounted for 50% of the issues identified but only account for 19% of flat volume.
- Glossy / coated paper causes significantly higher bundle breakage than uncoated / individual poly-wrapped pieces in bundles.
- Shrink-wrap accounted for disproportionate number of bundle breakage issues in relation to the volume.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

The table below sums up the results of the three blitzes:

| Blitz | # of bundle reports submitted | # of issues identified | Shrink Wrap issues | Plastic Strap issues | Rubber Bands issues | Other |
|---|---|---|---|---|---|---|
| 1st | 2865 | 3395 | 30% | 28% | 19% | 23% |
| 2nd | 2737 | 3296 | 28% | 26% | 21% | 25% |
| 3rd | 5433 | 7709 | 25% | 30% | 18% | 27% |

c The Postal Service has produced The Perfect Bundle brochure (Publication 248, July 2005) as well as The Perfect Bundle poster (Poster 149, July 2005) in order to educate customers on proper bundle preparation. In addition to these materials, proper bundle preparation has been an agenda item for discussion at recent MTAC meetings. Customers may also learn more about proper bundle preparation at their local Business Mail Entry Units (BMEUs).

d Please see the attached files.

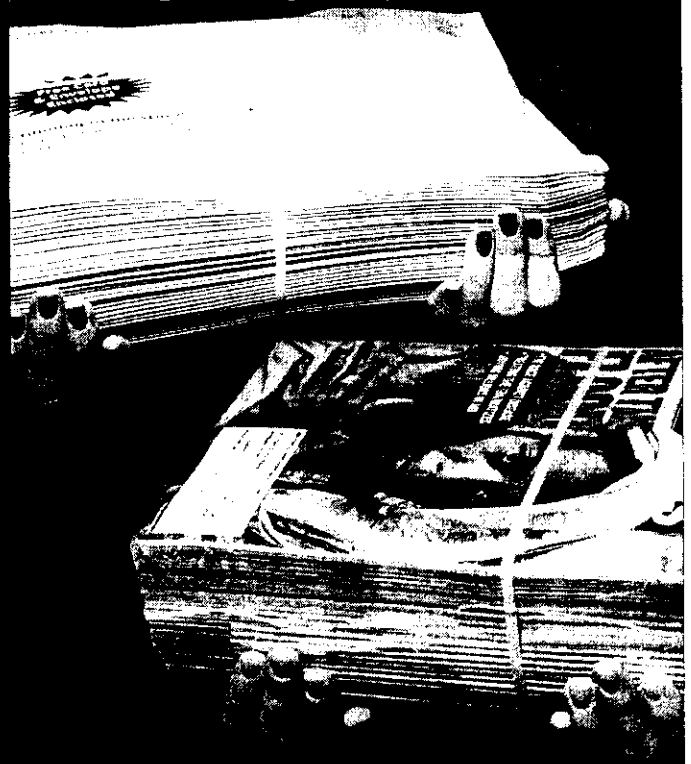
e From what I have been told, the acceptance procedures around bundle integrity have not become more "rigid", since the standards for bundle integrity have not changed since the beginning of FY 2005. However, from what I understand, there has been more attention placed on bundle integrity within the acceptance process since the beginning of FY 2005. Furthermore,

when an eMIR report is submitted on bundle integrity, this can trigger a more in-depth verification the next time a mailing is presented for acceptance.

f. It is my opinion that it has improved. This opinion has been generated through personal observations and feedback from processing plants and acceptance units. There has been no study yet conducted to quantify the improvement.

UNITED STATES POSTAL SERVICE®

# The Perfect Bundle



Counter-stacking is most appropriate for saddle-stitched pieces and pieces with one edge or corner thicker than the others.

When counter-stacking, all addresses should face up and the individual pieces should be divided into no more than four equal groups, but with as few groups as possible to create a bundle of uniform thickness. For example, a tall bundle of uneven pieces should be divided into four groups of approximate equal thickness. The first and third groups would be address side up with the bound edge to the left. The second and fourth groups would be address side up with the bound edge to the right.

But counter-stacking isn't the best solution if the individual pieces are thicker in the center than along the edges or corners. If that's the case, the height (thickness) of the bundle should be limited to 3 to 6 inches and the bundle should be securely bound with banding, shrink-wrap, or both. This will help keep the bundle stable and in one piece. Shrink-wrap of insufficient strength or with a large opening in the shrink-wrap that tends to let pieces escape is not acceptable.

## How can I be sure my bundles are prepared securely?

We recommend an easy test to simulate the stress of normal transit and handling. Prepare a few bundles following the simple guidelines in this brochure. Then place the bundles on a surface about 4 feet above the floor. Push each one off with enough force for it to land on a corner at a distance of 1 to 3 feet from the starting point. Then lift each bundle by grasping a corner, either the shrink-wrap or a few pieces. If the packaging doesn't detach from the rest of the bundle and no pieces come out while lifting, it's likely to withstand normal transit and handling.

Remember, in order to create the perfect bundle it is important that you follow the applicable *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) and use materials that are appropriate for the types of mailings you prepare. You also need to properly maintain any equipment used to apply these materials and periodically test your bundles to ensure they will maintain integrity through the Postal Service network.

## Want to know more?

It's important to us that you have the information you need to help create the perfect bundle. This brochure is a good place to start. But if you have questions or need more information, the following resources may be helpful:

- Link to the DMM on Postal Explorer at *pe.usps.gov* and search on "bundles."
- You can also contact your local Business Mail Entry Unit.

**Help us provide the service you expect — perfect your bundles.**

UNITED STATES POSTAL SERVICE®

Publication 248, July 2005

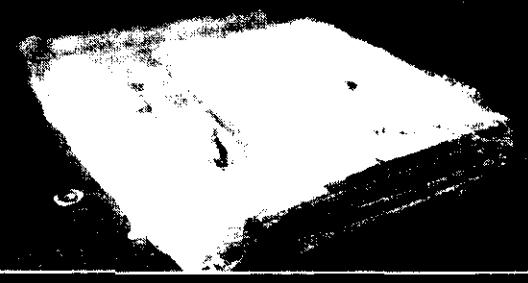
PSN 7610-08-000-1439

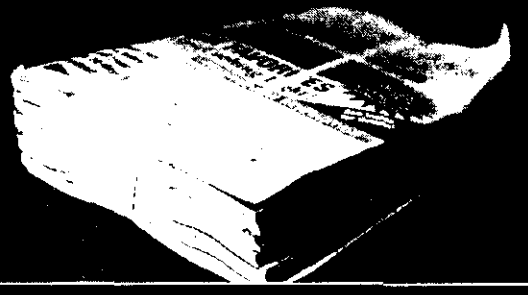
## What is a bundle?

A bundle is a group of addressed mail pieces that a mailer assembles and secures together before mailing. The individual pieces in a bundle are presorted for delivery to a specific area. Bundles of flat-size mail pieces are secured with banding, shrink-wrap, or a combination of the two. Banding may include clear plastic bands, rubber bands (for lighter bundles), or string that maintains enough tension to keep the bundle intact during processing. Wire or metal banding is not permitted. The address block on the bundle — containing all address information, including the optional endorsement line and any barcoded, pressure-sensitive, bundle label — must be visible and readable to the naked eye. If shrink-wrap is used, it must be transparent and seams or imperfections such as heat creases should not appear over the address block. If banding is used, it cannot obstruct any part of the address block. Tight, clear, smooth banding will never obstruct the address block.

## Why the "Perfect Bundle"?

That's easy. It helps your bundled mail get as close to the delivery point as possible — as quickly as possible and in the same good condition as when accepted. Perfect bundles help us to control costs and provide you with the most efficient service possible.

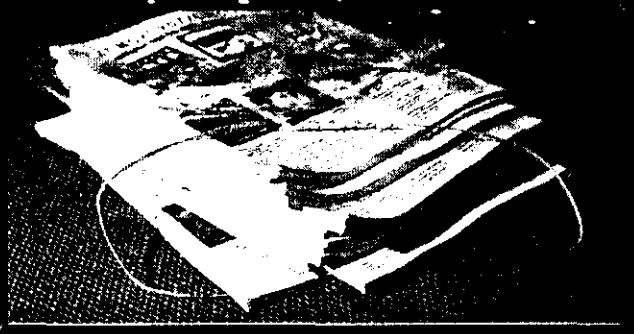




**Shrink-wrap creases and opaque banding can make the address unreadable and delay delivery.**

## Why are bundle integrity and address visibility important?

We want to make sure you get your money's worth when you mail with the Postal Service. Bundles are subject to handling and jostling while they are being transported and processed. You protect the mail — and your investment in your customers — by helping to prepare the perfect bundle. Bundles that are securely prepared are less likely to break open during processing. When they do break open, the value of your presort work is lost, adding to delivery time and increasing the chances of damage to individual pieces. And if all address information isn't visible and readable, that can also result in processing delays. In either case, the result is less efficient handling of your mail and increased costs. As we deploy state-of-the-art automated package and bundle sorting equipment throughout the Postal Service network, it's more important than ever that your bundles can be processed using this efficient technology.



**Torn shrink-wrap and loose banding can damage your mail.**

## What else should I know about the Perfect Bundle?

- Generally, individual bundles containing flat-size mail pieces should not weigh more than 20 pounds. There are some exceptions, and you can find out more about them by using the additional resources listed at the end of this brochure.
- Thinner bundles have a tendency to curl, making it possible for individual pieces to slip out. Double banding, if tension in the bands is maintained, or shrink-wrap can be effective solutions.
- Bundles that are more than 1 inch thick must be double banded or shrink-wrapped. If banded, at least one band must encircle the bundle's length and another must encircle its width (girth). More bands are permitted, provided that none are within 1 inch of the bundle's edges. But opaque banding may not cover any element of the address block.
- Banding must be tight enough to keep individual pieces from slipping out. A band is tight when it depresses the edge of the bundle. Loose banding is not permitted.
- If twine or string is used for banding, the knots must be tight enough to stay secure during processing. Slick twine or string that won't form or hold a tight band or knot should not be used.
- Shrink-wrap of insufficient strength or with large openings that tend to let pieces slip out is not acceptable.
- Do not secure large, heavy bundles with rubber bands, thin shrink-wrap, or banding which does not maintain sufficient tension when stretched in normal handling.

## What if I prepare my bundles in sacks?

Bundles placed in mail sacks experience much more movement than bundles placed in firm-sided containers or on pallets, increasing the chances that they may come apart. And bundles containing pieces with covers of coated stock — which are more slippery — can contribute to instability during handling. That's why some special steps — in addition to those listed here — must be taken to protect bundles prepared in sacks.

- If the pieces in a bundle have covers printed on coated stock and they are not individually enclosed in a mailing wrapper, the bundle cannot be more than 3 inches in height (thickness) unless it is secured tightly with double plastic bands or with shrink-wrap plus one or two plastic bands.
- If the pieces in a bundle have uncoated covers or outer surfaces, the bundle cannot exceed 8 inches in height, although a maximum height of no more than 6 inches is recommended.
- A bundle that exceeds the maximum height by less than the thickness of a single piece in the bundle meets the height standard.

## What about bundles containing uneven pieces?

Counter-stacking individual pieces can help create a more uniform and stable bundle. This makes them less likely to come apart. Counter-stacking, with groups of pieces facing in alternating directions, should only be used to create a more even bundle.

# The perfect bundle

Improves service

Eliminates rehandling

Minimizes damage

Reduces costs

Preserves presort integrity

Delivered consistently

A secure bundle with a fully visible address is a thing of beauty.

UNITED STATES POSTAL SERVICE

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

**MPA/USPS-T42-5.** Please refer to lines 8 through 12 on page 22 of your testimony, where you state that, in the future "Beyond the Test Year" DPS environment for flats, "with the possible exception of saturation Enhanced Carrier Route (ECR) mail, carrier route presorted bundles will not have value for DPS zones, with 5-digit or 5-digit scheme presort being the finest sort required, similar to the situation with letters. Larger scheme bundles or stacks of flats prepared on pallets for one or multiple sort plans could likely be a more appropriate preparation for flats in a sequencing environment."
(a) Please confirm that mailings of flats that are currently entered in carrier route presorted bundles have more pieces per ZIP Code than mailings of flats that are currently entered in 5-Digit bundles. If you do not confirm without qualification, please explain fully, and produce sufficient data, analyses, reports and other documentation to verify your response.
(b) Your testimony states that "carrier route presorted bundles will not have value for DPS zones" in a flats sequencing environment. Do you expect, however, that having more pieces destinating in the same ZIP Code will continue to have value for DPS zones (e.g., because the larger number of pieces per ZIP Code will allow the publisher to prepare large 5-digit or 5-digit scheme bundles, 5-digit stacks of flats and even entire 5-digit pallets of flats)? Please explain your response fully, and produce sufficient data, analyses, reports and other documentation to verify your response.
(c) Please confirm that 5-Digit and 5-Digit Scheme pallets will have value in a flats sequencing environment. Please explain your response fully.

**Response:**

a. Based on the requirements for carrier route presort versus 5-Digit presort, this can generally be confirmed. However, since carrier route presorting is not a requirement, is certainly possible that a mailing primarily prepared in 5-Digit bundles without carrier route presorting could have more pieces in the mailing compared to a similar mailing that chose to carrier route presort.

b. Yes. The more pieces in a mailing to one or multiple sort plans will, in my opinion, provide an increased opportunity to prepare the pieces in a manner that will facilitate a more efficient induction into the FSS. I am not aware of

any data, analyses, reports and other documentation that supports this opinion.

c. Confirmed. These pallets will enable the contents to be directly prepped and inducted into the FSS operation without first sorting the contents to the appropriate FSS scheme.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

**MPA/USPS-T42-6.** Please refer to the description of the SKIN SACK REDUCTION PROGRAM on pages 19 and 20 of USPS-LR-L-49. In particular, please refer to the following sentences:
"Mailing standards will be modified to no longer allow the preparation of certain sacks within Periodicals that contain fewer than the established minimum of 24 pieces...With the attention to service and the results achieved over the last several years, this costly option is no longer necessary."
(a) Please confirm that the modification to mailing standards mentioned in the cited passage of USPS-LR-L-49 was implemented on May 11, 2006. If not confirmed, please explain fully.
(b) Has the modification to mailing standards affected the service provided to Periodicals Outside County mail? Please explain your response fully.

**Response:**

a. Confirmed.

b. Though it would not be unexpected that such a significant change would impact service until appropriate adjustments can be made after a mailer adopts the change to maintain service, no performance analysis has been conducted to quantify the impact.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

**MPA/USPS-T42-7.** Please refer to page 20 of USPS-LR-L-49 where it states, "The outgoing distribution of flat mail pieces prepared in mixed bundles has recently been consolidated into significantly fewer facilities and moved to automated processing wherever practical." Please also refer to the proposed rule entitled "New Preparation for Periodicals Flats in Mixed Area Distribution Center Bundles and Sacks" in the March 7, 2006 Federal Register (page 11366) where it states,

"The new separation allows us to integrate Periodicals flats into the First-Class mailstream for Periodicals addressed to destinations within the First-Class Mail surface transportation reach of the office of entry. Under the new preparation, mailers separate some mixed ADC mail according to the destination ZIP Codes in new labeling list L201. Pieces prepared according to L201 are processed with First-Class Mail by the entry office. The remaining mixed ADC mail destined for ZIP Codes farther from the office of entry is sent to one of the 34 origin facilities designated in labeling list L009 for consolidated processing. To fully benefit from this new preparation, Periodicals mailers should begin preparing Periodicals mail under these standards as soon as possible. Having all mixed ADC mail prepared uniformly allows us to establish a consistent network and operating procedure for handling this mail across our processing facilities. Processing some Periodicals mail with the existing outgoing First-Class Mail at approximately 330 locations will have little impact on the operations at these offices but will relieve the 34 locations currently processing this consolidated volume of a significant amount of work."

(a) Please confirm that the proposed implementation date for the "New Preparation for Periodicals Flats in Mixed Area Distribution Center Bundles and Sacks" rule is July 6, 2006. If not confirmed, please provide the correct implementation date.

(b) Please confirm that use of the L009 labeling list mentioned in the proposed rule cited above became a requirement for Periodicals Mixed ADC flats on May 15, 2005. If not confirmed, please explain fully.

(c) At the beginning of FY 2005, was there a consistent operating procedure for handling Mixed ADC Periodicals mail? If so, please describe it precisely, and produce Postal Service manuals, management instructions, or similar documents sufficient to verify your response.

(d) Please confirm that the Postal Service is in the process of establishing the "consistent network and operating procedure" for Periodicals Mixed ADC mail described above, and that the network and operating procedure will be in place by the Test Year. If not confirmed, please explain fully.

(e) Please confirm that, by the end of FY 2006, the Postal Service will have put in place the mailing standards to support the "consistent network and operating procedure." If not confirmed, please explain fully.

(f) Please confirm that "integrat[ing] Periodicals [Mixed ADC] flats into the First-Class mailstream for Periodicals addressed to destinations within the First-Class Mail surface transportation reach of the office of entry" will increase the

proportion of Periodicals Mixed ADC flats that are sorted on automation and explain why.
(g) Please confirm that, because Periodicals Mixed ADC flats will be integrated into the First-Class mailstream only for pieces addressed to destinations within the First-Class Mail surface transportation reach of the office of entry, the integration with First-Class Mail will not cause the transportation of Periodicals by air.
(h) Please confirm that the Postal Service is consolidating the processing of Periodicals Mixed ADC flats that will not be integrated into the First-Class mailstream at 34 locations. If not confirmed, please explain fully.
(i) Please confirm that consolidating the processing of Periodicals Mixed ADC flats that are not integrated with the First-Class mailstream at 34 locations will increase the proportion of Periodicals Mixed ADC flats that are on automation. Explain your answer fully, and provide all available documentation of the magnitude of the increase.

**Response:**

a. It can be confirmed that the required use of the new preparation will become required on July 6, 2006; however, optional use of the preparation became effective on October 27, 2005.

b. Confirmed.

c. In January 2000, a national Periodicals processing standard operating procedure was issued (please see USPS-LR-L-145). This was in effect at the beginning of FY 2005. The SOP specified using process management as a problem solving tool. It specified the operations for both originating and destinating plants, including dock operations, sack or tray break up operations and mixed sack and tray operations (letters and flats). It contained information on the importance of labeling and placarding for within plant and between plant container movements. It specified the training required for management and craft employees.

d. Confirmed.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

e. Confirmed.

f. Unable to confirm. Though the consolidation of Periodicals Mixed ADC flats at the 34 processing facilities (see subpart (i)) should have moved all or most candidate mail onto automation, it is possible that the integration of Periodicals Mixed ADC flats into the First-Class mailstream for pieces addressed with the First-Class surface transportation reach of the plant of entry could further increase the proportion sorted on automation, since virtually all outgoing First-Class flats have an outgoing automated window.

g. Confirmed.

h. Confirmed.

i. Confirmed. By consolidating the processing of these mailpieces, there will be increased volumes for machines to process increasing the likelihood that a window on automation will be justified.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

Bundle Reallocation, *Postal Bulletin* 22170 (12-22-05) at 34

New Preparation Requirements for Bundles on Pallets, *Postal Bulletin* 22171 (1-5-06) at 8

Sack Preparation Changes for Periodicals, *Postal Bulletin* 22172 (1-19-06) at 6

b. *Minimum Load Standards for Mail on Pallets*

This preparation option allows mailers to prepare pallets with a lower minimum weight. Moving the minimum weight to 100 pounds for SCF pallets entered at destination SCFs and ADC pallets entered at destination ADCs allows more bundles to be placed on pallets reducing the number of bundles prepared in sacks.

*Unsacked Bundles of Flat-Size Mail Entered at Destination Delivery Units*

This preparation option allows mailers to deposit flat-sized mail at destination delivery units with out sacking the individual bundles. The mailer can use any container they like to transport the bundles to the delivery unit and then transfer them into containers designated by the office.

*Periodicals Prepared in Trays*

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

This preparation option allows mailers to place ADC and mixed ADC mail in flat trays with lids. This option eliminates the ADC and mixed ADC sacks which would have otherwise been prepared.

*Bundle Reallocation*

This mail preparation option allows mailers to move volume from the SCF pallet of the host city to protect the preparation of the ADC pallet. Protecting the ADC pallet keeps the mail palletized, preventing the bundles from falling to sacks.

*New Preparation Requirements for Bundles on Pallets*

This preparation requirement lowers the minimum weight of the least finely sorted pallet in a mailing from 500 to 250 pounds. If there is between 250 and 499 pounds of mail for the destination after all 500 pound pallets are created, the additional pallet must be made. This results in volume being prepared on a pallet instead of falling to sacks.

*Sack Preparation Changes for Periodicals*

This preparation requirement raises the minimum number of pieces required at any presort level from 6 to 24. This will consolidate mail from multiple 6-piece sacks into a single sack, reducing the number of sacks in the system. The 3-digit carrier routes sack consolidates bundles of carrier route presorted mail which previously were contained in individual 5 digit carrier route sacks.

**RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA INC. AND ALLIANCE OF NONPROFIT MAILERS**

The merged 3 digit sack consolidates carrier route, automation and presorted bundles formerly prepared in merged 5 digit sacks.

c. Minimum Load Standards for Mail on Pallets, optional June 1, 2005

Unsacked Bundles of Flat-Size Mail Entered at Destination Delivery Units, optional June 9, 2005

Periodicals Prepared in Trays, optional October 27, 2005

Bundle Reallocation, optional May 11, 2006

New Preparation Requirements for Bundles on Pallets, required May 11, 2006

Sack Preparation Changes for Periodicals, required May 11, 2006

d. It is my understanding that volume projections for the Test Year are made at a subclass level by witness Thress (USPS-T-7) and then at the rate category level by witness Tang (USPS-T-35). While I understand that price incentives that are offered may affect mail preparation and entry, I have not quantified any change in level of destination entry for the Test Year.

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**MPA/USPS-T42-9.** Please refer to your response to MPA/USPS-T42-1(a), where you state, "[i]n FY 2005, 44.7% of incoming secondary flats were finalized in manual operations in the field." Please also refer to your response to MPA/USPS-T42-1(a), where you state, "[t]he systems that record volume for particular operations do not collect information by mail class or subclass, therefore, a calculated percentage cannot be provided." Is 44.7% your best estimate of the percentage of Periodicals Outside County incoming secondary flats that were finalized in manual operations in the field in FY 2005? If not, please explain whether you believe that the percentage of Periodicals incoming secondary flats that were finalized in manual operations in FY 2005 in the field is higher or lower than 44.7%, and explain your rationale.

**Response:**

I do not feel I have a basis on which to confirm that this would be my best estimate for the percentage of incoming secondary Periodicals Outside County flats processed manually. However, I would presume that due to the service sensitivity of Periodicals, this class could likely have a higher percentage than the system average of flats processed manually.

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**MPA/USPS-T42-10.** Please refer to page 20, line 29 through page 21, line 1 of your testimony (USPS-T-42), where you state:

> Also, any automation compatible Periodicals volume currently processed in a manual incoming secondary operation will be *moved to an automated processing operation to the greatest extent* possible when the processing window exists.

By how much do you believe this initiative will reduce the percentage of Periodicals Outside County incoming secondary flats that are finalized in manual operations in the field between FY 2005 and FY 2008? Please explain the basis of your estimate.

**Response:**

Due to the numbers of variables that impact such a reduction (e.g., number of zones added to automation by FY 2008, volume entered by customers by the *critical entry time for automation*, address quality improvements, etc.) and the fact that I do not have a current percentage upon which to base a reduction, I cannot produce an estimate.

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**MPA/USPS-T42-11.** Please refer to lines 4 through 10 on page 14 of your testimony (USPS-T-42), where you state:

> Flats that originate from opening unit operations must also be 'prepped' before they can be inducted into piece distribution operations. Depending on where the prepping is performed, it can consist of unloading containers, separating bundles for subsequent operations, removing the packaging material, orienting, and stacking the flats in postal containers or on ledges of distribution equipment. All of the prepping operations are performed manually and are labor-intensive.

*In answering this interrogatory, please assume that the bundle breakage rate is zero.*

(a) For non-carrier-route flats, are these prepping activities performed by clerks, mailhandlers, or carriers? If these activities are performed by either clerks or mailhandlers, please list the primary cost pools in which these activities are performed. Please explain your response fully.

(b) For carrier route flats, are these prepping activities performed by clerks, mailhandlers, or carriers? If these activities are performed by clerks or mailhandlers, please list the primary cost pools in which these activities are performed. Please explain your response fully.

**Response:**

a. These activities are usually performed by mail handlers in MODS operation 035, which is synonymous with cost pool Flat Mail Prep.

b. In the absence of bundle breakage, carrier route flats normally are not prepped for piece distribution in the plant. These bundles are dispatched to the appropriate delivery unit where the bundles are distributed to carriers mostly by clerks, and then the bundles are broken open by carriers.

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**MPA/USPS-T42-12.** Please refer to witness Mayes' response to MPA/USPS-T25-2(a), where she states, "[t]he DSCF cost avoidance is calculated assuming that DSCF entry avoids one BMC equivalent handling and 0.194 SCF equivalent handlings." Please also refer to lines 7 through 8 on page 7 of witness Mayes' testimony (USPS-T-25), which states, "[t]he savings estimates generated in Appendix F of library reference USPS-L.-L-88 are calculated relative to Zone 1&2 Periodicals mail processing costs." Finally, please refer to Table 13 accompanying witness Loetscher's response to TW/USPS-T28-7-8, which shows container counts by container type, presort level, and entry facility type.

a. Please provide your best estimate of the average number of BMC handlings and SCF handlings that DSCF-entered Periodicals avoid relative to Zones 1-8 Periodicals. Please provide all of your underlying calculations.

b. Please provide your best estimate of the average number of BMC handlings and SCF handlings that DADC-entered Periodicals avoid relative to Zones 1-8 Periodicals. Please provide all of your underlying calculations.

c. Does DSCF entry (relative to Zones 1-8) avoid handlings at any other types of facilities? If so, list the other types of facilities and provide your best estimate of the average number of handlings at each type of facility that is avoided by DSCF entry (relative to Zones 1-8). Please provide all of your underlying calculations.

d. Does DADC entry (relative to Zones 1-8) avoid handlings at any other types of facilities? If so, list the other types of facilities and provide your best estimate of the average number of handlings at each type of facility that is avoided by DADC entry (relative to Zones 1-8). Please provide all of your underlying calculations.

**Response:**

With these responses, it is assumed that a handling can be a cross-dock of a pallet or sort of a sack.

a. The handlings avoided would likely be: one at the origin SCF, one at the origin HASP/PER hub/BMC, one at the destination HASP/PER hub/BMC. Depending on the zone, the origin and/or destination HASP/PER hub/BMC

handling(s) may not be necessary, since the volume can be dispatched directly out of the origin SCF or HASP/PER hub/BMC to the destination SCF. Therefore, my best rough estimate would be 2.5 handlings.

b. The handlings avoided would likely be: one at the origin SCF, one at the origin HASP/PER hub/BMC, one at the destination HASP/PER hub/BMC. Depending on the zone, the origin and/or destination HASP/PER hub/BMC handling(s) may not be necessary, since the volume can be dispatched directly out of the origin SCF or HASP/PER hub/BMC to the destination ADC. Therefore, my best rough estimate would be 2.5 handlings.

c. See response to subpart (a).

d. See response to subpart (b).

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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.

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**MPA/USPS-T42-17.** Please refer to USPS witness Eggleston's response to CSA/USPS-T26-24 in Docket No. R2000-1, 13 Tr. 5128-29, where she states that "[t]he IOCS handling tallies record the mail actually being handled by the employees recorded as working a given mail processing operation (cost pool), rather than the mail expected to be handled in a given operation." Please also refer to your response to PB/USPS-T29-16 in Docket No. R2005-1.

(a) Please confirm that the Postal Service does (albeit infrequently) handle flat-shaped mail in non-flat operations. If you do not confirm, please explain.

(b) Please confirm that Postal Service clerks and mail handlers do (albeit infrequently) work in operations that are different than the operation into which those employees are clocked. If you do not confirm, please explain.

(c) Please confirm that either of the possibilities identified in parts (a) and (b) could result in a non-zero cost for Periodicals Outside County flats in non-flat cost pools. If you do not confirm, please explain fully.

(d) Do you believe that IOCS mail processing costs for Periodicals Outside County flats in letter sorting cost pools are most likely incurred sorting Periodicals Outside County flats? If not confirmed, please explain fully.

(e) Do you believe that the IOCS mail processing costs for Periodicals Outside County flats in parcel sorting cost pools are most likely incurred sorting Periodicals Outside County flats or bundles of Periodicals Outside County flats? If not confirmed, please explain fully.

(f) Do you believe that the IOCS mail processing costs for Periodicals Outside County flats in Priority and Express Mail sorting cost pools are most likely incurred sorting Periodicals Outside County flats? If not confirmed, please explain fully.

**Response:**

a - f. Confirmed.

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**MPA/USPS-T42-18.** Please refer to your response to MPA/USPS-T42-11(b), where you state: "In the absence of bundle breakage, carrier route flats normally are not prepped for piece distribution in the plant. These bundles are dispatched to the appropriate delivery unit where the bundles are distributed to carriers mostly by clerks, and then the bundles are broken open by carriers." Based on your operational experience, are most of the costs in MODS operation 035 incurred for breaking open bundles and the subsequent activities of removing the packaging material, orienting, and stacking the flats in postal containers and ledges of distribution equipment? If not, please explain fully.

**Response:**

Yes.

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**MPA/USPS-T42-19.** Please refer to your response to MPA/USPS-T42-12. Please confirm that Non-Mixed ADC Periodicals containers that are entered at an Origin BMC are almost always transported from the OBMC to the DBMC (or equivalent facility, such as a destination HASP or PER hub) on their way to the DSCF or DADC. If not confirmed, please explain your response fully.

**Response:**

If the Non-Mixed ADC Periodicals do not destinate within the Origin BMC service area, confirmed. However, I should note that it is my understanding that few Periodicals are entered by customers at Origin BMCs.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND ALLIANCE OF NONPROFIT MAILERS

**MPA/USPS-T42-20.** Please refer to your response to MPA/USPS-T42-1, which states:

> "In FY 2005, 44.7% of incoming secondary flats were finalized in manual operations in the field. The percentage is derived from flat volume of 13,188,243,000 pieces that received manual incoming secondary distribution in the field out of 29,501,658,000 total incoming secondary flat volumes. Source: MODS and FLASH reports."

(a) Please confirm that 13,188,243,000 is the total number of manual incoming secondary flat sorts performed by the Postal Service in FY 2005. If not confirmed, please explain fully the meaning of this figure.

(b) Please confirm that 29,501,658,000 is the total number of incoming secondary flat sorts performed by the Postal Service in FY 2005. If not confirmed, please explain fully the meaning of this figure.

(c) What are FLASH reports? Please explain the source of the data presented in FLASH reports.

**Response:**

(a) Confirmed.

(b) Confirmed.

(c) The National Flash System (FLASH) is a weekly operating reporting management system. FLASH combines critical data from all functions and produces a one-page overview of the status of an organization. This status is then rolled up to the area and national levels. The reports contain payroll and non-payroll data that is used as a management tool in functional areas. Payroll related data is workhours, overtime hours, all leave hours, paid salaries, and fringe benefits. Non-payroll related data consists of revenue, workload and safety indicators, and productivity.

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**MPA/USPS-T42-21.** Please refer generally to Section III of your testimony, USPS-T-42, which discusses "Volumes and Workhours in Mail Processing," and, in particular, to your discussion of (1) the "schemes effect" and (2) the previous testimony by Linda Kingsley in Docket No. R2000-1 and R2001-1.

(a) For flat sorting machines, you note that Kingsley's investigation at two local plants found that an average of 10.7 daily sort schemes for each machine, compared to only 4.6 for the letter barcode sorters. In your experience, is it typical for FSMs to have this many daily scheme changes?

(b) For a representative AFSM 100 in today's operating environment, please provide a list and description of all the sort schemes run on the machine during a single 24-hour period.

**Response:**

(a) Since Ms. Kingsley collected the data on two local plants in 2000, the flats sorting environment has been simplified at many plants. Instead of a mix of AFSM 100s, UFSM 1000s, and even old FSM 881s, many plants have moved toward AFSM 100s only. Since each type of machine demands its own set of sort programs, this has reduced the number of sort programs in use and, I believe, resulted in a modest reduction in the average number of sort program changes. Recognizing that the number of AFSM 100s in plants varies, from one machine at 98 facilities to eight at 3 plants (VP/USPS-T42-4), it is difficult to say what is typical. The 10.7 daily sort plan changes on the AFSM 100 is probably high for a "typical" plant in the current environment, but it would still be significantly greater than the DBCSs because the average run time per machine is significantly greater for the AFSM 100s compared to the DBCSs.

(b) AFSM 100s are used collectively to accomplish the required sortation each day, so it isn't possible to pick a single machine as "representative". Instead, I have attached a table showing all AFSM 100 runs at a "representative" facility with 5 AFSM 100s on July 18, 2006. To read the table, the key field is the Sort Program. The first three characters in the field identify the MODS operation and the remainder of the field identifies the specific sort program being run. As an aid to understanding, I have also attached a chart that depicts the same information and shows the progressive use of MODS operations, and individual sort plans within each operation, as the day progresses, (all in vibrant color).

# END OF RUN SUMMARY REPORT

## DATE: 07 18 2006

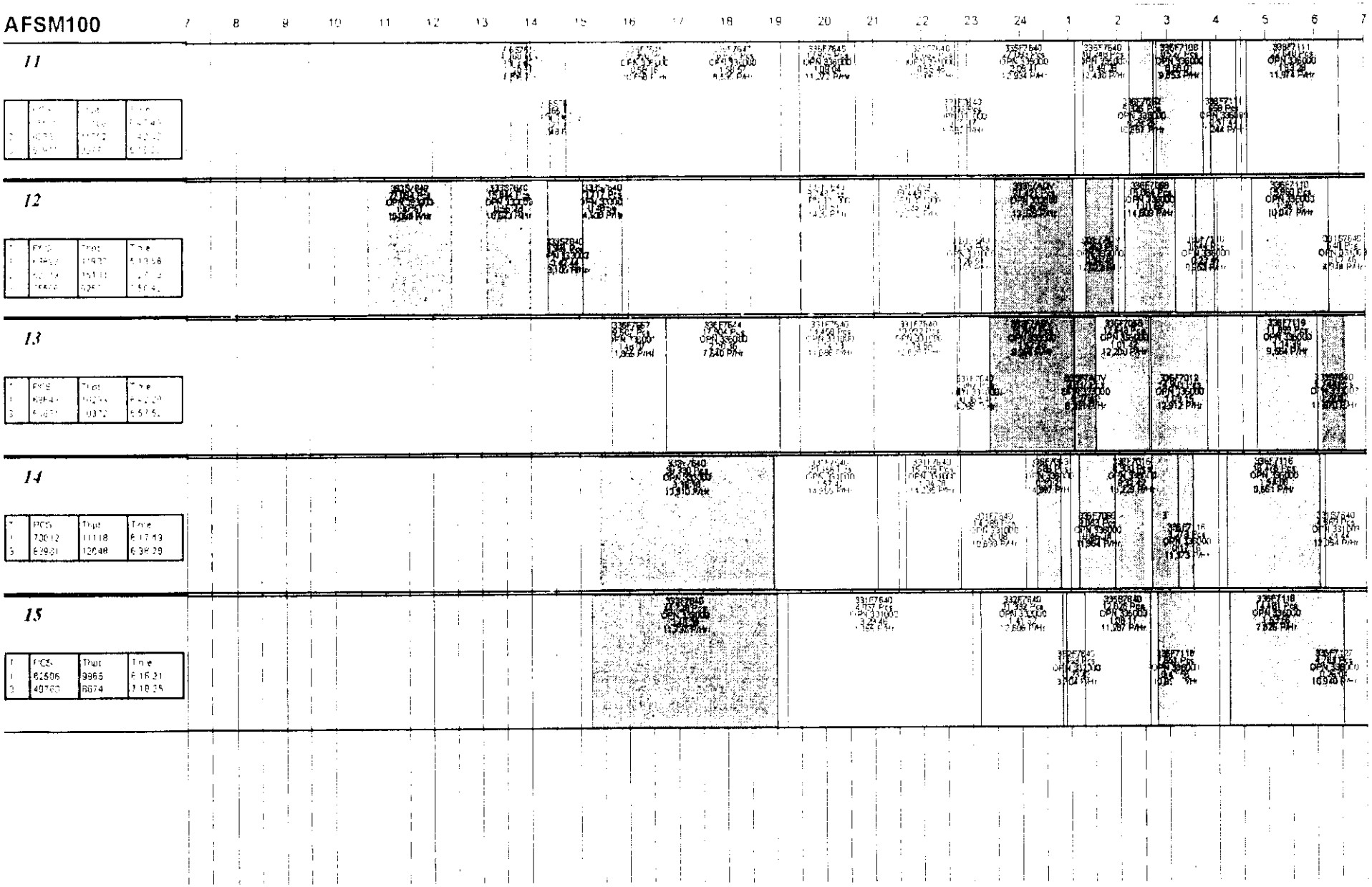
| Mach Type | MNO | Op No. | Sort Program | Tour | Run# | Start | End | MODS Date | Fed | MODS Status |
|---|---|---|---|---|---|---|---|---|---|---|
| AFSM100 | 1 | 336003 | 336S7656 | 2 | 2 | 7 18 06 13:35 | 7 18 06 13:56 | 7 18 2006 | 4968 | S 07/18/06 |
| AFSM100 | 1 | 336003 | 336S7657 | 2 | 3 | 7 18 06 14 22 | 7 18 06 14 44 | 7 18 2006 | 3265 | S 07/18/06 |
| AFSM100 | 1 | 336000 | 336F7646 | 3 | 1 | 7 18 06 15 50 | 7 18 06 16:49 | 7 18 2006 | 10350 | S 07/18/06 |
| AFSM100 | 1 | 336000 | 336F7647 | 3 | 2 | 7 18 06 17:08 | 7 18 06 19:07 | 7 18 2006 | 16921 | S 07/18/06 |
| AFSM100 | 1 | 336000 | 336F7645 | 3 | 3 | 7 18 06 19:29 | 7 18 06 20:38 | 7 18 2006 | 12975 | S 07/18/06 |
| AFSM100 | 1 | 331000 | 331F7640 | 3 | 4 | 7 18 06 21 42 | 7 18 06 22:40 | 7 18 2006 | 10662 | S 07/18/06 |
| AFSM100 | 1 | 331000 | 331F7640 | 3 | 5 | 7 18 06 22:44 | 7 18 06 22:54 | 7 18 2006 | 1003 | S 07/18/06 |
| AFSM100 | 1 | 335000 | 335F7640 | 1 | 1 | 7 18 06 23:01 | 7 19 06 1:07 | 7 18 2006 | 27093 | S 07/19/06 |
| AFSM100 | 1 | 335000 | 335F7640 | 1 | 2 | 7 19 06 1 17 | 7 19 06 2:06 | 7 18 2006 | 10248 | S 07/19/06 |
| AFSM100 | 1 | 336000 | 336F7052 | 1 | 3 | 7 19 06 2 14 | 7 19 06 2:43 | 7 18 2006 | 5326 | S 07/19/06 |
| AFSM100 | 1 | 336000 | 336F7108 | 1 | 4 | 7 19 06 2:46 | 7 19 06 3:44 | 7 18 2006 | 9527 | S 07/19/06 |
| AFSM100 | 1 | 336000 | 336F7111 | 1 | 6 | 7 19 06 3:52 | 7 19 06 4:24 | 7 18/2006 | 658 | S 07/19/06 |
| AFSM100 | 1 | 336000 | 336F7111 | 1 | 7 | 7 19 06 4 35 | 7/19/06 6:29 | 7 18/2006 | 22648 | S 07/19/06 |
| AFSM100 | 2 | 333003 | 333S7640 | 2 | 2 | 7 18 06 10:37 | 7/18/06 12:24 | 7/18/2006 | 27084 | S 07/18/06 |
| AFSM100 | 2 | 333003 | 333S7640 | 2 | 3 | 7 18 06 13:04 | 7/18/06 14:00 | 7/18/2006 | 15644 | S 07/18/06 |
| AFSM100 | 2 | 333003 | 333S7640 | 2 | 4 | 7 18 06 14:19 | 7/18/06 15:02 | 7/18/2006 | 9391 | S 07/18/06 |
| AFSM100 | 2 | 333003 | 333S7640 | 3 | 1 | 7 18 06 15:03 | 7/18/06 15:52 | 7/18/2006 | 3717 | S 07/18/06 |
| AFSM100 | 2 | 331000 | 331F7640 | 3 | 3 | 7 18 06 19:30 | 7/18/06 20:32 | 7/18/2006 | 8748 | S 07/18/06 |
| AFSM100 | 2 | 331000 | 331F7640 | 3 | 4 | 7/18/06 21:06 | 7/18/06 22:39 | 7/18/2006 | 19448 | S 07/18/06 |
| AFSM100 | 2 | 331000 | 331F7640 | 3 | 5 | 7 18 06 22:44 | 7/18/06 23:11 | 7/18/2006 | 3653 | S 07/18/06 |
| AFSM100 | 2 | 333000 | 333F7ADV | 1 | 1 | 7/18/06 23:27 | 7/19/06 1:04 | 7/18/2006 | 21421 | S 07/19/06 |
| AFSM100 | 2 | 333000 | 333F7ADV | 1 | 2 | 7/19/06 1:19 | 7/19/06 1:54 | 7/18/2006 | 7263 | S 07/19/06 |
| AFSM100 | 2 | 336000 | 336F7068 | 1 | 3 | 7/19/06 2:07 | 7/19/06 3:09 | 7/18/2006 | 15064 | S 07/19/06 |
| AFSM100 | 2 | 336000 | 336F7110 | 1 | 4 | 7/19/06 3:33 | 7/19/06 3:57 | 7/18/2006 | 3544 | S 07/19/06 |
| AFSM100 | 2 | 336000 | 336F7110 | 1 | 5 | 7/19/06 4:41 | 7/19/06 6:16 | 7/18/2006 | 15960 | S 07/19/06 |
| AFSM100 | 2 | 331003 | 331S7640 | 1 | 7 | 7/19/06 6:28 | 7/19/06 6:36 | 7/18/2006 | 640 | S 07/19/06 |
| AFSM100 | 3 | 336000 | 336F7667 | 3 | 1 | 7/18/06 15:38 | 7/18/06 16:26 | 7/18/2006 | 9507 | S 07/18/06 |
| AFSM100 | 3 | 336000 | 336F7644 | 3 | 2 | 7/18/06 16:45 | 7/18/06 19:05 | 7/18/2006 | 17904 | S 07/18/06 |
| AFSM100 | 3 | 331000 | 331F7640 | 3 | 3 | 7/18/06 19:28 | 7/18/06 20:42 | 7/18/2006 | 14458 | S 07/18/06 |
| AFSM100 | 3 | 331000 | 331F7640 | 3 | 4 | 7/18/06 21:06 | 7/18/06 22:41 | 7/18/2006 | 19992 | S 07/18/06 |
| AFSM100 | 3 | 331000 | 331F7640 | 1 | 5 | 7/18/06 22:44 | 7/18/06 23:21 | 7/18/2006 | 3867 | S 07/18/06 |
| AFSM100 | 3 | 333000 | 333F7ADV | 1 | 1 | 7/18/06 23:21 | 7/19/06 1:04 | 7/18/2006 | 15847 | S 07/19/06 |
| AFSM100 | 3 | 333000 | 333F7ADV | 1 | 2 | 7/19/06 1:04 | 7/19/06 1:32 | 7/18/2006 | 3837 | S 07/19/06 |
| AFSM100 | 3 | 336000 | 336F7055 | 1 | 3 | 7/19/06 1:34 | 7/19/06 2:36 | 7/18/2006 | 12546 | S 07/19/06 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| AFSM100 | | 336000 | 336F7112 | 1 | 1 | 7/19/06 2:38 | 7/19/06 3:47 | 7/18/2006 14903 | S 07/19/0 |
| AFSM100 | 3 | 336000 | 336F7119 | 1 | 5 | 7/19/06 4:46 | 7/19/06 6:01 | 7/18/2006 11899 | S 07/19/06 |
| AFSM100 | 3 | 333003 | 333S7640 | 1 | 6 | 7/19/06 6:06 | 7/19/06 6:35 | 7/18/2006 5744 | S 07/19/06 |
| AFSM100 | 4 | 333000 | 333F7640 | 3 | 1 | 7/18/06 15:21 | 7/18/06 18:57 | 7/18/2006 39330 | S 07/18/06 |
| AFSM100 | 4 | 331000 | 331F7640 | 3 | 2 | 7/18/06 19:06 | 7/18/06 21:03 | 7/18/2006 29356 | S 07/18/06 |
| AFSM100 | 4 | 331000 | 331F7640 | 3 | 3 | 7/18/06 21:38 | 7/18/06 22:42 | 7/18/2006 15295 | S 07/18/06 |
| AFSM100 | 4 | 331000 | 331F7640 | 1 | 4 | 7/18/06 22:45 | 7/19/06 0:05 | 7/18/2006 14289 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7063 | 1 | 2 | 7/19/06 0:18 | 7/19/06 0:48 | 7/18/2006 7586 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7063 | 1 | 3 | 7/19/06 1:09 | 7/19/06 1:54 | 7/18/2006 9053 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7015 | 1 | 4 | 7/19/06 1:57 | 7/19/06 2:30 | 7/18/2006 8300 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7050 | 1 | 5 | 7/19/06 2:38 | 7/19/06 3:11 | 7/18/2006 6066 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7116 | 1 | 6 | 7/19/06 3:11 | 7/19/06 3:29 | 7/18/2006 3273 | S 07/19/06 |
| AFSM100 | 4 | 336000 | 336F7116 | 1 | 7 | 7/19/06 4:09 | 7/19/06 6:04 | 7/18/2006 16476 | S 07/19/06 |
| AFSM100 | 4 | 331003 | 331S7640 | 1 | 8 | 7/19/06 6:09 | 7/19/06 6:34 | 7/18/2006 4969 | S 07/19/06 |
| AFSM100 | 5 | 333000 | 333F7640 | 3 | 1 | 7/18/06 15:12 | 7/18/06 19:00 | 7/18/2006 44726 | S 07/18/06 |
| AFSM100 | 5 | 331000 | 331F7640 | 3 | 2 | 7/18/06 19:13 | 7/18/06 22:42 | 7/18/2006 4037 | S 07/18/06 |
| AFSM100 | 5 | 332000 | 332F7640 | 1 | 1 | 7/18/06 23:08 | 7/19/06 0:50 | 7/18/2006 21332 | S 07/19/06 |
| AFSM100 | 5 | 332000 | 332F7640 | 1 | 2 | 7/19/06 0:53 | 7/19/06 1:17 | 7/18/2006 1463 | S 07/19/06 |
| AFSM100 | 5 | 335003 | 335S7640 | 1 | 3 | 7/19/06 1:28 | 7/19/06 2:36 | 7/18/2006 12826 | S 07/19/06 |
| AFSM100 | 5 | 336000 | 336F7118 | 1 | 4 | 7/19/06 2:44 | 7/19/06 3:27 | 7/18/2006 7651 | S 07/19/06 |
| AFSM100 | 5 | 336000 | 336F7118 | 1 | 5 | 7/19/06 4:11 | 7/19/06 6:05 | 7/18/2006 14481 | S 07/19/06 |
| AFSM100 | 5 | 336000 | 336F7127 | 1 | 6 | 7/19/06 6:06 | 7/19/06 6:32 | 7/18/2006 4753 | S 07/19/06 |

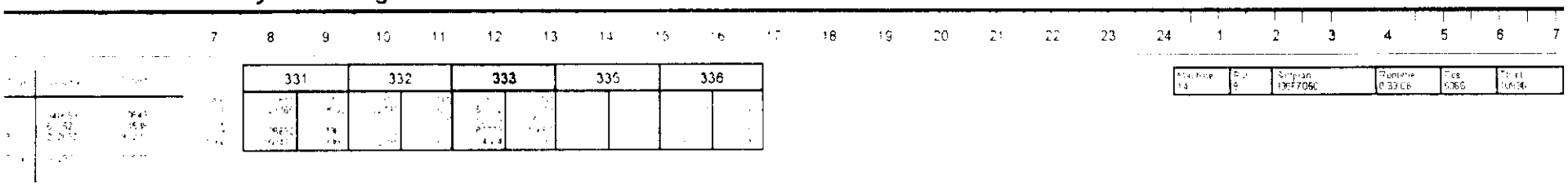
# Machine Ut...ation by Sort Program

FY: 2006 AP:10 DAP:18 Tuesday, July 18, 2006

## AFSM100



## Machine Utilization by Sort Program



RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND ALLIANCE OF NONPROFIT MAILERS

**MPA/USPS-T42-22.** Please refer to lines 11-18 on page 36 of your testimony, USPS-T-42, where you state:

> "Out of the hundreds of schemes run each day, a few very large schemes (e.g., the initial outgoing and incoming schemes, i.e., the "primaries") may be run on multiple sorters due to time constraints. But for the vast majority of schemes, this is neither necessary nor desirable. If time did not allow for sorting, say, all the Alexandria letter mail, then Standard Mail letters would be held for later processing. Indeed, in the final sort for most letter mail -- when the mail is arranged in delivery sequence -- we are unable to split a run among machines even if there was a desire to do so, since there would be no practical means to merge the results."

(a) Please confirm that running the same scheme on multiple sorters increases the number of "less-than-full" containers produced by the Postal Service since all containers (whether full or not) are swept at the end of the scheme, thus increasing container-handling costs in subsequent operations. If not confirmed, please explain fully

(b) Please confirm that running the same DPS scheme on two different sorters would produce two DPS bundles for each carrier served by the DPS scheme. If not confirmed, please explain fully.

(c) Please confirm that most sort schemes are incoming "secondaries" (including DPS schemes) and that incoming secondaries sort mail from one or multiple 5-Digit ZIP Codes to carrier route or delivery point sequence. If not confirmed, please explain fully.

(d) In your experience, are non-DPS incoming secondary sort schemes almost always run on just one machine? If not confirmed, please explain fully.

(e) Separately for outgoing primary, incoming primary, incoming secondary, and managed mail schemes, what percentage of schemes are run simultaneously on multiple machines?

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND ALLIANCE OF NONPROFIT MAILERS

**Response:**

(a) Confirmed.

(b) Confirmed with qualification. DPS is a two-pass operation. Although both the first and second pass are typically performed on the same machine at the same time for the reason you note, the first and/or second pass can be performed on different machines if absolutely necessary. This option is generally avoided since it requires that the trays from the two first passes be merged in precise order. If there is a mistake, the entire sort is ruined and both passes must be repeated from the beginning. If the second pass is split, the first-pass trays must be divided precisely and the result is approximately twice as many trays per carrier.

(c) Confirmed.

(d) Confirmed for each individual sort scheme. However, in the early hours of the morning, incoming secondary schemes are generally running on every AFSM 100 (See chart in VP/USPS-T42-21b above).

(e) Data to answer this question directly is not available. However, every facility maintains an electronic journal recording each sort program run on each machine. Recognizing the potential importance of this question, a reasonably typical date was chosen, May 18, 2006, and times were chosen when we hoped to find each sort level actually running extensively (not changing schemes, on break, running something else, etc.). Every facility was queried to transmit the necessary records to a central computer, and the following analysis produced.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND ALLIANCE OF NONPROFIT MAILERS

| | 5/18/2006 | DBCS | | | AFSM100 | | |
|---|---|---|---|---|---|---|---|
| Sort Level | Time | One Machine | Multiple Machines | % Multi | One Machine | Multiple Machines | % Multi |
| **OG PRI** | 8:50 PM | 356 | 137 | 27.79% | 146 | 52 | 26.26% |
| **OG SEC** | 11:50 PM | 21 | 4 | 16.00% | 11 | | 0.00% |
| **MMP** | 5:50 PM | 74 | 73 | 49.66% | 62 | 34 | 35.42% |
| **SCF** | 11:50 PM | 36 | | 0.00% | 11 | | 0.00% |
| **INC PRI** | 11:50 PM | 7 | 3 | 30.00% | 1 | | 0.00% |
| **INC SEC** | 2:50 AM (no | | | | | | |
| **xDPS** | DPS) | 109 | 1 | 0.91% | 326 | | 0.00% |
| **DPS** | 3:50 AM | 3037 | 4 | 0.13% | | | |

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC. REDIRECTED FROM WITNESS TALMO**

**MPA/USPS-T27-1.** Please refer to USPS-LR-L-49 at 19-20; USPS-LR-L-85, Table 1; Table 3 of your testimony (USPS-T-27); and your testimony to page 7, line 17, through page 8, line 1, where you state:

> Table 3 demonstrates that Periodicals flat-shaped mail presented by mailers in sacks is more costly to process than mail presented on pallets. The per-piece cost difference is due to differences in productivities for platform and other allied operations associated with unloading mail and moving mail to bundle sort operations at the 'destination' facility. The destination facility refers to the facility at which a pallet or sack is dumped or opened and the bundles or pieces therein are handled separately.

Please also refer to witness McCrery's response to Presiding Officer's Information Request No. 4, Question 6, in Docket No. R2005-1, which stated:

> It should be noted that the [Skin Sack Cost Reduction] estimate is conservative since it reflects only savings at the destination facilities. However, it would be expected that further workhour reductions will be realized at origin facilities with fewer origin sack handlings and through a reduction in the overall network sack sorting workload for Periodicals.

Finally, please refer to lines 16 through 18 on page 6 of USPS-T-25, which states: "Periodicals that are entered by mailers at origin SCFs or intermediate facilities upstream from the destination SCF must undergo mail processing operations of a bulk transfer type, such as crossdocking, at the non-destination facilities."

(a) Please confirm that the Postal Service incurs costs for handling Periodicals Outside County containers at facilities upstream of the destination facility. If not confirmed, please explain fully.
(b) Please confirm that because USPS-LR-L-85 estimates costs only at destination facilities, the cost per container estimates in USPS-LR-L-85 understate the Postal Service's average unit costs of handling Periodicals Outside County containers. If not confirmed, please explain fully, and produce all data and analyses underlying your response.
(c) Please confirm that the estimate in USPS-LR-L-49 of the cost savings from the Skin Sack Reduction Program was developed using USPS-LR-L-85. If not confirmed, please explain fully, and produce all data and analyses underlying your response.
(d) Please confirm that, holding all else equal, using USPS-LR-L-85 to estimate the cost savings from the Skin Sack Reduction Program understates the actual cost savings that the program will generate. If not confirmed, please explain fully, and produce all data and analyses underlying your response.

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY OF MAGAZINE PUBLISHERS OF AMERICA, INC. REDIRECTED FROM WITNESS TALMO**

(e) Please confirm that the average cost (per piece of mail) of handling sacks at destination facilities is higher than the average cost of handling pallets at non-destination facilities. If not confirmed, please explain fully, and produce all data and analyses underlying your response.
(f) Please confirm that the actual per-piece cost difference between sacks and pallets entered at the same "non-destination" facility will be higher than the per-piece cost difference estimated in USPS-LR-L-85. If not confirmed, please explain fully, and produce all data and analyses underlying your response.
(g) What percentage of Periodicals Outside County sacks are entered at the "destination" facility as you use the term in your testimony? Please provide citations to data and analyses sufficient to replicate your response.
(h) What percentage of Periodicals Outside County pallets are entered at the "destination" facility, as you use the term in your testimony? Please provide citations to data and analyses sufficient to replicate your response.
(i) What percentage of Periodicals Outside County containers are entered at the "destination" facility, as you use the term in your testimony? Please provide citations to data and analyses sufficient to replicate your response.
(j) Does the Postal Service have any other estimates of the unit costs of handling containers of Periodicals Outside County mail, or other kinds of mail? If so, please provide the estimates and their source.

**RESPONSE:**

(a) Confirmed. Periodicals Outside County containers inducted upstream from the destination facility do incur costs at upstream facilities.

(b) See response by witness Talmo.

(c)-(d) Not confirmed. See response to POIR No. 4, Question No. 6 in R2005-1.

(e)-(f) Redirected to witness Mayes.

(g)-(i) Redirected to witness Loetscher.

(j) Redirected to witness Mayes.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA REDIRECTED FROM WITNESS JOYCE K. COOMBS**

**NAA/USPS-T44-6:** Under current city and rural carrier operations, by what time must a saturation flats mailing entered at an SCF arrive in order to be delivered (assuming only one mailing):
a. on the same day?
b. no later than the next day?

**Response:**

a, b. The guidelines for delivery of ECR Saturation flats range from 2 days after entry for pieces placed on 5-digit pallets to up to 4 days after entry for pieces placed on SCF pallets. These guidelines assume that the mailings were entered at the SCF prior to the facility's critical entry time, which can vary based on the facility's operating plan.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA REDIRECTED FROM WITNESS JOYCE K. COOMBS**

**NAA/USPS-T44-7:** *Under current city and rural carrier operations, by what time must a High Density flats mailing entered at an SCF arrive in order to be delivered*
(assuming only one mailing):
a. on the same day?
b. *no later than the next day?*

**Response:**

a, b. The guidelines for delivery of ECR High Density flats range from 2 days after entry for pieces placed on 5-digit pallets to up to 4 days after entry for pieces placed on SCF pallets. These guidelines assume that the mailings were entered at the SCF prior to the facility's critical entry time, which can vary based on the facility's operating plan.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION
Revised August 16, 2006

**NNA/USPS-T42-1** Please refer to your testimony on p. 19 where you state: "More commonly, small volumes of flats for a particular destination are processed manually when the volume is insufficient to justify the fixed costs of setting-up and sweeping a scheme for such a small volume. "
a. Do operations guidelines or procedure. set minimum volume standards for the use of UFSM 1000s? If so, please provide a copy. If not, please explain why.
b. If your response to part a. is no, do plant managers have sole discretion in the decision to use the UFSM 1000 or to move mail to manual sorting?
c. Are you aware of circumstances where manual sorting is opted for in plants for purposes of occupying workers who otherwise have no work to do? If your response is yes, are these practices approved by the Postal Service?

**Response:**

(a) There are no management instructions containing guidelines or procedures for the use of UFSM 1000s in regards to minimum volume standards. In practice, sites need a minimum volume of approximately 5,000 pieces to consider operating in the automation mode. From my experience, it should be noted that site-specific circumstances may necessitate the use of UFSM 1000 equipment with a fewer number of pieces (e.g., lack of manual cases, manual distribution clerks, in particular, scheme qualified clerks, etc.).

(b) Supervisors of the flat sorting operation can make the decision to utilize the UFSM 1000 to sort mail when it is feasible to do so. Plant managers, however, have the ultimate responsibility for the overall plant operation.

(c) No, I am not aware of any circumstances where manual sorting is opted for in plants in order to keep workers occupied.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION

**NNA/USPS T42-2** Please refer to the description of the elimination of "skin sacks" described in LR-L-49.
a. Please confirm that on May 11, 2006, the Postal Service required periodicals sacks to contain 24 pieces or more.
b. If you confirm, please state whether the Postal Service permits any exceptions to this rule, and if so, under what circumstances.
c. Do you believe that by the test year, skin sacks will have been eliminated? If your response is no, please state what percentage you believe will have been eliminated and explain why the percentage is less than 100.

**Response:**

a – b. Confirmed. At this time, no exceptions have been allowed except for those identified in the Federal Register final rule. These include mailings where we currently allow mailers to balance bundles for a presort destination within sacks to avoid preparation of very heavy sacks, provided the volume to the presort destination meets the required minimum. Use of exceptional dispatch and the option to prepared bundles outside of sacks are also allowed (see NNA/USPS-T42-3).

c. Yes, they should be eliminated, with the exceptions mentioned in subpart (b).

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION

**NNA/USPS T42-3**. Please confirm that the Postal Service announced in 2005 that periodicals mailers would be permitted to enter unsacked bundles at Destination Facilities and provide copies of all public announcements and *guidance to destination units relevant to this guidance.*

**Response:**

Not confirmed. The entry of unsacked bundles of Periodicals mail was limited to entry at a Destination Delivery Unit, not all "Destination Facilities". The changes to the standards were published in Postal Bulletin 22138, September 30, 2004, pages 10-11. The article specifically directs postal employees with questions about the preparation option to contact their district manager of business mail entry. An article about the preparation option was published in Mailers Companion in the September/October 2004 issue. It can be found at http://www.usps.com/mailerscompanion/welcome.htm.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION

**NNA/USPS T42-4**. If you confirmed NNA/USPS T42-4,
a. Please describe the practices you believe mailers have followed in entering unsacked bundles and, in particular, whether this practice occurs in both Periodicals subclasses;
b. Please confirm that in some circumstances, bundles may not be placed in any container at all, but may be carried manually to a carrier or other postal worker for casing. If you do not confirm, please explain your response fully.
c. In circumstances where an unsacked bundle is entered at a destination facility and is deposited in a container designated by the Postal Service, please describe the containers that you would expect to be used and explain how they are used.
d. Please describe the status of the development of the practice of entering unsacked bundles. For example, do you believe it is in early stages, well-developed or nearly matured within the postal system. Please fully explain your response.

**Response:**

a. I have heard that mailers are depositing unsacked bundles with the driver unloading then placing the bundles at a location or into a container specified by the local delivery unit. Yes, the practice occurs in both subclasses.

b. Confirmed. Based on equipment availability and the physical characteristics of the building, it is possible that the bundles might be unloaded directly onto the dock and then walked inside by a postal employee for distribution to carriers or a manual distribution case.

c. Likely equipment would be hampers, general purpose mail containers, and utility carts, dependant on volume. The container will then be moved to an operation in which the bundles will be distributed to the carrier cases.

d. I believe it is in the early stages, with potential to expand as more mailers participate.

# RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE

**OCA/USPS-T42-1**. This interrogatory seeks to clarify the processing of letter mail on the Advanced Facer Canceller System (AFCS). Please refer to your testimony at page 2, lines 11-13, where it states:

> Letter mail preparation operations first require that letters and cards are sorted into three separations: *barcoded, non-barcoded machinable,* and nonmachinable (manual) to the greatest extent possible. (emphasis added)

Also, please refer to your testimony at page 4, lines 1-3, where it states:

> The AFCS culls, faces, cancels, and enables on-line sortation of letters and cards into either *local destinations, non-local destinations,* barcoded FIMs A and C, and rejects. (emphasis added)

a. Please reconcile these two statements. For example, does the AFCS perform four separations (among others) of the following types: 1) local barcoded, 2) local non-barcoded, 3) non-local barcoded, and 4) non-local non-barcoded? Please explain.

b. Please explain the distinction between "nonmachinable" letters and "rejects." Give examples of both types of letters.

c. Please state whether "nonmachinable" letters and "rejects" are manually processed. If your answer is that they are not, please explain. If your answer is that they are, please compare and contrast the manual processing of "nonmachinable" letters and "rejects."

**RESPONSE:**

a. The AFCS performs three separations:

1) Barcoded FIMs A & C (local and non-local barcoded).

2) Non-local, non-barcoded.

3) Local, non-barcoded.

Note that mailpieces without FIMs A or C that cannot be resolved by the AFCS-OCR to at least a 5-digit ZIP Code level are sorted to an non-local, non-barcoded stacker. That separation is directed to OSS-enabled DBCS sort scheme that processes both local and

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

non-local destinations. The AFCS also holds out rejected mail pieces that could not be oriented (e.g., did not have a stamp/FIM marking).

b. Non-machinable refers to mailpieces that are outside of the machinability specifications of a piece of equipment. Also, refer to sections 101.1.1 and 101.1.2 of DMM 300 (see http://pe.usps.gov/text/dmm300/101.htm) on the standards of a letter and non-machinability criteria of a mailpiece (e.g., letter containing a pen). Rejects is a generic term for mail pieces that are rejected and not sorted due to physical characteristics, addressing, or random error (e.g., envelope without a stamp rejected on an AFCS).

c. If non-machinable pieces meet the machinability criteria of a DBCS with expanded capabilities (see USPS-T-42, pages 6 and 7, for more information), they are routed to this equipment, if available, at the facility. Otherwise, they are redirected to a manual unit. Rejects often get another attempt on the original machine then routed to a manual unit or to another machine/operation, for example, AFCS rejects are faced, cancelled and processed on MLOCR/DIOSS.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

**OCA/USPS-T42-2.** This interrogatory seeks information on the processing of "low aspect ratio" letter mail on mail processing equipment. Please refer to the different types of mail processing equipment in your testimony at pages 4-11. Also, please refer to your response to GCA/USPS-T42-3, which references a mailpiece described in GCA/USPS-T42-1 (herein "low aspect ratio" mailpiece).

a. Please confirm that the AFCS does not have the capability to physically cull from the mailstream the low aspect ratio mailpieces referenced above. If you do not confirm, please explain.

b. Please confirm that none of the other mail processing equipment (i.e., excluding the AFCS) discussed in your testimony at pages 4-11 have the capability to physically cull from the mailstream the low aspect ratio mailpieces referenced above. If you do not confirm, please explain.

RESPONSE:

a. Confirmed.

b. Confirmed

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE

**OCA/USPS-T42-3**. This interrogatory seeks information on the processing of "low aspect ratio" letter mail on mail processing equipment. Please refer to the different types of mail processing equipment in your testimony at pages 4-11. Also, please refer to your response to GCA/USPS-T42-3, which references a mailpiece described in GCA/USPS-T42-1 (herein "low aspect ratio" mailpiece).

a. Please provide the name(s) of the manufacturer(s) of the 1,083 AFCSs currently in operation, and the number provided by each manufacturer.

b. For the mailpiece referenced above, please provide each manufacturer's estimated "probability of being rejected" on the AFCS after one attempt or pass, two attempts, and three or more attempts. Please provide tables or graphs from each manufacturer showing the estimated "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio.

c. Please provide the name(s) of the manufacturer(s) of the 875 Multiline Optical Character Readers (MLOCRs) currently in operation, and the number provided by each manufacturer.

d. For the mailpiece referenced above, please provide each manufacturer's estimated "probability of being rejected" on the MLOCR after one attempt or pass, two attempts, and three or more attempts. Please provide tables or graphs from each manufacturer showing the estimated "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio. If the Postal Service has estimated a "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio based upon empirical tests, please provide that estimate and a table or graph showing those test results.

e. Please provide the name(s) of the manufacturer(s) of the more than 5,200 Delivery Bar Code Sorters (DBCSs) currently in operation, and the number provided by each manufacturer.

f. For the mailpiece referenced above, please provide each manufacturer's estimated "probability of being rejected" on the DBCS after one attempt or pass, two attempts, and three or more attempts. Please provide tables or graphs from each manufacturer showing the estimated "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio. If the Postal Service has estimated a "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio based upon empirical tests, please provide that estimate and a table or graph showing those test results.

g. Please provide the name(s) of the manufacturer(s) of the approximately 3,500 Carrier Sequence Bar Code Sorters (CSBCSs) currently in operation, and the number provided by each manufacturer.

h. For the mailpiece referenced above, please provide each manufacturer's estimated "probability of being rejected" on the CSBCS after one attempt or pass, two attempts, and three or more attempts. Please provide tables or graphs from each manufacturer showing the estimated "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio. If the Postal Service has estimated a "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio based upon empirical tests, please provide that estimate and a table or graph showing those test results.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

i. Please provide the name(s) of the manufacturer(s) of the 547 Mail Processing Bar Code Sorters (MPBCSs) currently in operation, and the number provided by each manufacturer.

j. For the mailpiece referenced above, please provide each manufacturer's estimated "probability of being rejected" on the MPBCS after one attempt or pass, two attempts, and three or more attempts. Please provide tables or graphs from each manufacturer showing the estimated "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio. If the Postal Service has estimated a "probability of being rejected" (or, alternatively, being successfully processed) by aspect ratio based upon empirical tests, please provide that estimate and a table or graph showing those test results.

k. For subparts b., d., f., h., and j., above, please confirm that the estimated "probability of being rejected" is defined as the number of mailpieces referenced above that are sorted to reject bins (i.e., taken to subsequent automated processing or delivery operations) divided by the total number of such mailpieces. If you do not confirm, please explain.

l. Please confirm that the estimated "probability of being rejected," as defined in subpart k., above, decreases as the aspect ratio for a low aspect ratio mailpiece increases from 1:1 to 1:1.3. If you do not confirm, please explain. If you do confirm, please explain whether your answer is based on empirical evidence or a theoretical understanding.

m. Please confirm that 1 minus the estimated "probability of being rejected," as defined in subpart k., above, represents the estimated probability of being successfully processed (i.e., taken to subsequent automated processing or delivery operations) on the mail processing equipment referenced in subparts b., d., f., h., and j., above. If you do not confirm, please explain.

RESPONSE:

a. All of the 1,083 AFCSs currently in operation were manufactured by ElectroCom Automation, Inc. (now Siemens Energy & Automation, Inc.).

b. The manufacturer was not required to provide the data requested. The Postal Service conducted tests on the AFCS on aspect ratio with samples provided from the Greeting Card Association (GCA). The table below summarizes the data collected from the tests.

| Sample Set | Envelope Size | Aspect Ratio | Legal Size | Legal Ratio | Performance Acceptable | Quantity | Reject Mechanical | Reject Cancellation | Weak Ink | Cancelled | Percent Cancelled |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 3 X 4 | 33 | NO | YES | NO | 2[illegible] | 200 | 0 | 0 | 0 | 0.00 |
| 2 | 3-1/16 X 3-1/16 | 00 | NO | NO | NO | 224 | 224 | 0 | 0 | 0 | 0.00 |
| 3 | 3-5/8 X 6-1/2 | 79 | YES | YES | YES | 2[illegible] | 3 | 0 | 0 | 197 | 98.50 |
| 4 | 3-3/4 X 6-3/4 | 80 | YES | YES | YES | 2[illegible] | 0 | 0 | 0 | 200 | 100.00 |
| 5 | 3-3/4 X 9-3/4 | 2.60 | YES | NO | YES | 196 | 0 | 0 | 196 | 0 | 100.00 |
| 6 | 3-7/8 X 5 | 29 | YES | NO | YES | 200 | 0 | 0 | 0 | 200 | 100.00 |
| 7 | 4 X 5-3/8 | 1.34 | YES | YES | YES | 199 | 0 | 0 | 0 | 199 | 100.00 |
| 8 | 4 X 8 | 2.00 | YES | YES | YES | 228 | 0 | 0 | 0 | 228 | 100.00 |
| 9 | 4 X 9-3/8 | 2.34 | YES | YES | YES | 198 | 0 | 0 | 0 | 198 | 100.00 |
| 10 | 4-1/8 X 6-1/4 | 1.52 | YES | YES | YES | 200 | 0 | 0 | 0 | 200 | 100.00 |
| 11 | 4-1/4 X 6-1/8 | 1.44 | YES | YES | YES | 202 | 0 | 0 | 0 | 202 | 100.00 |
| 12 | 4-1/4 X 9-1/4 | 2.18 | YES | YES | YES | 199 | 0 | 0 | 0 | 199 | 100.00 |
| 13 | 4-1/4 X 9-1/2 | 2.24 | YES | YES | YES | 195 | 0 | 0 | 0 | 195 | 100.00 |
| 14 | 4-3/8 X 6-3/4 | 1.54 | YES | YES | YES | 196 | 0 | 0 | 0 | 196 | 100.00 |
| 15 | 4-1/2 X 8 | 2.00 | YES | YES | YES | 330 | 0 | 0 | 0 | 330 | 100.00 |
| 16 | 5 X 5 | 00 | YES | NO | NO | 250 | 8 | 145 | 0 | 97 | 38.80 |
| 17 | 5 X 7-1/2 | 50 | YES | YES | YES | 194 | 0 | 0 | 0 | 194 | 100.00 |
| 18 | 5-3/8 X 6-7/8 | 1.28 | YES | NO | YES | 198 | 0 | 0 | 0 | 198 | 100.00 |
| 19 | 5-3/8 X 8 | 1.49 | YES | YES | YES | 197 | 0 | 0 | 0 | 197 | 100.00 |
| 20 | 5-1/2 X 5-1/2 | 1.00 | YES | NO | NO | 199 | 0 | 102 | 10 | 87 | 48.74 |
| 21 | 5-5/8 X 5-5/8 | 1.00 | YES | NO | NO | 250 | 3 | 121 | 0 | 126 | 50.40 |
| 22 | 5-3/4 X 5-3/4 | 1.00 | YES | NO | NO | 250 | 14 | 113 | 1 | 122 | 49.20 |
| 23 | 6 X 6 | 1.00 | YES | NO | NO | 250 | 4 | 109 | 18 | 119 | 54.80 |
| 24 | 6-1/4 X 6-1/4 | 1.00 | NO | NO | NO | 200 | 200 | 0 | 0 | 0 | 0.00 |
| 25 | 6-1/4 X 8-3/4 | 1.40 | NO | YES | NO | 203 | 203 | 0 | 0 | 0 | 0.00 |
| 26 | 6-1/8 X 9-1/4 | 1.51 | YES | YES | YES | 198 | 2 | 0 | 0 | 196 | 98.99 |
| 27 | 6-1/2 X 6-1/2 | 1.00 | NO | NO | NO | 250 | 250 | 0 | 0 | 0 | 0.00 |
| 28 | 6-1/2 X 10 | 1.54 | NO | YES | NO | 200 | 200 | 0 | 0 | 0 | 0.00 |
| 29 | 6-3/4 X 6-3/4 | 1.00 | NO | NO | NO | 262 | 262 | 0 | 0 | 0 | 0.00 |
| 30 | 7 X 7 | 1.00 | NO | NO | NO | 249 | 249 | 0 | 0 | 0 | 0.00 |
| 31 | 7-1/4 X 7-1/4 | 1.00 | NO | NO | NO | 225 | 225 | 0 | 0 | 0 | 0.00 |
| 32 | 7-1/2 X 7-1/2 | 1.00 | NO | NO | NO | 250 | 250 | 0 | 0 | 0 | 0.00 |
| 33 | 8-1/4 X 8-1/4 | 1.00 | NO | NO | NO | 250 | 250 | 0 | 0 | 0 | 0.00 |
| 34 | 8-1/2 X 15-1/2 | 1.82 | NO | YES | NO | 200 | 200 | 0 | 0 | 0 | 0.00 |
| 35 | 8-7/8 X 12-1/2 | 1.41 | NO | YES | NO | 198 | 198 | 0 | 0 | 0 | 0.00 |

Table 3. Cancellation Rates for Aspect Ratio Test Deck



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**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

The test recommendations were, "There is marginal benefit to the acceptance of mail just outside the current aspect ratio requirement when compared to the combined effort to:

(1) change widely published requirements;

(2) obsolete, revise, and redistribute templates and gauges; and

(3) revise training materials and current mail acceptance procedures.

Therefore, no changes or exceptions are recommended to the current size and aspect ratio requirements."

c. All of the 875 MLOCRs currently in operation were manufactured by ElectroCom Automation, Inc. (now Siemens Energy & Automation, Inc.).

d. The manufacturer was not required to provide the data requested. The Postal Service has not conducted any tests to determine the probability of a mail piece being rejected on the MLOCR based on aspect ratio.

e. All of the more than 5,200 DBCSs currently in operation were manufactured by ElectroCom Automation, Inc. (now Siemens Energy & Automation, Inc.).

f. The manufacturer was not required to provide the data requested. The Postal Service has not conducted any tests to determine the probability of a mail piece being rejected on the DBCS based on aspect ratio.

g. All of the approximately 3,500 Carrier Sequence Bar Code Sorters (CSBCSs) currently in operation were manufactured by IBM, Inc (became Loral, Inc. and is now Lockheed Martin Distribution Technologies).

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

h. The manufacturer was not required to provide the data requested. The Postal Service has not conducted any tests to determine the probability of a mail piece being rejected on the CSBCS based on aspect ratio.

i. All of the 547 MPBCSs currently in operation were manufactured by ElectroCom Automation, Inc. (now Siemens Energy & Automation, Inc.).

j. The manufacturer was not required to provide the data requested. The Postal Service has not conducted any tests to determine the probability of a mail piece being rejected on the MPBCS based on aspect ratio.

k. Confirmed. Note that on equioment other than the AFCS, the "probability of being rejected" could also be due to bad addressing, barcoding, or random error rather than processing difficulty related to the aspect ratio.

l. Confirmed.

m. Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

**OCA/USPS-T42-4.** This interrogatory seeks information on the processing and rate treatment of "low aspect ratio" letter mail. Please refer to your testimony at pages 2-11, concerning the processing of letter-shaped mail. Also, please refer to your response to GCA/USPS-T42-2, which references a mailpiece described in GCA/USPS-T42-1 (herein "low aspect ratio" mailpiece).

a. Please confirm that the low aspect ratio mailpiece referenced above would receive manual letter processing, rather than being processed as a manual or machinable flat or parcel. If you do not confirm, please explain.

b. Please confirm that for rate purposes, the low aspect ratio mailpiece referenced above would pay the rate applicable to the first ounce for a single-piece flat shaped mailpiece. If you do not confirm, please explain.

**RESPONSE:**

a. Confirmed

b. Confirmed. Regardless of weight, letters that do not meet the aspect ratio, or have any other nonmachinable characteristics, will be subject to the rates for flats.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE**

**OCA/USPS-T42-5**. This interrogatory seeks information on the processing of "low aspect ratio" letter mail on mail processing equipment. Please refer to your response to GCA/USPS-T42-1, which describes a "low aspect ratio" mailpiece. Your response to GCA/USPS-T42-1(b)(i), states that "Certain facilities manually face and cancel the rejects and direct them to a MLOCR/DIOSS for automated processing."

a. What types of facilities "manually face and cancel the rejects" for further automated processing? Please identify the types of facilities referred to, and the number of such facilities where this manual activity takes place.
b. Please confirm that, in the facilities that "manually face and cancel the rejects," the costs of this manual activity are recorded as manual operations. If you do not confirm, please explain.
c. Please provide the MODS operation codes and the total and unit costs associated with these manual activities.
d. In those facilities that "manually face and cancel the rejects," what is the probability of being rejected again on a MLOCR/DIOSS?

**RESPONSE:**

a. In response to GCA/USPS-T42-1(b) (i), the references to "certain facilities" was intended to convey that on occasion facilities manually face and cancel the rejects either manually or on another more tolerant piece of equipment other than AFCS. Any origin facility may perform such activities. The decision to perform such activities depends on available staffing, daily volume, day of week, condition of rejects, etc.

b. Confirmed that MODS operation 010, part of the cancellation cost pool, is designated for recording hours used for manually facing and canceling mail pieces. However, please note the clocking problem for this cost pool described in my testimony (USPS-T-42, page 39, lines 5 - 12).

c. Redirected to witness Bozzo.

d. I have no basis on which to provide the response. As stated in GCA/USPS-T42-3, "mailpieces with an aspect ratio of less than 1:1.3 have a tendency to tip over on a

side during subsequent automated processing steps", which would add to the probability of being rejected.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF OFFICE OF CONSUMER ADVOCATE

**OCA/USPS-T42-6**. This interrogatory seeks information on the processing of "low aspect ratio" letter mail on mail processing equipment. Please refer to your testimony at pages 2-11, concerning the processing of letter-shaped mail. For purposes of this interrogatory, refer to the assumed mailpiece described in GCA/USPS-T42-1 (herein "low aspect ratio" mailpiece).

a. Please provide the number of low aspect ratio mailpieces referenced above that are finalized for delivery in one sortation, i.e., one pass, or manual separation.

b. Please provide the number of low aspect ratio mailpieces referenced above that are finalized for delivery in two sortations. What proportion of sorts for these low aspect ratio mailpieces are on automated processing equipment, and what proportion are manual processing?

c. Please provide the number of low aspect ratio mailpieces referenced above that are finalized for delivery in three sortations. What proportion of sorts for these low aspect ratio mailpieces are on automated processing equipment, and what proportion are manual processing?

d. Please provide the number of low aspect ratio mailpieces referenced above that are finalized for delivery in four sortations. What proportion of sorts for these low aspect ratio mailpieces are on automated processing equipment, and what proportion are manual processing?

e. Please provide the number of low aspect ratio mailpieces referenced above that are finalized for delivery in five or more sortations. What proportion of sorts for these low aspect ratio mailpieces are on automated processing equipment, and what proportion are manual processing?

f. With respect to subparts a.-e., above, what is the maximum number of sortations you are aware of that have been needed to finalize for delivery the low aspect ratio mailpieces referenced above.

g. Please answer subparts a.-f., above, assuming the mailpiece described in GCA/USPS-T42-1 has an aspect ratio that exceeds 1:3, i.e., is a machinable letter.

**Response:**

a - g. I have no basis on which to provide responses. I am unaware of data on the processing of low aspect ratio pieces in isolation such that the information requested can be provided. I am also unaware of data that provides the total volume of letters sorted once, twice, three times, etc. across all mail processing facilities.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-1.** Please confirm that mailers and presort bureaus perform "pallet separations" (i.e. sorting letter trays to pallets that destinate to different local and non-local postal facilities) for First-Class letter mail. If you cannot confirm, please explain fully. If you confirm, please describe the value of these pallet separations to the Postal Service and discuss how pallet separations reduce or eliminate USPS transportation and mail processing costs. Please also confirm that the USPS works with mailers and presort bureaus to design pallet separations that benefit the Service and that these separations may be changed periodically as the Postal Service changes its operations so that the pallet separations continue to benefit the Service.

**Response:**

Please see the response to PB/USPS-T29-5 in R2005-1. It can also be confirmed that pallet separations may be changed periodically as the Postal Service changes its operations and transportation

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-2.** Please confirm that an individual mailer or presort bureau may often make pallet separations to more than 30 different local and non-local postal facilities. If you cannot confirm, please explain fully.

**Response:**

They may.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-3.** Please confirm that a mailer cannot make pallet separations if the mailer mails only MAADC First-Class Mail. If you cannot confirm, please explain fully.

**Response:**

Confirmed

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-4.** Please confirm that pallet separations allow the Postal Service to either (1) transport the pallets directly to the final local facility, typically avoiding platform and other mail processing operations at an intermediate local facility or (2) cross dock the mail at an intermediate local facility. Please also confirm that pallet separations typically permit the Postal Service to avoid entering, staging, and breaking down the pallet, sorting the trays into rolling stock, and staging and loading the rolling stock at the intermediate facility. If you cannot confirm, please explain fully.

**Response:**

Please refer to the response to PB/USPS-T29-13 in R2005-1.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-5.** Please refer to PB/USPS-T29-8 in Docket No. R2005-1 and your response to that interrogatory. If you were asked the same question in this docket would your response be the same? If not, please describe any changes you would make in that response.

**Response:**

Yes.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-6.** Please describe the operations where the Postal Service straps and sleeves trays containing First-Class Mail letters and include in your response a discussion of the craft, number and grade of employees, clocked-in MODS operation, and mail transport equipment used in the operations.

**Response:**

This work is performed in operations 118, 208, and 209 as described below.

Normally, this work is performed by level 4 mail handlers, but level 5 clerks may do it on occasion. Occasionally, trays may also be sleeved and strapped manually in dispatch operations 124-129. Dispatch work is performed exclusively by level 4 mail handlers.

118 ACDCS/SAMS

Used for the scanning if trays destined for air transport. Activities also include the preparation of manifests, application of routing labels, loading and unloading of trays, clearing jams, changing printer applicator tape, changing strapping tape (standalone systems), or any other task related to operating ACDCS equipment.

208 SWYB/SASWYB
Workhours for craft employees associated with the following activities are included in operation 208:

1) The loading, scanning, labeling, and unloading of trays, sacks, pouches, and outsides utilizing Scan-Where-You-Band or Semi-Automatic Scan-Where-You-Band equipment.
2) Obtaining empty equipment from nearby operations and setup of the operation.
3) Transport of empty equipment within the SWYB/dispatch area.
4) Sleeving and strapping of trays/tubs manually or using automatic sleeving/strapping equipment.
5) Staging and transporting containers to the next handling operation.
6) Clearing jams and refilling label supply for the SWYB workstation.
7) Manually sleeving and strapping trays if the work is being performed in the unit.

209 AAA/ATS

Specifically for the loading and unloading of trays utilizing the Automatic Airline Assignment or Automatic Tray Sleeving equipment. Also include the workhours used in support of the operation such as collecting MTE, staging and transporting containers to the next handling operation, clearing jams, refilling label supply, exchanging sleeve carts, loading sleeves into sleeve carts (unless integral to another operation), changing strapping tape, or any other task related to operating AAA or ATS equipment.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-7.** Please refer to PB/USPS-T49-16 in Docket No. R2005-1 and your response to that interrogatory. If you were asked the same question in this docket would your response be the same? If not, please describe any changes you would make in that response.

**Response:**

Assuming the intended reference is PB/USPS-T29-16, yes.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-8.** Please refer to USPS-LR-L-48, page 3, column H headed "Fixed (Cents)" showing total fixed costs of 1.792 cents. Please provide any operational studies or information you have supporting the premise that these costs actually are fixed with respect to presort level.

**Response:**

Please see the response provided to PB/USPS-T22-4.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-9.** Please refer to USPS-T-12, the direct testimony of Thomas Bozzo, on behalf of the Postal Service in Docket No. R2005-1, pages 40 and 41, where he states:

> Third, for allied labor and general support operations, it is possible to view cost causation as following a "piggyback" model, in which the costs in support operations are viewed as driven by—and thus volume-variable to the same degree as—the "direct" operations.
>
> a. Do you agree with this statement? If you do not, please explain why not.
> b. If the words "fixed and proportional with respect to presort level" were substituted for the words "volume-variable" would you still agree with this statement. If you would not, please reconcile this answer with that provided in part a.

**Response:**

a. and b. The fine points of costing terminology are well beyond the scope of my testimony.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-11.** Please refer to page 11 of your testimony where you state "[b]arcoded automation letters presorted to the 5-digit level provide additional value, since these trays bypass the additional upstream handlings prior to incoming secondary distribution."

a Please explain fully whether these "additional upstream handlings" include both piece and container handlings.
b Please explain fully whether part or all of the "additional value" you ascribe to these 5 digit letters is cost savings as compared to mail that is not as presorted.
c Please describe any "additional value" in addition to cost savings.

**Response:**

a The intention of this statement was to convey the upstream piece handlings that are avoided due to 5-digit presorting. Five-digit sorted trays are likely to have similar container, i.e. pallet or rolling stock, handlings when compared to 3-digit or mulit-3-digit (e.g., AADC) trays.

b, c The additional value was intended to convey only the cost savings that are attributed to the reduction in piece sorting requirements associated with 5-digit presorted trays compared to 3-digit or mulit-3-digit (e.g., AADC) trays.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-12.** Please refer to USPS-LR-L-48, page 3.

a. Please provide a complete description of the activities performed in the cost pool MODS 49 LD49.
b. Please provide a complete description of the activities performed in the cost pool MODS 79 LD79.
c Please provide a complete description of the activities performed in the cost pool MODS 99 1SUPP_F1.
d Please provide a complete description of the activities performed in the BMC cost pool NON MODS MISC.

**Response:**

a I am told that this cost pool consists of MODS 085, 539, 792, 795, 796,

and 797 as described below

085 COA Scanning
To be used when CFS clerks scan PS Forms 3575 at the COA Forms Processing Site (CFPS).

539 ZIP + 4 Lookup at CMU/CFS
Workhours used exclusively for the maintenance and use of files in the ZIP + 4 Address Information System

792 CFS – Return to Sender
Workhours used in processing Return to Sender mail.

795 Address Label Preparation
Workhours used by Customer Services employees in the printing and preparation of address labels in Centralized Mail Markup sites.

796 Mail Markup and Forwarding
Workhours used by Customer Services employees to process mail undeliverable as addressed in Centralized Mail Markup sites. Mail markup activities include the following.

1 Disposing of waste mail
2 Processing mail to be returned to the sender from the throwback case
3 Applying labels to forwards from the PO box section and carrier routes
4 Processing address correction request mail (Form 3547, Notice to Mailer of Correction in Address), photocopy and handwritten.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF PITNEY BOWES INC.

5. Processing notification to publishers (Form 3579, Undeliverable 2nd, 3rd, 4th Matter).
6. Rating mail forwarded out-of-town postage due.

797 Computer Mail Forwarding
Workhours used by Customer Services employees to process mail undeliverable as addressed. Use this operation only at offices with computer forwarding systems. These activities performed at a centralized mail markup unit are charged to operation 795 or 796, as appropriate. Computer mail forwarding activities include the following:

1. Processing change of address (Form 3575, Change of Address Order) and change forwarding (Form 3546, Forwarding Order Change Notice) form into computer records and purging expired orders.
2. Producing labels with forwarding address or disposition instructions
3. Applying labels to forwards from the post office box sections and carrier routes.
4. Disposing of waste mail from the unit.
5. Processing mail to be returned to sender from the unit or from the carrier throwback case
6. Processing address correction requested mail form (Form 3547, Notice to Mailer of Correction in Address), photocopy and handwritten
7. Processing notification to publishers (Form 3579 Undeliverable 2nd, 3rd, 4th Class Matter)
8. Rating mail forwarded out-of-town postage due.

b. I am told that this cost pool consists of MODS 001, 550, 660, and 697 as described below

001 Composite – Platform Acceptance and Weighers Unit (001)
This operation covers all acceptance and verification activities at a postal installation, except as noted below in item number 3. Platform acceptance activities include the following:

1. Explain Postal Service regulations and mailing requirements to customers
2. Classify mail presented and verify eligibility for rates claimed.
3. Verify that mail meets presort and other preparation requirements. Record workhours in operation 550 if most of the employee's time is spent on this activity.
4. Verify piece weight and total mail volume/ weight.
5. Verify customer's postage calculation.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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6. Collect postage payments through advance postage payment accounts.
7. Verify proper postage is affixed when stamps or metered postage is used.
8. Accept mail meeting all requirements for which proper postage has been paid. Release the accepted mail for processing.
9. Reject mail not meeting postal requirements. Resolve issues with the customer.
10. Move mail to scales, when required, and to subsequent handling or staging areas.
11. Obtain, handle, label, close, and dispose of sacks or containers to dump holes, staging areas, and so forth.

550 Presort Verification
Non-supervisor workhours of Mail Processing employees used to verify that mail meets presort and other preparation requirements.

660 Mailing Requirements & Business Mail Entry
Supervisor and non-supervisor workhours of employees who are accepting and processing mailing permits and responding to customer inquiries of mailing requirements

697 Adm. And Clerical – Mailing Requirements & Business Mail Entry
See 660

I am told that this cost pool consists of MODS 340, 341, 547, 548, 554,

555, 565, 607, 612, 620, 630, 677, 755, and 798 as described below.

340 Standby – Mail Processing Operations
Workhours of mail processing employees who are kept on the clock, but are idle as a result of low-work-volume periods on particular days, unplanned events such as equipment or communication breakdowns, storms, power failures, lack of workload. This does not apply to temporary equipment breakdowns of ten minutes or less.

341 Quality of Working Life Coordinator
Workhours of mail processing non-supervisor employees serving as QWL coordinators

547 Scheme Proficiency Monitoring
Workhours of employees oerforming scheme proficiency checks. Employees undergoing proficiency checks remain in their distribution operation. Employees taking initial scheme qualification tests use operation 781.

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548 Employees Detailed to Mail Order/Publication Houses
Workhours of employees detailed to mail order houses to distribute and dispatch mail.

554, 555 Office Work and Record keeping

Mail processing workhours of employees working in offices or performing record keeping or clerical work that cannot be classified in another operation. Any such work performed incidental to another operation is not recorded under this operation. Scheme and schedule corrections are charged to this number when performed as a primary assignment.

565 Workhour Default (Function 1) - WebMODS
The WebMODS application will automatically credit operation 565 and LDC 18 (Non Supervisory) or LDC 10 (Supervisory) with workhours for any MODS operation number that is not valid for the mail processing facility (finance number). Operation numbers are assigned to specific MODS facility types. The site can correct the errors within TACS prior to the TACS cutoff or after the eleventh day within WebMODS reassign workhours option for sixty days. Once the error occurs in WebMODS, they will be recorded in operation 565 until corrected through TACS or WebMODS.

607, 612 Stewards Duty Time
Non supervisor workhours of certified Mail Processing Clerk (607) and Mail Handler (612) union stewards during their scheduled tour for investigating, presenting, and adjusting grievances as authorized by the applicable collective bargaining agreement.

620 Travel Time - Within Established Hours of Service
Workhours used for compensable travel time of Mail Processing employees on-the-clock, when traveling from job site to job site, to another city and back within one service day, or away from home overnight, or local travel, transferring between buildings or floors of the same building, providing the travel occurs within the employee's established hours of service on both scheduled and nonscheduled days. Does not include travel from the office to carrier delivery routes or travel between units (operations or work centers) on the same floor.

630 Meeting Time
Workhours of Mail Processing employees attending meetings, conferences, hearings, and so forth, when such time is authorized by the official in charge of the installation. Time spent in informal operational meetings such as safety talks, stand-up sessions, etc., conducted on the

workroom floor is not considered meeting time, and those hours are charged to the operations on the workroom floor.

677 Administrative and Clerical
Supervisor and non-supervisor workhours of employees involved in miscellaneous office work and record keeping within Mail Processing.

755 Delivery BCS Servicing
Servicing barcode sorters in Delivery operations

798 Miscoded/Uncoded Mail
Workhours used by mail processing for processing miscoded/uncoded mail

d. I am told that this is NOT a BMC cost pool and that it includes all tallies in LDCs 41, 42, 43, 44, and 48. Please see LR-L-1, section 3.1.4.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**PB/USPS-T42-13.** Please refer to USPS-LR-L-110, page 3.

a. Please provide a complete description of the activities performed in the cost pool MODS 48 LD48 EXP.

b. Please provide a complete description of the activities performed in the cost pool MODS 48 LD48 OTH.

c. Please provide a complete description of the activities performed in the cost pool MODS 48 LD48_ADM.

d. Please provide a complete description of the activities performed in the cost pool MODS 48 LD48_SSV.

e. Please provide a complete description of the activities performed in the cost pool MODS 49 LD49.

**Response:**

a - d. Please refer to the operations/tasks mapped to all cost pools as described in USPS-LR-L-100, table A on page II-15.

e. See PB-T42-12a above

**RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF PITNEY BOWES INC.**

**PB/USPS-T42-14.** Please provide a list of all facilities where the Postal Service delivery point sequences letters.

**Response:** Please see the attached response.

| Finance Name | Facility Type | City | State | ZIPCode |
|---|---|---|---|---|
| ARECIBO PO | PO | ARECIBO | PR | 00612 |
| CAGUAS PO | PO | CAGUAS | PR | 00725 |
| PONCE PO | PO | PONCE | PR | 00731 |
| CEIBA PO | PO | CEIBA | PR | 00735 |
| SAN JUAN P&DC | P&DC | SAN JUAN | PR | 00936 |
| AGAWAM PO | PO | AGAWAM | MA | 01001 |
| CHICOPEE PO | PO | CHICOPEE | MA | 01020 |
| SPRINGFIELD P&DC | P&DC | SPRINGFIELD | MA | 01152 |
| PITTSFIELD PO | PO | PITTSFIELD | MA | 01201 |
| FITCHBURG PO | PO | FITCHBURG | MA | 01420 |
| LEOMINSTER PO | PO | LEOMINSTER | MA | 01453 |
| CENTRAL MASS P&DC | P&DC | SHREWSBURY | MA | 01546 |
| SOUTHBRIDGE PO | PO | SOUTHBRIDGE | MA | 01550 |
| WEBSTER PO | PO | WEBSTER | MA | 01570 |
| WORCESTER MA PO | PO | WORCESTER | MA | 01613 |
| ACTON PO | PO | ACTON | MA | 01720 |
| HOLLISTON PO | PO | HOLLISTON | MA | 01746 |
| NATICK PO | PO | NATICK | MA | 01760 |
| WOBURN PO | PO | WOBURN | MA | 01801 |
| BILLERICA PO | PO | BILLERICA | MA | 01821 |
| LOWELL MPO | PO | LOWELL | MA | 01853 |
| MIDDLESEX-ESSEX P&DC | P&DC | NORTH READING | MA | 01889 |
| BEVERLY PO | PO | BEVERLY | MA | 01915 |
| NEWBURYPORT PO | PO | NEWBURYPORT | MA | 01950 |
| BELLINGHAM PO | PO | BELLINGHAM | MA | 02019 |
| FOXBORO PO | PO | FOXBORO | MA | 02035 |
| FRANKLIN PO | PO | FRANKLIN | MA | 02038 |
| HINGHAM PO | PO | HINGHAM | MA | 02043 |
| MANSFIELD PO | PO | MANSFIELD | MA | 02048 |
| MEDFIELD PO | PO | MEDFIELD | MA | 02052 |
| NORTHWEST BOSTON P&DF | P&DF | WALTHAM | MA | 02154 |
| BOSTON P&DC | P&DC | BOSTON | MA | 02205 |
| BROCKTON P&DC | P&DC | BROCKTON | MA | 02301 |
| EAST BRIDGEWATER PO | PO | EAST BRIDGEWATER | MA | 02333 |
| PLYMOUTH PO | PO | PLYMOUTH | MA | 02360 |
| CAPE COD P&DF | P&DF | WAREHAM | MA | 02571 |
| ATTLEBORO PO | PO | ATTLEBORO | MA | 02703 |
| FALL RIVER PO | PO | FALL RIVER | MA | 02720 |
| NEW BEDFORD PO | PO | NEW BEDFORD | MA | 02745 |
| SWANSEA PO | PO | SWANSEA | MA | 02777 |
| TAUNTON PO | PO | TAUNTON | MA | 02780 |
| COVENTRY PO | PO | COVENTRY | RI | 02816 |
| NEWPORT PO | PO | NEWPORT | RI | 02840 |
| NEWPORT PO | PO | NEWPORT | RI | 02842 |
| NORTH KINGSTOWN PO | PO | NORTH KINGSTOWN | RI | 02852 |
| PORTSMOUTH PO | PO | PORTSMOUTH | RI | 02871 |
| WAKEFIELD PO | PO | WAKEFIELD | RI | 02879 |
| WARWICK PO | PO | WARWICK | RI | 02886 |
| WESTERLY PO | PO | WESTERLY | RI | 02891 |
| WOONSOCKET PO | PO | WOONSOCKET | RI | 02895 |

| | | | | |
|---|---|---|---|---|
| PROVIDENCE P&DC | P&DC | PROVIDENCE | RI | 02904 |
| PROVIDENCE PO | PO | PROVIDENCE | RI | 02914 |
| HUDSON PO | PO | HUDSON | NH | 03051 |
| NSH-DMU STA | STA-BR | NASHUA | NH | 03062 |
| SALEM PO | PO | SALEM | NH | 03079 |
| MANCHESTER P&DC | P&DC | MANCHESTER | NH | 03103 |
| CONCORD PO | PO | CONCORD | NH | 03301 |
| KEENE PO | PO | KEENE | NH | 03431 |
| PORTSMOUTH P&DF | P&DF | PORTSMOUTH | NH | 03801 |
| BIDDEFORD PO | PO | BIDDEFORD | ME | 04005 |
| SANFORD PO | PO | SANFORD | ME | 04073 |
| PORTLAND P&DC | P&DC | PORTLAND | ME | 04101 |
| AUBURN PO | PO | AUBURN | ME | 04210 |
| AUGUSTA PO | PO | AUGUSTA | ME | 04330 |
| BANGOR P&DF | P&DF | BANGOR | ME | 04444 |
| BATH PO | PO | BATH | ME | 04530 |
| HOULTON PO | PO | HOULTON | ME | 04730 |
| WATERVILLE PO | PO | WATERVILLE | ME | 04901 |
| WHITE RIVER JUNC P&DC | P&DC | WHITE RIVER JUNCTION | VT | 05001 |
| BENNINGTON PO | PO | BENNINGTON | VT | 05201 |
| BRATTLEBORO PO | PO | BRATTLEBORO | VT | 05301 |
| BURLINGTON P&DF | P&DF | ESSEX JCT | VT | 05452 |
| RUTLAND PO | PO | RUTLAND | VT | 05701 |
| HARTFORD P&DC | P&DC | HARTFORD | CT | 06101 |
| WILLIMANTIC PO | PO | WILLIMANTIC | CT | 06226 |
| PUTNAM PO | PO | PUTNAM | CT | 06260 |
| STORRS PO | PO | STORRS MANSFIELD | CT | 06268 |
| NEW LONDON PO | PO | NEW LONDON | CT | 06320 |
| NORWICH PO | PO | NORWICH | CT | 06360 |
| OLD LYME PO | PO | OLD LYME | CT | 06371 |
| WATERFORD PO | PO | WATERFORD | CT | 06385 |
| OLD SAYBROOK PO | PO | OLD SAYBROOK | CT | 06475 |
| SOUTHERN CT P&DC | P&DC | WALLINGFORD | CT | 06511 |
| BRIDGEPORT MAIN PO | PO | BRIDGEPORT | CT | 06602 |
| WATERBURY PO | PO | WATERBURY | CT | 06701 |
| STAMFORD P&DC | P&DC | STAMFORD | CT | 06910 |
| BLOOMFIELD PO | PO | BLOOMFIELD | NJ | 07003 |
| DVD BLDG P&DC | P&DC | KEARNY | NJ | 07099 |
| NEWARK P&DC | P&DC | NEWARK | NJ | 07102 |
| ELIZABETH PO | PO | ELIZABETH | NJ | 07207 |
| NORTHRN NJ METRO P&DC | P&DC | TETERBORO | NJ | 07699 |
| ENGLISHTOWN PO | PO | ENGLISHTOWN | NJ | 07726 |
| FREEHOLD PO | PO | FREEHOLD | NJ | 07728 |
| HOWELL PO | PO | HOWELL | NJ | 07731 |
| KEYPORT PO | PO | KEYPORT | NJ | 07735 |
| MATAWAN PO | PO | MATAWAN | NJ | 07747 |
| MONMOUTH P&DC | P&DC | EATONTOWN | NJ | 07799 |
| BASKING RIDGE PO | PO | BASKING RIDGE | NJ | 07920 |
| WEST JERSEY P&DC | P&DC | WHIPPANY | NJ | 07999 |
| ATCO PO | PO | ATCO | NJ | 08004 |
| SO JERSEY P&DC | P&DC | BELLMAWR | NJ | 08031 |

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| HAMMONTON PO | PO | HAMMONTON | NJ | 08037 |
| MOUNT HOLLY PO | PO | MOUNT HOLLY | NJ | 08060 |
| PENNSVILLE PO | PO | PENNSVILLE | NJ | 08070 |
| SEWELL PO | PO | SEWELL | NJ | 08080 |
| STRATFORD PO | PO | STRATFORD | NJ | 08084 |
| WILLIAMSTOWN PO | PO | WILLIAMSTOWN | NJ | 08094 |
| CAMDEN PO | PO | CAMDEN | NJ | 08101 |
| PLEASANTVILLE PO | PO | PLEASANTVILLE | NJ | 08232 |
| RIO GRANDE PO | PO | RIO GRANDE | NJ | 08242 |
| ELMER PO | PO | ELMER | NJ | 08318 |
| VINELAND PO | PO | VINELAND | NJ | 08360 |
| TRENTON P&DC | P&DC | TRENTON | NJ | 08650 |
| LAKEWOOD PO | PO | LAKEWOOD | NJ | 08701 |
| LAKEHURST PO | PO | LAKEHURST | NJ | 08733 |
| TOMS RIVER PO | PO | TOMS RIVER | NJ | 08753 |
| KENDALL PARK PO | PO | KENDALL PARK | NJ | 08824 |
| EDI RARITAN CENTER ST | STA-BR | EDISON | NJ | 08837 |
| MIDDLESEX PO | PO | MIDDLESEX | NJ | 08846 |
| MILLTOWN PO | PO | MILLTOWN | NJ | 08850 |
| KILMER P&DC | P&DC | EDISON | NJ | 08901 |
| NEW YORK MORGAN P&DC | P&DC | NEW YORK | NY | 10001 |
| STATEN ISLAND P&DF | P&DF | STATEN ISLAND | NY | 10314 |
| BRONX P&DC | P&DC | BRONX | NY | 10451 |
| WESTCHESTER P&DC | P&DC | MT VERNON | NY | 10610 |
| YONKERS PO | PO | YONKERS | NY | 10701 |
| MONSEY PO | PO | MONSEY | NY | 10951 |
| BROOKLYN P&DC | P&DC | BROOKLYN | NY | 11256 |
| QUEENS P&DC | P&DC | FLUSHING | NY | 11351 |
| WEST NASSAU P&DC | P&DC | GARDEN CITY | NY | 11599 |
| MID ISLAND P&DC | P&DC | MELVILLE | NY | 11747 |
| MID ISLAND P&DC | P&DC | MELVILLE | NY | 11747 |
| AMSTERDAM PO | PO | AMSTERDAM | NY | 12010 |
| BURNT HILLS PO | PO | BURNT HILLS | NY | 12027 |
| GLOVERSVILLE PO | PO | GLOVERSVILLE | NY | 12078 |
| WATERFORD PO | PO | WATERFORD | NY | 12188 |
| WATERVLIET PO | PO | WATERVLIET | NY | 12189 |
| ALBANY P&DC | P&DC | ALBANY | NY | 12288 |
| HOPEWELL JUNCTION PO | PO | HOPEWELL JUNCTION | NY | 12533 |
| MID HUDSON P&DC | P&DC | NEWBURGH | NY | 12555 |
| GLENS FALLS PO | PO | GLENS FALLS | NY | 12801 |
| SARATOGA SPRINGS PO | PO | SARATOGA SPRINGS | NY | 12866 |
| PLATTSBURGH PO | PO | PLATTSBURGH | NY | 12901 |
| CAMILLUS PO | PO | CAMILLUS | NY | 13031 |
| CLAY PO | PO | CLAY | NY | 13039 |
| OSWEGO PO | PO | OSWEGO | NY | 13126 |
| SYRACUSE PO | PO | SYRACUSE | NY | 13209 |
| SYRACUSE P&DC | P&DC | SYRACUSE | NY | 13220 |
| UTICA P&DF | P&DF | UTICA | NY | 13504 |
| WATERTOWN PO | PO | WATERTOWN | NY | 13601 |
| JOHNSON CITY PO | PO | JOHNSON CITY | NY | 13790 |
| ONEONTA PO | PO | ONEONTA | NY | 13820 |

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| VESTAL PO | PO | VESTAL | NY | 13850 |
| BINGHAMTON P&DF | P&DF | BINGHAMTON | NY | 13902 |
| LANCASTER PO | PO | LANCASTER | NY | 14043 |
| EAST AURORA PO | PO | EAST AURORA | NY | 14052 |
| BUFFALO PO | PO | BUFFALO | NY | 14206 |
| BUFFALO P&DC | P&DC | BUFFALO | NY | 14240 |
| ROCHESTER P&DC | P&DC | ROCHESTER | NY | 14692 |
| JAMESTOWN PO | PO | JAMESTOWN | NY | 14701 |
| ELMIRA PO | PO | ELMIRA | NY | 14901 |
| PITTSBURGH P&DC | P&DC | PITTSBURGH | PA | 15290 |
| WASHINGTON PO | PO | WASHINGTON | PA | 15301 |
| ACOSTA PO | PO | ACOSTA | PA | 15501 |
| GREENSBURG PO | PO | GREENSBURG | PA | 15601 |
| PUNXSUTAWNEY PO | PO | PUNXSUTAWNEY | PA | 15767 |
| DU BOIS PO | PO | DU BOIS | PA | 15801 |
| JOHNSTOWN PO | PO | JOHNSTOWN | PA | 15901 |
| WINDBER PO | PO | WINDBER | PA | 15963 |
| BUTLER PO | PO | BUTLER | PA | 16001 |
| MARS PO | PO | MARS | PA | 16066 |
| NEW CASTLE P&DF/PO | PO | NEW CASTLE | PA | 16108 |
| GROVE CITY PO | PO | GROVE CITY | PA | 16127 |
| SHARON PO | PO | SHARON | PA | 16146 |
| OIL CITY PO | PO | OIL CITY | PA | 16301 |
| MEADVILLE PO | PO | MEADVILLE | PA | 16335 |
| TITUSVILLE PO | PO | TITUSVILLE | PA | 16354 |
| WARREN PO | PO | WARREN | PA | 16365 |
| ERIE PO | PO | ERIE | PA | 16515 |
| ALTOONA PO | PO | ALTOONA | PA | 16601 |
| TYRONE PO | PO | TYRONE | PA | 16686 |
| BRADFORD PO | PO | BRADFORD | PA | 16701 |
| ANNVILLE PO | PO | ANNVILLE | PA | 17003 |
| CARLISLE PO | PO | CARLISLE | PA | 17013 |
| LEBANON PO | PO | LEBANON | PA | 17042 |
| LEWISTOWN PO | PO | LEWISTOWN | PA | 17044 |
| MECHANICSBURG PO | PO | MECHANICSBURG | PA | 17055 |
| MIDDLETOWN PO | PO | MIDDLETOWN | PA | 17057 |
| MYERSTOWN PO | PO | MYERSTOWN | PA | 17067 |
| NEWPORT PO | PO | NEWPORT | PA | 17074 |
| HARRISBURG P&DC | P&DC | HARRISBURG | PA | 17107 |
| CHAMBERSBURG PO | PO | CHAMBERSBURG | PA | 17201 |
| NEWVILLE PO | PO | NEWVILLE | PA | 17241 |
| WAYNESBORO PO | PO | WAYNESBORO | PA | 17268 |
| YORK PO | PO | YORK | PA | 17405 |
| LANCASTER P&DC | P&DC | LANCASTER | PA | 17604 |
| WILLIAMSPORT P&DF | P&DF | WILLIAMSPORT | PA | 17701 |
| SUNBURY PO | PO | SUNBURY | PA | 17801 |
| BLOOMSBURG PO | PO | BLOOMSBURG | PA | 17815 |
| MILTON PO | PO | MILTON | PA | 17847 |
| SHAMOKIN PO | PO | SHAMOKIN | PA | 17872 |
| LEHIGH VALLEY P&DC | P&DC | LEHIGH VALLEY | PA | 18002 |
| ALLENTOWN PO | PO | ALLENTOWN | PA | 18103 |

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| HAZLETON PO | PO | HAZLETON | PA | 18201 |
| EAST STROUDSBURG PO | PO | EAST STROUDSBURG | PA | 18301 |
| SCRANTON P&DF | P&DF | SCRANTON | PA | 18505 |
| WILKES-BARRE P&DF | P&DF | WILKES BARRE | PA | 18701 |
| NEWTOWN PO | PO | NEWTOWN | PA | 18940 |
| QUAKERTOWN PO | PO | QUAKERTOWN | PA | 18951 |
| TELFORD PO | PO | TELFORD | PA | 18969 |
| CHESTER PO | PO | CHESTER | PA | 19013 |
| HORSHAM PO | PO | HORSHAM | PA | 19044 |
| MEDIA PO | PO | MEDIA | PA | 19063 |
| PHI-MAIN OFFICE STA | STA-BR | PHILADELPHIA | PA | 19101 |
| PHILADELPHIA P&DC | P&DC | PHILADELPHIA | PA | 19104 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19111 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19115 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19120 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19124 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19132 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19136 |
| PHILADELPHIA PO | PO | PHILADELPHIA | PA | 19139 |
| LINDBERGH P&DF | P&DF | PHILADELPHIA | PA | 19176 |
| DOWNINGTOWN PO | PO | DOWNINGTOWN | PA | 19335 |
| SOUTHEASTERN P&DC | P&DC | SOUTHEASTERN | PA | 19399 |
| BLUE BELL PO | PO | BLUE BELL | PA | 19422 |
| COLLEGEVILLE PO | PO | COLLEGEVILLE | PA | 19426 |
| CONSHOHOCKEN PO | PO | CONSHOHOCKEN | PA | 19428 |
| READING P&DF | P&DF | READING | PA | 19612 |
| BEAR PO | PO | BEAR | DE | 19701 |
| NEW CASTLE PO | PO | NEW CASTLE | DE | 19720 |
| DELAWARE P&DF | P&DF | WILMINGTON | DE | 19850 |
| CURSEEN MORRIS P&DC | P&DC | WASHINGTON | DC | 20066 |
| DULLES P&DC | P&DC | DULLES | VA | 20101 |
| WALDORF PO | PO | WALDORF | MD | 20602 |
| SO MARYLAND P&DC | P&DC | CAPITOL HEIGHTS | MD | 20790 |
| SUBURBAN MD P&DC | P&DC | GAITHERSBURG | MD | 20898 |
| BALT INC MAIL P&DF | P&DF | LINTHICUM | MD | 21090 |
| BALTIMORE P&DC | P&DC | BALTIMORE | MD | 21233 |
| CUMBERLAND PO | PO | CUMBERLAND | MD | 21501 |
| EASTON P&DF | P&DF | EASTON | MD | 21601 |
| FREDERICK P&DF | P&DF | FREDERICK | MD | 21701 |
| SALISBURY PO | PO | SALISBURY | MD | 21801 |
| FALLS CHURCH PO | PO | FALLS CHURCH | VA | 22041 |
| NORTHERN VA P&DC | P&DC | MERRIFIELD | VA | 22081 |
| FRE-FALMOUTH BR | STA-BR | FREDERICKSBURG | VA | 22406 |
| SPOTSYLVANIA PO | PO | SPOTSYLVANIA | VA | 22553 |
| STAFFORD PO | PO | STAFFORD | VA | 22554 |
| WINCHESTER PO | PO | WINCHESTER | VA | 22601 |
| CULPEPER PO | PO | CULPEPER | VA | 22701 |
| CHARLOTTESVILLE P&DF | P&DF | CHARLOTTESVILLE | VA | 22906 |
| WAYNESBORO PO | PO | WAYNESBORO | VA | 22980 |
| GLEN ALLEN PO | PO | GLEN ALLEN | VA | 23060 |
| WILLIAMSBURG PO | PO | WILLIAMSBURG | VA | 23185 |

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|---|---|---|---|---|
| WLM-MONTICELLO BR | STA-BR | WILLIAMSBURG | VA | 23188 |
| RIC-FOREST HILL STA | STA-BR | RICHMOND | VA | 23225 |
| RIC-WESTHAMPTON STA | STA-BR | RICHMOND | VA | 23226 |
| RIC-BELLEVUE BR | STA-BR | RICHMOND | VA | 23227 |
| RIC-REGENCY BR | STA-BR | RICHMOND | VA | 23229 |
| RICHMOND P&DC | P&DC | RICHMOND | VA | 23232 |
| RIC-RIDGE BR | STA-BR | RICHMOND | VA | 23233 |
| RIC-BON AIR BR | STA-BR | RICHMOND | VA | 23235 |
| RIC-POCOSHOCK CREEK L | STA-BR | RICHMOND | VA | 23236 |
| NORFOLK P&DC | P&DC | NORFOLK | VA | 23501 |
| HAMPTON PO | PO | HAMPTON | VA | 23670 |
| YORKTOWN PO | PO | YORKTOWN | VA | 23692 |
| PORTSMOUTH PO | PO | PORTSMOUTH | VA | 23703 |
| PORTSMOUTH PO | PO | PORTSMOUTH | VA | 23707 |
| PETERSBURG PO | PO | PETERSBURG | VA | 23803 |
| CHESTER PO | PO | CHESTER | VA | 23831 |
| CHESTERFIELD PO | PO | CHESTERFIELD | VA | 23832 |
| FRANKLIN PO | PO | FRANKLIN | VA | 23851 |
| ROANOKE P&DC | P&DC | ROANOKE | VA | 24022 |
| CHRISTIANSBURG PO | PO | CHRISTIANSBURG | VA | 24073 |
| MARTINSVILLE PO | PO | MARTINSVILLE | VA | 24112 |
| RADFORD PO | PO | RADFORD | VA | 24141 |
| ROCKY MOUNT PO | PO | ROCKY MOUNT | VA | 24151 |
| VINTON PO | PO | VINTON | VA | 24179 |
| BRISTOL PO | PO | BRISTOL | VA | 24201 |
| GALAX PO | PO | GALAX | VA | 24333 |
| MARION PO | PO | MARION | VA | 24354 |
| WYTHEVILLE PO | PO | WYTHEVILLE | VA | 24382 |
| STAUNTON PO | PO | STAUNTON | VA | 24401 |
| LYNCHBURG P&DF | P&DF | LYNCHBURG | VA | 24506 |
| DANVILLE PO | PO | DANVILLE | VA | 24541 |
| BLUEFIELD PO | PO | BLUEFIELD | WV | 24701 |
| LEWISBURG PO | PO | LEWISBURG | WV | 24901 |
| SAINT ALBANS PO | PO | SAINT ALBANS | WV | 25177 |
| CHARLESTON P&DC | P&DC | CHARLESTON | WV | 25350 |
| MARTINSBURG PO | PO | MARTINSBURG | WV | 25401 |
| BARBOURSVILLE PO | PO | BARBOURSVILLE | WV | 25504 |
| HUNTINGTON P&DF | P&DF | HUNTINGTON | WV | 25704 |
| BECKLEY PO | PO | BECKLEY | WV | 25801 |
| WHEELING PO | PO | WHEELING | WV | 26003 |
| PARKERSBURG PO | PO | PARKERSBURG | WV | 26101 |
| CLARKSBURG P&DF | P&DF | CLARKSBURG | WV | 26301 |
| GASSAWAY PO | PO | GASSAWAY | WV | 26624 |
| PETERSBURG PO | PO | PETERSBURG | WV | 26847 |
| KING PO | PO | KING | NC | 27021 |
| MOUNT AIRY PO | PO | MOUNT AIRY | NC | 27030 |
| ASHEBORO PO | PO | ASHEBORO | NC | 27203 |
| HIGH POINT PO | PO | HIGH POINT | NC | 27260 |
| EDEN PO | PO | EDEN | NC | 27288 |
| MEBANE PO | PO | MEBANE | NC | 27302 |
| REIDSVILLE PO | PO | REIDSVILLE | NC | 27320 |

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| SANFORD PO | PO | SANFORD | NC | 27330 |
| GREENSBORO P&DC | P&DC | GREENSBORO | NC | 27409 |
| APEX PO | PO | APEX | NC | 27502 |
| CARRBORO PO | PO | CARRBORO | NC | 27510 |
| CLAYTON PO | PO | CLAYTON | NC | 27520 |
| FUQUAY-VARINA PO | PO | FUQUAY-VARINA | NC | 27526 |
| GARNER PO | PO | GARNER | NC | 27529 |
| MORRISVILLE PO | PO | MORRISVILLE | NC | 27560 |
| ROXBORO PO | PO | ROXBORO | NC | 27573 |
| WAKE FOREST PO | PO | WAKE FOREST | NC | 27587 |
| RALEIGH P&DC | P&DC | RALEIGH | NC | 27611 |
| DURHAM PO | PO | DURHAM | NC | 27703 |
| DURHAM PO | PO | DURHAM | NC | 27705 |
| ROCKY MOUNT P&DF | P&DF | ROCKY MOUNT | NC | 27801 |
| GREENVILLE PO | PO | GREENVILLE | NC | 27834 |
| ELIZABETH CITY PO | PO | ELIZABETH CITY | NC | 27909 |
| CHINA GROVE PO | PO | CHINA GROVE | NC | 28023 |
| CONCORD PO | PO | CONCORD | NC | 28025 |
| CON-NORTH 29 STA | STA-BR | CONCORD | NC | 28027 |
| DALLAS PO | PO | DALLAS | NC | 28034 |
| FOREST CITY PO | PO | FOREST CITY | NC | 28043 |
| HARRISBURG PO | PO | HARRISBURG | NC | 28075 |
| KINGS MOUNTAIN PO | PO | KINGS MOUNTAIN | NC | 28086 |
| LINCOLNTON PO | PO | LINCOLNTON | NC | 28092 |
| MATTHEWS PO | PO | MATTHEWS | NC | 28105 |
| MONROE PO | PO | MONROE | NC | 28110 |
| MOO-NORTH LAKE STA | STA-BR | MOORESVILLE | NC | 28115 |
| MOUNT HOLLY PO | PO | MOUNT HOLLY | NC | 28120 |
| RUTHERFORDTON PO | PO | RUTHERFORDTON | NC | 28139 |
| SALISBURY PO | PO | SALISBURY | NC | 28144 |
| SHELBY PO | PO | SHELBY | NC | 28150 |
| STANLEY PO | PO | STANLEY | NC | 28164 |
| CLT-INDEPENDENCE CARR | STA-BR | CHARLOTTE | NC | 28205 |
| CLT-IDLEWILD CARRIER | STA-BR | CHARLOTTE | NC | 28212 |
| CHARLOTTE P&DC | P&DC | CHARLOTTE | NC | 28228 |
| FAYETTEVILLE P&DC | P&DC | FAYETTEVILLE | NC | 28302 |
| CLINTON PO | PO | CLINTON | NC | 28328 |
| DUNN PO | PO | DUNN | NC | 28334 |
| ELIZABETHTOWN PO | PO | ELIZABETHTOWN | NC | 28337 |
| HOPE MILLS PO | PO | HOPE MILLS | NC | 28348 |
| MOUNT OLIVE PO | PO | MOUNT OLIVE | NC | 28365 |
| ROCKINGHAM PO | PO | ROCKINGHAM | NC | 28379 |
| HAMPSTEAD PO | PO | HAMPSTEAD | NC | 28443 |
| WHITEVILLE PO | PO | WHITEVILLE | NC | 28472 |
| KINSTON P&DF | P&DF | KINSTON | NC | 28501 |
| BEA- EAST STA | STA-BR | BEAUFORT | NC | 28516 |
| HAVELOCK PO | PO | HAVELOCK | NC | 28532 |
| MOREHEAD CITY PO | PO | MOREHEAD CITY | NC | 28557 |
| SWANSBORO PO | PO | SWANSBORO | NC | 28584 |
| HICKORY P&DF | P&DF | HICKORY | NC | 28603 |
| LENOIR PO | PO | LENOIR | NC | 28645 |

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| MORGANTON PO | PO | MORGANTON | NC | 28655 |
| STATESVILLE PO | PO | STATESVILLE | NC | 28677 |
| BURNSVILLE PO | PO | BURNSVILLE | NC | 28714 |
| CANDLER PO | PO | CANDLER | NC | 28715 |
| CANTON PO | PO | CANTON | NC | 28716 |
| FRANKLIN PO | PO | FRANKLIN | NC | 28734 |
| MARION PO | PO | MARION | NC | 28752 |
| WAYNESVILLE PO | PO | WAYNESVILLE | NC | 28786 |
| WEAVERVILLE PO | PO | WEAVERVILLE | NC | 28787 |
| HEN-CARRIER ANX | STA-BR | HENDERSONVILLE | NC | 28792 |
| ASHEVILLE P&DF | P&DF | ASHEVILLE | NC | 28810 |
| MURPHY PO | PO | MURPHY | NC | 28906 |
| BISHOPVILLE PO | PO | BISHOPVILLE | SC | 29010 |
| BATESBRG-LEESVILLE PO | PO | BATESBURG-LEESVILLE | SC | 29070 |
| PROSPERITY PO | PO | PROSPERITY | SC | 29127 |
| SALUDA PO | PO | SALUDA | SC | 29138 |
| SUMTER PO | PO | SUMTER | SC | 29150 |
| COLUMBIA P&DC | P&DC | COLUMBIA | SC | 29201 |
| CLINTON PO | PO | CLINTON | SC | 29325 |
| GAFFNEY PO | PO | GAFFNEY | SC | 29340 |
| INMAN PO | PO | INMAN | SC | 29349 |
| LAURENS PO | PO | LAURENS | SC | 29360 |
| WOODRUFF PO | PO | WOODRUFF | SC | 29388 |
| CHARLESTON P&DF | P&DF | CHARLESTON | SC | 29423 |
| JOHNS ISLAND PO | PO | JOHNS ISLAND | SC | 29455 |
| MONCKS CORNER PO | PO | MONCKS CORNER | SC | 29461 |
| WALTERBORO PO | PO | WALTERBORO | SC | 29488 |
| FLORENCE P&DF | P&DF | FLORENCE | SC | 29501 |
| CONWAY PO | PO | CONWAY | SC | 29526 |
| HARTSVILLE PO | PO | HARTSVILLE | SC | 29550 |
| NORTH MYRTLE BEACH PO | PO | NORTH MYRTLE BEACH | SC | 29582 |
| GREENVILLE P&DC | P&DC | GREENVILLE | SC | 29602 |
| CLEMSON PO | PO | CLEMSON | SC | 29631 |
| WALHALLA PO | PO | WALHALLA | SC | 29691 |
| CHESTER PO | PO | CHESTER | SC | 29706 |
| CLOVER PO | PO | CLOVER | SC | 29710 |
| FORT MILL PO | PO | FORT MILL | SC | 29715 |
| LANCASTER PO | PO | LANCASTER | SC | 29720 |
| ROCK HILL PO | PO | ROCK HILL | SC | 29730 |
| ROC-EBENEZER STA | STA-BR | ROCK HILL | SC | 29732 |
| YORK PO | PO | YORK | SC | 29745 |
| BEA-BURTON BR | STA-BR | BEAUFORT | SC | 29906 |
| BLUFFTON PO | PO | BLUFFTON | SC | 29910 |
| HILTON HEAD ISLAND PO | PO | HILTON HEAD ISLAND | SC | 29938 |
| CONYERS PO | PO | CONYERS | GA | 30013 |
| COV-CARRIER ANX | STA-BR | COVINGTON | GA | 30014 |
| NORTH METRO | P&DC | DULUTH | GA | 30026 |
| DECATUR PO | PO | DECATUR | GA | 30030 |
| MARIETTA PO | PO | MARIETTA | GA | 30060 |
| ACW-CARRIER ANX | STA-BR | ACWORTH | GA | 30101 |
| AUSTELL PO | PO | AUSTELL | GA | 30106 |

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| CANTON PO | PO | CANTON | GA | 30114 |
| CARROLLTON PO | PO | CARROLLTON | GA | 30116 |
| CARTERSVILLE PO | PO | CARTERSVILLE | GA | 30120 |
| MABLETON PO | PO | MABLETON | GA | 30126 |
| POWDER SPRINGS PO | PO | POWDER SPRINGS | GA | 30127 |
| DALLAS PO | PO | DALLAS | GA | 30132 |
| DOUGLASVILLE PO | PO | DOUGLASVILLE | GA | 30134 |
| JASPER PO | PO | JASPER | GA | 30143 |
| ROME PO | PO | ROME | GA | 30161 |
| GRIFFIN PO | PO | GRIFFIN | GA | 30223 |
| JONESBORO PO | PO | JONESBORO | GA | 30236 |
| LA GRANGE GA PO | PO | LA GRANGE | GA | 30240 |
| MCDONOUGH PO | PO | MCDONOUGH | GA | 30253 |
| NEWNAN PO | PO | NEWNAN | GA | 30263 |
| SHARPSBURG PO | PO | SHARPSBURG | GA | 30277 |
| STOCKBRIDGE PO | PO | STOCKBRIDGE | GA | 30281 |
| FOREST PARK PO | PO | FOREST PARK | GA | 30297 |
| ATLANTA P&DC | P&DC | ATLANTA | GA | 30304 |
| SWAINSBORO PO | PO | SWAINSBORO | GA | 30401 |
| STATESBORO PO | PO | STATESBORO | GA | 30458 |
| GAINESVILLE PO | PO | GAINESVILLE | GA | 30501 |
| BLAIRSVILLE PO | PO | BLAIRSVILLE | GA | 30512 |
| BUFORD PO | PO | BUFORD | GA | 30518 |
| CLEVELAND PO | PO | CLEVELAND | GA | 30528 |
| CORNELIA PO | PO | CORNELIA | GA | 30531 |
| DAHLONEGA PO | PO | DAHLONEGA | GA | 30533 |
| FLOWERY BRANCH PO | PO | FLOWERY BRANCH | GA | 30542 |
| ATH GMF | STA-BR | ATHENS | GA | 30601 |
| DALTON PO | PO | DALTON | GA | 30720 |
| LAFAYETTE PO | PO | LAFAYETTE | GA | 30728 |
| EVANS PO | PO | EVANS | GA | 30809 |
| AUGUSTA P&DF | P&DF | AUGUSTA | GA | 30901 |
| AUG MARTINEZ BR | STA-BR | MARTINEZ | GA | 30907 |
| FOR CARRIER ANX | STA-BR | CORDELE | GA | 31015 |
| EASTMAN PO | PO | EASTMAN | GA | 31023 |
| EATONTON PO | PO | EATONTON | GA | 31024 |
| MIL CARRIER ANX | STA-BR | MILLEDGEVILLE | GA | 31061 |
| WARNER ROBINS PO | PO | WARNER ROBINS | GA | 31088 |
| MACON P&DC | P&DC | MACON | GA | 31213 |
| HINESVILLE PO | PO | HINESVILLE | GA | 31313 |
| RINCON PO | PO | RINCON | GA | 31326 |
| SAVANNAH P&DF | P&DF | SAVANNAH | GA | 31401 |
| SAV MAIN OFFICE STA | STA-BR | SAVANNAH | GA | 31402 |
| WAYCROSS PO | PO | WAYCROSS | GA | 31501 |
| VALDOSTA PO | PO | VALDOSTA | GA | 31601 |
| ALBANY PO | PO | ALBANY | GA | 31702 |
| BAINBRIDGE PO | PO | BAINBRIDGE | GA | 31717 |
| MOULTRIE PO | PO | MOULTRIE | GA | 31768 |
| SYLVESTER PO | PO | SYLVESTER | GA | 31791 |
| THOMASVILLE PO | PO | THOMASVILLE | GA | 31792 |
| COLUMBUS PO | PO | COLUMBUS | GA | 31908 |

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| .AKE CITY PO | PO | LAKE CITY | FL | 32055 |
| ORANGE PARK PO | PO | ORANGE PARK | FL | 32065 |
| ORANGE PARK PO | PO | ORANGE PARK | FL | 32073 |
| SAINT AUGUSTINE PO | PO | SAINT AUGUSTINE | FL | 32084 |
| STA-CARRIER ANX | STA-BR | ST AUGUSTINE | FL | 32086 |
| DAYTONA BCH P&DF | P&DF | DAYTONA BEACH | FL | 32114 |
| LADY LAKE PO | PO | LADY LAKE | FL | 32159 |
| PALATKA PO | PO | PALATKA | FL | 32177 |
| JACKSONVILLE P&DC | P&DC | JACKSONVILLE | FL | 32203 |
| JACKSONVILLE FL AMF | AMF | JACKSONVILLE | FL | 32229 |
| TALLAHASSE P&DF | P&DF | TALLAHASSE | FL | 32301 |
| PANAMA CITY P&DF | P&DF | PANAMA CITY | FL | 32401 |
| PENSACOLA P&DC | P&DC | PENSACOLA | FL | 32501 |
| CRESTVIEW PO | PO | CRESTVIEW | FL | 32536 |
| FORT WALTON BEACH PO | PO | FORT WALTON BEACH | FL | 32548 |
| MILTON PO | PO | MILTON | FL | 32571 |
| NICEVILLE PO | PO | NICEVILLE | FL | 32578 |
| SHALIMAR PO | PO | SHALIMAR | FL | 32579 |
| GAINESVILLE P&DF | P&DF | GAINESVILLE | FL | 32608 |
| CAS-WINTER SPRINGS BR | STA-BR | WINTER SPRINGS | FL | 32708 |
| APOPKA PO | PO | APOPKA | FL | 32712 |
| LONGWOOD PO | PO | LONGWOOD | FL | 32750 |
| LGW-WEKIVA SPRINGS BR | STA-BR | LONGWOOD | FL | 32779 |
| MID FLORIDA P&DC | P&DC | MID FLORIDA | FL | 32799 |
| ORL MALL ANX | STA-BR | ORLANDO | FL | 32803 |
| ORL ALAFAYA BR | STA-BR | ORLANDO | FL | 32817 |
| ORL LEE VISTA STA | STA-BR | ORLANDO | FL | 32822 |
| ORL SOUTH CREEK BR | STA-BR | ORLANDO | FL | 32837 |
| ORLANDO P&DC | P&DC | ORLANDO | FL | 32862 |
| COCOA PO | PO | COCOA | FL | 32926 |
| MEL PALM BAY WEST BR | STA-BR | PALM BAY | FL | 32935 |
| MEL APOLLO ANX | STA-BR | MELBOURNE | FL | 32940 |
| MERRITT ISLAND PO | PO | MERRITT ISLAND | FL | 32953 |
| ROCKLEDGE PO | PO | ROCKLEDGE | FL | 32955 |
| VER-CITRUS RIDGE BR | STA-BR | VERO BEACH | FL | 32966 |
| SOUTH FLORIDA P&DC | P&DC | SOUTH FLORIDA | FL | 33082 |
| MIAMI P&DC | P&DC | MIAMI | FL | 33152 |
| FORT LAUDERDALE P&DC | P&DC | FORT LAUDERDALE | FL | 33310 |
| WEST PALM BEACH P&DC | P&DC | WEST PALM BEACH | FL | 33406 |
| WPB-ANNEX | STA-BR | WEST PALM BEACH | FL | 33409 |
| BOC-BLUE LAKE BR | STA-BR | BOCA RATON | FL | 33431 |
| BOY-JOG ROAD STA | STA-BR | BOYNTON BEACH | FL | 33436 |
| JUPITER PO | PO | JUPITER | FL | 33458 |
| BRANDON PO | PO | BRANDON | FL | 33511 |
| ZEPHYRHILLS PO | PO | ZEPHYRHILLS | FL | 33540 |
| TAMPA P&DC | P&DC | TAMPA | FL | 33630 |
| ST PETERSBURG P&DC | P&DC | ST PETERSBURG | FL | 33730 |
| LAKELAND P&DC | P&DC | LAKELAND | FL | 33802 |
| FT MYERS P&DC | P&DC | FT MYERS | FL | 33913 |
| MANASOTA P&DC | P&DC | MANASOTA | FL | 34260 |
| HOMOSASSA SPRINGS PO | PO | HOMOSASSA SPRINGS | FL | 34447 |

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| INVERNESS PO | PO | INVERNESS | FL | 34450 |
| LECANTO PO | PO | LECANTO | FL | 34461 |
| BROOKSVILLE PO | PO | BROOKSVILLE | FL | 34601 |
| NEW PORT RICHEY PO | PO | NEW PORT RICHEY | FL | 34653 |
| KISSIMMEE PO | PO | KISSIMMEE | FL | 34744 |
| LEESBURG PO | PO | LEESBURG | FL | 34748 |
| SAINT CLOUD PO | PO | SAINT CLOUD | FL | 34769 |
| WINTER GARDEN PO | PO | WINTER GARDEN | FL | 34787 |
| OKEECHOBEE PO | PO | OKEECHOBEE | FL | 34972 |
| FTP-MAIN OFFICE STA | STA-BR | FORT PIERCE | FL | 34981 |
| ALEXANDER CITY PO | PO | ALEXANDER CITY | AL | 35010 |
| BESSEMER PO | PO | BESSEMER | AL | 35020 |
| CULLMAN PO | PO | CULLMAN | AL | 35055 |
| GARDENDALE PO | PO | GARDENDALE | AL | 35071 |
| PELHAM PO | PO | PELHAM | AL | 35124 |
| PELL CITY PO | PO | PELL CITY | AL | 35125 |
| PINSON PO | PO | PINSON | AL | 35126 |
| BIRMINGHAM P&DC | P&DC | BIRMINGHAM | AL | 35203 |
| BHM EAST LAKE STA | STA-BR | BIRMINGHAM | AL | 35206 |
| BHM IRONDALE BR | STA-BR | BIRMINGHAM | AL | 35210 |
| BHM-WEST END STA | STA-BR | BIRMINGHAM | AL | 35211 |
| BHM WOODLAWN STA | STA-BR | BIRMINGHAM | AL | 35212 |
| BHM FORESTDALE STA | STA-BR | BIRMINGHAM | AL | 35214 |
| TCL-SKYLAND STA | STA-BR | TUSCALOOSA | AL | 35405 |
| JASPER PO | PO | JASPER | AL | 35501 |
| HAMILTON PO | PO | HAMILTON | AL | 35570 |
| TUSCUMBIA PO | PO | TUSCUMBIA | AL | 35674 |
| HUNTSVILLE P&DF | P&DF | HUNTSVILLE | AL | 35813 |
| GADSDEN PO | PO | GADSDEN | AL | 35901 |
| ALBERTVILLE PO | PO | ALBERTVILLE | AL | 35950 |
| BOAZ PO | PO | BOAZ | AL | 35957 |
| FORT PAYNE PO | PO | FORT PAYNE | AL | 35967 |
| PRATTVILLE PO | PO | PRATTVILLE | AL | 36067 |
| MONTGOMERY P&DC | P&DC | MONTGOMERY | AL | 36119 |
| ANNISTON PO | PO | ANNISTON | AL | 36201 |
| ANN FT MCCLELLAN BR | STA-BR | ANNISTON | AL | 36205 |
| DOTHAN PO | PO | DOTHAN | AL | 36302 |
| ENTERPRISE PO | PO | ENTERPRISE | AL | 36330 |
| OZARK PO | PO | OZARK | AL | 36360 |
| ANDALUSIA PO | PO | ANDALUSIA | AL | 36420 |
| MOBILE P&DC | P&DC | MOBILE | AL | 36601 |
| SELMA PO | PO | SELMA | AL | 36701 |
| OPELIKA PO | PO | OPELIKA | AL | 36801 |
| AUBURN PO | PO | AUBURN | AL | 36830 |
| CENTERVILLE PO | PO | CENTERVILLE | TN | 37033 |
| CLARKSVILLE PO | PO | CLARKSVILLE | TN | 37040 |
| CLARKSVILLE PO | PO | CLARKSVILLE | TN | 37042 |
| DICKSON PO | PO | DICKSON | TN | 37055 |
| GALLATIN PO | PO | GALLATIN | TN | 37066 |
| GOODLETTSVILLE PO | PO | GOODLETTSVILLE | TN | 37072 |
| MADISON PO | PO | MADISON | TN | 37115 |

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|---|---|---|---|---|
| MOUNT JULIET PO | PO | MOUNT JULIET | TN | 37122 |
| MURFREESBORO PO | PO | MURFREESBORO | TN | 37129 |
| MURFREESBORO PO | PO | MURFREESBORO | TN | 37130 |
| SMYRNA PO | PO | SMYRNA | TN | 37167 |
| WAVERLY PO | PO | WAVERLY | TN | 37185 |
| NASHVILLE P&DC | P&DC | NASHVILLE | TN | 37229 |
| ATHENS PO | PO | ATHENS | TN | 37303 |
| CLEVELAND PO | PO | CLEVELAND | TN | 37311 |
| CLE-ANNEX | STA-BR | CLEVELAND | TN | 37323 |
| FAYETTEVILLE PO | PO | FAYETTEVILLE | TN | 37334 |
| MANCHESTER PO | PO | MANCHESTER | TN | 37355 |
| SIGNAL MOUNTAIN PO | PO | SIGNAL MOUNTAIN | TN | 37377 |
| WINCHESTER PO | PO | WINCHESTER | TN | 37398 |
| CHATTANOOGA P&DC | P&DC | CHATTANOOGA | TN | 37401 |
| JOHNSON CITY PO | PO | JOHNSON CITY | TN | 37601 |
| ELIZABETHTON PO | PO | ELIZABETHTON | TN | 37643 |
| ERWIN PO | PO | ERWIN | TN | 37650 |
| KINGSPORT PO | PO | KINGSPORT | TN | 37660 |
| SEVIERVILLE PO | PO | SEVIERVILLE | TN | 37862 |
| KNOXVILLE P&DC | P&DC | KNOXVILLE | TN | 37950 |
| BROWNSVILLE PO | PO | BROWNSVILLE | TN | 38012 |
| DYERSBURG PO | PO | DYERSBURG | TN | 38024 |
| MEMPHIS P&DC | P&DC | MEMPHIS | TN | 38101 |
| MCKENZIE PO | PO | MCKENZIE | TN | 38201 |
| MARTIN PO | PO | MARTIN | TN | 38237 |
| UNION CITY PO | PO | UNION CITY | TN | 38261 |
| JACKSON PO | PO | JACKSON | TN | 38301 |
| COLUMBIA PO | PO | COLUMBIA | TN | 38401 |
| COOKEVILLE PO | PO | COOKEVILLE | TN | 38501 |
| CROSSVILLE PO | PO | CROSSVILLE | TN | 38555 |
| BATESVILLE PO | PO | BATESVILLE | MS | 38606 |
| CLARKSDALE PO | PO | CLARKSDALE | MS | 38614 |
| HOLLY SPRINGS PO | PO | HOLLY SPRINGS | MS | 38635 |
| OLIVE BRANCH PO | PO | OLIVE BRANCH | MS | 38654 |
| OXFORD PO | PO | OXFORD | MS | 38655 |
| RIPLEY PO | PO | RIPLEY | MS | 38663 |
| SOUTHAVEN PO | PO | SOUTHAVEN | MS | 38671 |
| TUPELO PO | PO | TUPELO | MS | 38801 |
| GRENADA PO | PO | GRENADA | MS | 38901 |
| JACKSON P&DC | P&DC | JACKSON | MS | 39205 |
| MERIDIAN PO | PO | MERIDIAN | MS | 39301 |
| HATTIESBURG PO | PO | HATTIESBURG | MS | 39401 |
| GULFPORT P&DF | P&DF | GULFPORT | MS | 39503 |
| COLUMBUS MS PO | PO | COLUMBUS | MS | 39701 |
| STARKVILLE PO | PO | STARKVILLE | MS | 39759 |
| CAIRO PO | PO | CAIRO | GA | 39828 |
| LOUISVILLE P&DC | P&DC | LOUISVILLE | KY | 40231 |
| MOREHEAD PO | PO | MOREHEAD | KY | 40351 |
| MOUNT STERLING PO | PO | MOUNT STERLING | KY | 40353 |
| NICHOLASVILLE PO | PO | NICHOLASVILLE | KY | 40356 |
| PARIS PO | PO | PARIS | KY | 40361 |

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| WINCHESTER PO | PO | WINCHESTER | KY | 40391 |
| BEREA PO | PO | BEREA | KY | 40403 |
| LEXINGTON P&DC | P&DC | LEXINGTON | KY | 40511 |
| FRANKFORT PO | PO | FRANKFORT | KY | 40601 |
| CORBIN PO | PO | CORBIN | KY | 40701 |
| LONDON P&DF | P&DF | LONDON | KY | 40741 |
| WILLIAMSBURG PO | PO | WILLIAMSBURG | KY | 40769 |
| ALEXANDRIA PO | PO | ALEXANDRIA | KY | 41001 |
| FLORENCE PO | PO | FLORENCE | KY | 41042 |
| INDEPENDENCE PO | PO | INDEPENDENCE | KY | 41051 |
| UNION PO | PO | UNION | KY | 41091 |
| ASHLAND P&DF | P&DF | ASHLAND | KY | 41101 |
| CAMPTON PO | PO | CAMPTON | KY | 41301 |
| HAZARD PO | PO | HAZARD | KY | 41701 |
| PADUCAH P&DF | P&DF | PADUCAH | KY | 42001 |
| BOWLING GREEN P&DF | P&DF | BOWLING GREEN | KY | 42104 |
| GLASGOW PO | PO | GLASGOW | KY | 42141 |
| OWENSBORO PO | PO | OWENSBORO | KY | 42301 |
| SOMERSET PO | PO | SOMERSET | KY | 42501 |
| ELIZABETHTOWN PO | PO | ELIZABETHTOWN | KY | 42701 |
| CAMPBELLSVILLE PO | PO | CAMPBELLSVILLE | KY | 42718 |
| MOUNT VERNON PO | PO | MOUNT VERNON | OH | 43050 |
| NEWARK PO | PO | NEWARK | OH | 43055 |
| PATASKALA PO | PO | PATASKALA | OH | 43062 |
| POWELL PO | PO | POWELL | OH | 43065 |
| REYNOLDSBURG PO | PO | REYNOLDSBURG | OH | 43068 |
| CANAL WINCHESTER PO | PO | CANAL WINCHESTER | OH | 43110 |
| CIRCLEVILLE PO | PO | CIRCLEVILLE | OH | 43113 |
| LANCASTER PO | PO | LANCASTER | OH | 43130 |
| WASHINGTON C H PO | PO | WASHINGTON C H | OH | 43160 |
| COLUMBUS P&DC | P&DC | COLUMBUS | OH | 43218 |
| COLUMBUS PO | PO | COLUMBUS | OH | 43228 |
| MARION PO | PO | MARION | OH | 43302 |
| BELLEFONTAINE PO | PO | BELLEFONTAINE | OH | 43311 |
| FREMONT PO | PO | FREMONT | OH | 43420 |
| MAUMEE PO | PO | MAUMEE | OH | 43537 |
| PERRYSBURG PO | PO | PERRYSBURG | OH | 43551 |
| TOLEDO P&DC | P&DC | TOLEDO | OH | 43601 |
| TOLEDO PO | PO | TOLEDO | OH | 43608 |
| TOLEDO PO | PO | TOLEDO | OH | 43616 |
| TOLEDO PO | PO | TOLEDO | OH | 43623 |
| ZANESVILLE PO | PO | ZANESVILLE | OH | 43701 |
| BARNESVILLE PO | PO | BARNESVILLE | OH | 43713 |
| COSHOCTON PO | PO | COSHOCTON | OH | 43812 |
| STEUBENVILLE PO | PO | STEUBENVILLE | OH | 43952 |
| AMHERST PO | PO | AMHERST | OH | 44001 |
| ASHTABULA PO | PO | ASHTABULA | OH | 44004 |
| AVON LAKE PO | PO | AVON LAKE | OH | 44012 |
| BEREA PO | PO | BEREA | OH | 44017 |
| CHAGRIN FALLS PO | PO | CHAGRIN FALLS | OH | 44022 |
| COLUMBIA STATION PO | PO | COLUMBIA STATION | OH | 44028 |

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| CONNEAUT PO | PO | CONNEAUT | OH | 44030 |
| GENEVA PO | PO | GENEVA | OH | 44041 |
| LORAIN PO | PO | LORAIN | OH | 44052 |
| MADISON PO | PO | MADISON | OH | 44057 |
| OBERLIN PO | PO | OBERLIN | OH | 44074 |
| TWINSBURG PO | PO | TWINSBURG | OH | 44087 |
| VERMILION PO | PO | VERMILION | OH | 44089 |
| WELLINGTON PO | PO | WELLINGTON | OH | 44090 |
| WICKLIFFE PO | PO | WICKLIFFE | OH | 44092 |
| WILLOUGHBY PO | PO | WILLOUGHBY | OH | 44094 |
| CLEVELAND P&DC | P&DC | CLEVELAND | OH | 44101 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44102 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44110 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44116 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44133 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44135 |
| CLEVELAND PO | PO | CLEVELAND | OH | 44147 |
| AURORA PO | PO | AURORA | OH | 44202 |
| BRUNSWICK PO | PO | BRUNSWICK | OH | 44212 |
| HUDSON PO | PO | HUDSON | OH | 44236 |
| KENT PO | PO | KENT | OH | 44240 |
| RAVENNA PO | PO | RAVENNA | OH | 44266 |
| AKRON PO | PO | AKRON | OH | 44302 |
| AKRON PO | PO | AKRON | OH | 44306 |
| AKRON P&DC | P&DC | AKRON | OH | 44309 |
| AKRON PO | PO | AKRON | OH | 44314 |
| AKRON PO | PO | AKRON | OH | 44319 |
| CORTLAND PO | PO | CORTLAND | OH | 44410 |
| SALEM PO | PO | SALEM | OH | 44460 |
| YOUNGSTOWN P&DF | P&DF | YOUNGSTOWN | OH | 44501 |
| DOVER PO | PO | DOVER | OH | 44622 |
| LOUISVILLE PO | PO | LOUISVILLE | OH | 44641 |
| MASSILLON PO | PO | MASSILLON | OH | 44646 |
| UNIONTOWN PO | PO | UNIONTOWN | OH | 44685 |
| WOOSTER PO | PO | WOOSTER | OH | 44691 |
| CANTON PO | PO | CANTON | OH | 44702 |
| CANTON PO | PO | CANTON | OH | 44706 |
| CANTON P&DF | P&DF | CANTON | OH | 44711 |
| FOSTORIA PO | PO | FOSTORIA | OH | 44830 |
| TIFFIN PO | PO | TIFFIN | OH | 44883 |
| MANSFIELD PO | PO | MANSFIELD | OH | 44901 |
| FRANKLIN PO | PO | FRANKLIN | OH | 45005 |
| HAMILTON PO | PO | HAMILTON | OH | 45014 |
| HARRISON PO | PO | HARRISON | OH | 45030 |
| LEBANON PO | PO | LEBANON | OH | 45036 |
| MAINEVILLE PO | PO | MAINEVILLE | OH | 45039 |
| MIDDLETOWN PO | PO | MIDDLETOWN | OH | 45042 |
| OXFORD PO | PO | OXFORD | OH | 45056 |
| SPRINGBORO PO | PO | SPRINGBORO | OH | 45066 |
| BATAVIA PO | PO | BATAVIA | OH | 45103 |
| LOVELAND PO | PO | LOVELAND | OH | 45140 |

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| MILFORD PO | PO | MILFORD | OH | 45150 |
| CINCINNATI P&DC | P&DC | CINCINNATI | OH | 45234 |
| FAIRBORN PO | PO | FAIRBORN | OH | 45324 |
| GREENVILLE PO | PO | GREENVILLE | OH | 45331 |
| PIQUA PO | PO | PIQUA | OH | 45356 |
| TIPP CITY PO | PO | TIPP CITY | OH | 45371 |
| DAYTON P&DC | P&DC | DAYTON | OH | 45401 |
| CHILLICOTHE PO | PO | CHILLICOTHE | OH | 45601 |
| IRONTON PO | PO | IRONTON | OH | 45638 |
| PORTSMOUTH PO | PO | PORTSMOUTH | OH | 45662 |
| STEWART PO | PO | STEWART | OH | 45701 |
| LIMA P & DF | P&DF | LIMA | OH | 45802 |
| CARMEL PO | PO | CARMEL | IN | 46032 |
| FISHERS PO | PO | FISHERS | IN | 46038 |
| FRANKFORT PO | PO | FRANKFORT | IN | 46041 |
| NOBLESVILLE PO | PO | NOBLESVILLE | IN | 46060 |
| WESTFIELD PO | PO | WESTFIELD | IN | 46074 |
| ZIONSVILLE PO | PO | ZIONSVILLE | IN | 46077 |
| BROWNSBURG PO | PO | BROWNSBURG | IN | 46112 |
| DANVILLE PO | PO | DANVILLE | IN | 46122 |
| FRANKLIN PO | PO | FRANKLIN | IN | 46131 |
| MARTINSVILLE PO | PO | MARTINSVILLE | IN | 46151 |
| MOORESVILLE PO | PO | MOORESVILLE | IN | 46158 |
| RUSHVILLE PO | PO | RUSHVILLE | IN | 46173 |
| SHELBYVILLE PO | PO | SHELBYVILLE | IN | 46176 |
| INDIANAPOLIS P&DC | P&DC | INDIANAPOLIS | IN | 46206 |
| IND PARK FLETCHER BR | STA-BR | INDIANAPOLIS | IN | 46241 |
| CHESTERTON PO | PO | CHESTERTON | IN | 46304 |
| CROWN POINT PO | PO | CROWN POINT | IN | 46307 |
| EAST CHICAGO PO | PO | EAST CHICAGO | IN | 46312 |
| MICHIGAN CITY PO | PO | MICHIGAN CITY | IN | 46360 |
| PORTAGE PO | PO | PORTAGE | IN | 46368 |
| SCHERERVILLE PO | PO | SCHERERVILLE | IN | 46375 |
| WHITING PO | PO | WHITING | IN | 46394 |
| GARY P&DC | P&DC | GARY | IN | 46401 |
| SOUTH BEND P&DC | P&DC | SOUTH BEND | IN | 46624 |
| FT WAYNE P&DC | P&DC | FORT WAYNE | IN | 46802 |
| KOKOMO P&DF | P&DF | KOKOMO | IN | 46902 |
| MARION PO | PO | MARION | IN | 46952 |
| LAWRENCEBURG PO | PO | LAWRENCEBURG | IN | 47025 |
| COLUMBUS PO | PO | COLUMBUS | IN | 47201 |
| SEYMOUR PO | PO | SEYMOUR | IN | 47274 |
| MUNCIE P&DF | P&DF | MUNCIE | IN | 47302 |
| BLOOMINGTON MPA | P&DF | BLOOMINGTON | IN | 47404 |
| EVANSVILLE P&DF | P&DF | EVANSVILLE | IN | 47708 |
| TERRE HAUTE P&DF | P&DF | TERRE HAUTE | IN | 47808 |
| LAFAYETTE P&DF | P&DF | LAFAYETTE | IN | 47901 |
| SOUTHFIELD PO | PO | SOUTHFIELD | MI | 48034 |
| RICHMOND PO | PO | RICHMOND | MI | 48062 |
| ROYAL OAK P&DC | P&DC | TROY | MI | 48068 |
| ROYAL OAK P&DC | P&DC | TROY | MI | 48068 |

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| ROYAL OAK P&DC | P&DC | TROY | MI | 48068 |
| DET PRIORITY MAIL FAC | PMC | ROMULUS | MI | 48170 |
| YPSILANTI PO | PO | YPSILANTI | MI | 48197 |
| DETROIT P&DC | P&DC | DETROIT | MI | 48233 |
| UTICA PO | PO | STERLING HEIGHTS | MI | 48311 |
| PONTIAC PO | PO | PONTIAC | MI | 48343 |
| HIGHLAND PO | PO | HIGHLAND | MI | 48356 |
| WALLED LAKE PO | PO | WALLED LAKE | MI | 48390 |
| FLINT P&DC | P&DC | FLINT | MI | 48502 |
| SAGINAW P&DC | P&DC | SAGINAW | MI | 48605 |
| LANSING P&DC | P&DC | LANSING | MI | 48924 |
| KALAMAZOO PO | PO | KALAMAZOO | MI | 49001 |
| KALAMAZOO P&DC | P&DC | KALAMAZOO | MI | 49009 |
| BENTON HARBOR PO | PO | BENTON HARBOR | MI | 49022 |
| HASTINGS PO | PO | HASTINGS | MI | 49058 |
| NILES PO | PO | NILES | MI | 49120 |
| JACKSON PO | PO | JACKSON | MI | 49201 |
| LUDINGTON PO | PO | LUDINGTON | MI | 49431 |
| GRAND RAPIDS P&DC | P&DC | GRAND RAPIDS | MI | 49599 |
| TRAVERSE CITY P&DF | P&DF | TRAVERSE CITY | MI | 49686 |
| GAYLORD PO | PO | GAYLORD | MI | 49735 |
| JMT KINGSFORD FSTA | STA-BR | KINGSFORD | MI | 49801 |
| AMES PO | PO | AMES | IA | 50010 |
| MARSHALLTOWN PO | PO | MARSHALLTOWN | IA | 50158 |
| NEWTON PO | PO | NEWTON | IA | 50208 |
| DES MOINES P&DC | P&DC | DES MOINES | IA | 50318 |
| MASON CITY PO | PO | MASON CITY | IA | 50401 |
| FORT DODGE PO | PO | FORT DODGE | IA | 50501 |
| WATERLOO PO | PO | WATERLOO | IA | 50701 |
| CRESTON PO | PO | CRESTON | IA | 50801 |
| SIOUX CITY PO | PO | SIOUX CITY | IA | 51111 |
| CARROLL PO | PO | CARROLL | IA | 51401 |
| DUBUQUE PO | PO | DUBUQUE | IA | 52003 |
| BELLE PLAINE PO | PO | BELLE PLAINE | IA | 52208 |
| IOWA CITY PO | PO | IOWA CITY | IA | 52240 |
| MOUNT VERNON PO | PO | MOUNT VERNON | IA | 52314 |
| CEDAR RAPIDS PO | PO | CEDAR RAPIDS | IA | 52401 |
| OTTUMWA PO | PO | OTTUMWA | IA | 52501 |
| BURLINGTON PO | PO | BURLINGTON | IA | 52601 |
| CLINTON PO | PO | CLINTON | IA | 52732 |
| DAVENPORT PO | PO | DAVENPORT | IA | 52802 |
| CEDARBURG PO | PO | CEDARBURG | WI | 53012 |
| GERMANTOWN PO | PO | GERMANTOWN | WI | 53022 |
| GRAFTON PO | PO | GRAFTON | WI | 53024 |
| HARTFORD PO | PO | HARTFORD | WI | 53027 |
| HARTLAND PO | PO | HARTLAND | WI | 53029 |
| BROOKFIELD PO | PO | BROOKFIELD | WI | 53045 |
| MENOMONEE FALLS PO | PO | MENOMONEE FALLS | WI | 53051 |
| OCONOMOWOC PO | PO | OCONOMOWOC | WI | 53066 |
| PEWAUKEE PO | PO | PEWAUKEE | WI | 53072 |
| SHEBOYGAN PO | PO | SHEBOYGAN | WI | 53081 |

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| SUSSEX PO | PO | SUSSEX | WI | 53089 |
| WATERTOWN PO | PO | WATERTOWN | WI | 53094 |
| WEST BEND PO | PO | WEST BEND | WI | 53095 |
| BURLINGTON PO | PO | BURLINGTON | WI | 53105 |
| CUDAHY PO | PO | CUDAHY | WI | 53110 |
| DELAVAN PO | PO | DELAVAN | WI | 53115 |
| GREENDALE PO | PO | GREENDALE | WI | 53129 |
| HALES CORNERS PO | PO | HALES CORNERS | WI | 53132 |
| KENOSHA PO | PO | KENOSHA | WI | 53140 |
| MUKWONAGO PO | PO | MUKWONAGO | WI | 53149 |
| WAUKESHA PO | PO | WAUKESHA | WI | 53151 |
| OAK CREEK PO | PO | OAK CREEK | WI | 53154 |
| SOUTH MILWAUKEE PO | PO | SOUTH MILWAUKEE | WI | 53172 |
| MILWAUKEE P&DC | P&DC | MILWAUKEE | WI | 53201 |
| MIL-WAUWATOSA BR | STA-BR | WAUWATOSA | WI | 53226 |
| RACINE PO | PO | RACINE | WI | 53404 |
| BELOIT PO | PO | BELOIT | WI | 53511 |
| DODGEVILLE PO | PO | DODGEVILLE | WI | 53533 |
| EDGERTON PO | PO | EDGERTON | WI | 53534 |
| FORT ATKINSON PO | PO | FORT ATKINSON | WI | 53538 |
| JANESVILLE PO | PO | JANESVILLE | WI | 53545 |
| JEFFERSON PO | PO | JEFFERSON | WI | 53549 |
| MOUNT HOREB PO | PO | MOUNT HOREB | WI | 53572 |
| OREGON PO | PO | OREGON | WI | 53575 |
| RICHLAND CENTER PO | PO | RICHLAND CENTER | WI | 53581 |
| STOUGHTON PO | PO | STOUGHTON | WI | 53589 |
| SUN PRAIRIE PO | PO | SUN PRAIRIE | WI | 53590 |
| MADISON P&DC | P&DC | MADISON | WI | 53714 |
| PORTAGE PO | PO | PORTAGE | WI | 53901 |
| BEAVER DAM PO | PO | BEAVER DAM | WI | 53916 |
| PARDEEVILLE PO | PO | PARDEEVILLE | WI | 53954 |
| HUDSON PO | PO | HUDSON | WI | 54016 |
| DE PERE PO | PO | DE PERE | WI | 54115 |
| KAUKAUNA PO | PO | KAUKAUNA | WI | 54130 |
| MARINETTE PO | PO | MARINETTE | WI | 54143 |
| MANITOWOC PO | PO | MANITOWOC | WI | 54220 |
| GREEN BAY P&DC | P&DC | GREEN BAY | WI | 54307 |
| WAUSAU P&DF | P&DF | WAUSAU | WI | 54401 |
| MARSHFIELD PO | PO | MARSHFIELD | WI | 54449 |
| STEVENS POINT PO | PO | STEVENS POINT | WI | 54481 |
| RHINELANDER PO | PO | RHINELANDER | WI | 54501 |
| LA CROSSE PO | PO | LA CROSSE | WI | 54601 |
| TOMAH PO | PO | TOMAH | WI | 54660 |
| EAU CLAIRE P&DF | P&DF | EAU CLAIRE | WI | 54703 |
| SPOONER PO | PO | SPOONER | WI | 54801 |
| OSHKOSH P&DF | P&DF | OSHKOSH | WI | 54901 |
| MENASHA PO | PO | MENASHA | WI | 54952 |
| NEENAH PO | PO | NEENAH | WI | 54956 |
| CIRCLE PINES PO | PO | CIRCLE PINES | MN | 55014 |
| COTTAGE GROVE PO | PO | COTTAGE GROVE | MN | 55016 |
| FARIBAULT PO | PO | FARIBAULT | MN | 55021 |

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|---|---|---|---|---|
| FOREST LAKE PO | PO | FOREST LAKE | MN | 55025 |
| LAKEVILLE PO | PO | LAKEVILLE | MN | 55044 |
| MORA PO | PO | MORA | MN | 55051 |
| NORTHFIELD PO | PO | NORTHFIELD | MN | 55057 |
| OWATONNA PO | PO | OWATONNA | MN | 55060 |
| SAINT PAUL PARK PO | PO | SAINT PAUL PARK | MN | 55071 |
| STILLWATER PO | PO | STILLWATER | MN | 55082 |
| SAINT PAUL P&DC | P&DC | SAINT PAUL | MN | 55101 |
| STP-WOODBURY BR | STA-BR | ST PAUL | MN | 55125 |
| CHANHASSEN PO | PO | CHANHASSEN | MN | 55317 |
| SAVAGE PO | PO | SAVAGE | MN | 55337 |
| HOPKINS PO | PO | HOPKINS | MN | 55343 |
| HOPKINS PO | PO | HOPKINS | MN | 55344 |
| MINNEAPOLIS P&DC | P&DC | MINNEAPOLIS | MN | 55401 |
| MIN-GOLDEN VALLEY BR | STA-BR | MINNEAPOLIS | MN | 55427 |
| MIN-COON RAPIDS BR | STA-BR | MINNEAPOLIS | MN | 55433 |
| MIN-THOMAS E BURNETT | STA-BR | MINNEAPOLIS | MN | 55438 |
| MIN-WEST EDINA CARRIE | STA-BR | MINNEAPOLIS | MN | 55439 |
| MINNEAPOLIS PO | PO | MINNEAPOLIS | MN | 55443 |
| DULUTH P&DF | P&DF | DULUTH | MN | 55806 |
| ROCHESTER PO | PO | ROCHESTER | MN | 55901 |
| AUSTIN PO | PO | AUSTIN | MN | 55912 |
| MANKATO PO | PO | MANKATO | MN | 56001 |
| WILLMAR PO | PO | WILLMAR | MN | 56201 |
| REDWOOD FALLS PO | PO | REDWOOD FALLS | MN | 56283 |
| SAINT CLOUD PO | PO | SAINT CLOUD | MN | 56301 |
| BRAINERD PO | PO | BRAINERD | MN | 56401 |
| DETROIT LAKES PO | PO | DETROIT LAKES | MN | 56501 |
| FERGUS FALLS PO | PO | FERGUS FALLS | MN | 56537 |
| BEMIDJI PO | PO | BEMIDJI | MN | 56601 |
| SIOUX FALLS PO | PO | SIOUX FALLS | SD | 57104 |
| WATERTOWN PO | PO | WATERTOWN | SD | 57201 |
| CENTRAL DAKOTA P&DF | PO | HURON | SD | 57399 |
| ABERDEEN PO | PO | ABERDEEN | SD | 57401 |
| PIERRE PO | PO | PIERRE | SD | 57501 |
| MOBRIDGE PO | PO | MOBRIDGE | SD | 57601 |
| RAPID CITY PO | PO | RAPID CITY | SD | 57701 |
| SPEARFISH PO | PO | SPEARFISH | SD | 57783 |
| STURGIS PO | PO | STURGIS | SD | 57785 |
| WAHPETON PO | PO | WAHPETON | ND | 58075 |
| FARGO PO | PO | FARGO | ND | 58102 |
| GRAND FORKS PO | PO | GRAND FORKS | ND | 58201 |
| DEVILS LAKE PO | PO | DEVILS LAKE | ND | 58301 |
| JAMESTOWN PO | PO | JAMESTOWN | ND | 58401 |
| BISMARCK P&DF | PO | BISMARCK | ND | 58501 |
| MINOT PO | PO | MINOT | ND | 58701 |
| BILLINGS PO | PO | BILLINGS | MT | 59101 |
| WOLF POINT PO | PO | WOLF POINT | MT | 59201 |
| GREAT FALLS PO | PO | GREAT FALLS | MT | 59401 |
| HAVRE PO | PO | HAVRE | MT | 59501 |
| HELENA PO | PO | HELENA | MT | 59601 |

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| BUTTE PO | PO | BUTTE | MT | 59701 |
| MISSOULA PO | PO | MISSOULA | MT | 59801 |
| KALISPELL PO | PO | KALISPELL | MT | 59901 |
| CARY PO | PO | CARY | IL | 60013 |
| LIBERTYVILLE PO | PO | LIBERTYVILLE | IL | 60048 |
| MCHENRY PO | PO | MCHENRY | IL | 60050 |
| MUNDELEIN PO | PO | MUNDELEIN | IL | 60061 |
| PALATINE P&DC | P&DC | PALATINE | IL | 60095 |
| WOODSTOCK PO | PO | WOODSTOCK | IL | 60098 |
| BLOOMINGDALE PO | PO | BLOOMINGDALE | IL | 60108 |
| CARPENTERSVILLE PO | PO | CARPENTERSVILLE | IL | 60110 |
| MELROSE PARK PO | PO | MELROSE PARK | IL | 60160 |
| VILLA PARK PO | PO | VILLA PARK | IL | 60181 |
| CAROL STREAM P&DC | P&DC | CAROL STREAM | IL | 60199 |
| OAK PARK PO | PO | OAK PARK | IL | 60301 |
| OAK PARK PO | PO | OAK PARK | IL | 60304 |
| CALUMET CITY PO | PO | CALUMET CITY | IL | 60409 |
| DOLTON PO | PO | DOLTON | IL | 60419 |
| FRANKFORT PO | PO | FRANKFORT | IL | 60423 |
| HOMEWOOD PO | PO | HOMEWOOD | IL | 60425 |
| LANSING PO | PO | LANSING | IL | 60438 |
| ROMEOVILLE PO | PO | ROMEOVILLE | IL | 60446 |
| OAKLAWN PO | PO | OAKLAWN | IL | 60455 |
| PARK FOREST PO | PO | PARK FOREST | IL | 60466 |
| SOUTH SUBURBAN P&DC | P&DC | BEDFORD PARK | IL | 60499 |
| FOX VALLEY P&DC | P&DC | AURORA | IL | 60599 |
| CHICAGO P&DC | P&DC | CHICAGO | IL | 60607 |
| IRVING PARK RD P&DC | P&DC | CHICAGO | IL | 60701 |
| KANKAKEE PO | PO | KANKAKEE | IL | 60901 |
| BOURBONNAIS PO | PO | BOURBONNAIS | IL | 60914 |
| ROCKFORD P&DC | P&DC | ROCKFORD | IL | 61125 |
| QUAD CITIES P&DF | P&DF | MILAN | IL | 61264 |
| PEORIA P&DF | P&DF | PEORIA | IL | 61601 |
| BLOOMINGTON P&DF | P&DF | BLOOMINGTON | IL | 61701 |
| URBANA PO | PO | URBANA | IL | 61801 |
| CHAMPAIGN P&DF | P&DF | CHAMPAIGN | IL | 61821 |
| DANVILLE PO | PO | DANVILLE | IL | 61832 |
| RANTOUL PO | PO | RANTOUL | IL | 61866 |
| MATTOON PO | PO | MATTOON | IL | 61938 |
| PARIS PO | PO | PARIS | IL | 61944 |
| ALTON PO | PO | ALTON | IL | 62002 |
| EDWARDSVILLE PO | PO | EDWARDSVILLE | IL | 62025 |
| GRANITE CITY PO | PO | GRANITE CITY | IL | 62040 |
| EAST ST LOUIS PO | PO | EAST ST LOUIS | IL | 62201 |
| BELLEVILLE PO | PO | BELLEVILLE | IL | 62220 |
| BEL-DUTCH HOLLOW STA | STA-BR | BELLEVILLE | IL | 62223 |
| COLLINSVILLE PO | PO | COLLINSVILLE | IL | 62234 |
| COLUMBIA IL PO | PO | COLUMBIA | IL | 62236 |
| O'FALLON IL PO | PO | O FALLON | IL | 62269 |
| QUINCY PO | PO | QUINCY | IL | 62301 |
| EFFINGHAM PO | PO | EFFINGHAM | IL | 62401 |

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| OLNEY PO | PO | OLNEY | IL | 62450 |
| ROBINSON PO | PO | ROBINSON | IL | 62454 |
| DECATUR PO | PO | DECATUR | IL | 62526 |
| SPRINGFIELD P&DC | P&DC | SPRINGFIELD | IL | 62703 |
| CENTRALIA IL PO | PO | CENTRALIA | IL | 62801 |
| BENTON PO | PO | BENTON | IL | 62812 |
| MOUNT VERNON PO | PO | MOUNT VERNON | IL | 62864 |
| CARBONDALE PO | PO | CARBONDALE | IL | 62901 |
| FENTON PO | PO | FENTON | MO | 63026 |
| FESTUS PO | PO | FESTUS | MO | 63028 |
| HAZELWOOD PO | PO | HAZELWOOD | MO | 63042 |
| SAINT ANN PO | PO | SAINT ANN | MO | 63074 |
| UNION PO | PO | UNION | MO | 63084 |
| WASHINGTON PO | PO | WASHINGTON | MO | 63090 |
| ST LOUIS MO P&DC | P&DC | SAINT LOUIS | MO | 63155 |
| SAINT CHARLES PO | PO | SAINT CHARLES | MO | 63301 |
| STC-ST CHARLES DDC | STA-BR | ST CHARLES | MO | 63303 |
| O'FALLON MO PO | PO | O'FALLON | MO | 63366 |
| SAINT PETERS PO | PO | SAINT PETERS | MO | 63376 |
| PARK HILLS PO | PO | PARK HILLS | MO | 63601 |
| FARMINGTON PO | PO | FARMINGTON | MO | 63640 |
| CAPE GIRARDEAU PO | PO | CAPE GIRARDEAU | MO | 63701 |
| SIKESTON PO | PO | SIKESTON | MO | 63801 |
| CARUTHERSVILLE PO | PO | CARUTHERSVILLE | MO | 63830 |
| KENNETT PO | PO | KENNETT | MO | 63857 |
| MALDEN PO | PO | MALDEN | MO | 63863 |
| PORTAGEVILLE PO | PO | PORTAGEVILLE | MO | 63873 |
| POPLAR BLUFF PO | PO | POPLAR BLUFF | MO | 63901 |
| DONIPHAN PO | PO | DONIPHAN | MO | 63935 |
| LEES SUMMIT PO | PO | LEES SUMMIT | MO | 64063 |
| KCMO P&DC | P&DC | KANSAS CITY | MO | 64108 |
| SAINT JOSEPH PO | PO | SAINT JOSEPH | MO | 64501 |
| CHILLICOTHE PO | PO | CHILLICOTHE | MO | 64601 |
| HARRISONVILLE PO | PO | HARRISONVILLE | MO | 64701 |
| JOPLIN PO | PO | JOPLIN | MO | 64801 |
| JOPLIN PO | PO | JOPLIN | MO | 64804 |
| FULTON PO | PO | FULTON | MO | 65251 |
| COLUMBIA MO P&DF | P&DF | COLUMBIA | MO | 65299 |
| SEDALIA PO | PO | SEDALIA | MO | 65301 |
| ROLLA PO | PO | ROLLA | MO | 65401 |
| FORT LEONARD WOOD PO | PO | FORT LEONARD WOOD | MO | 65473 |
| LEBANON PO | PO | LEBANON | MO | 65536 |
| SALEM PO | PO | SALEM | MO | 65560 |
| BRANSON PO | PO | BRANSON | MO | 65672 |
| REPUBLIC PO | PO | REPUBLIC | MO | 65738 |
| SPRINGFIELD PO | PO | SPRINGFIELD | MO | 65801 |
| LAWRENCE PO | PO | LAWRENCE | KS | 66044 |
| LAWRENCE PO | PO | LAWRENCE | KS | 66046 |
| LEAVENWORTH PO | PO | LEAVENWORTH | KS | 66048 |
| OLATHE PO | PO | OLATHE | KS | 66062 |
| OTTAWA PO | PO | OTTAWA | KS | 66067 |

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| KCKS P&DC | P&DC | KANSAS CITY | KS | 66106 |
| SHAWNEE MISSION PO | PO | SHAWNEE MISSION | KS | 66202 |
| JUNCTION CITY PO | PO | JUNCTION CITY | KS | 66441 |
| MANHATTAN PO | PO | MANHATTAN | KS | 66502 |
| TOPEKA P&DF | P&DF | TOPEKA | KS | 66675 |
| PITTSBURG PO | PO | PITTSBURG | KS | 66762 |
| ANDOVER PO | PO | ANDOVER | KS | 67002 |
| DERBY PO | PO | DERBY | KS | 67037 |
| NEWTON PO | PO | NEWTON | KS | 67114 |
| PRATT PO | PO | PRATT | KS | 67124 |
| VALLEY CENTER PO | PO | VALLEY CENTER | KS | 67147 |
| WELLINGTON PO | PO | WELLINGTON | KS | 67152 |
| WINFIELD PO | PO | WINFIELD | KS | 67156 |
| WIC-DOWNTOWN STA | STA-BR | WICHITA | KS | 67202 |
| WIC RIVER CITY STA | STA-BR | WICHITA | KS | 67216 |
| WICHITA P&DC | P&DC | WICHITA | KS | 67276 |
| INDEPENDENCE PO | PO | INDEPENDENCE | KS | 67301 |
| COFFEYVILLE PO | PO | COFFEYVILLE | KS | 67337 |
| SALINA PO | PO | SALINA | KS | 67401 |
| HUTCHINSON PO | PO | HUTCHINSON | KS | 67501 |
| HAYS PO | PO | HAYS | KS | 67601 |
| COLBY PO | PO | COLBY | KS | 67701 |
| DODGE CITY PO | PO | DODGE CITY | KS | 67801 |
| GARDEN CITY PO | PO | GARDEN CITY | KS | 67846 |
| LIBERAL PO | PO | LIBERAL | KS | 67901 |
| OMAHA P&DC | P&DC | OMAHA | NE | 68108 |
| LINCOLN P&DF | P&DF | LINCOLN | NE | 68501 |
| NORFOLK P&DF | P&DF | NORFOLK | NE | 68701 |
| GRAND ISLAND P&DF | P&DF | GRAND ISLAND | NE | 68802 |
| MCCOOK PO | PO | MCCOOK | NE | 69001 |
| NORTH PLATTE PO | PO | NORTH PLATTE | NE | 69101 |
| VALENTINE PO | PO | VALENTINE | NE | 69201 |
| ALLIANCE PO | PO | ALLIANCE | NE | 69301 |
| SCOTTSBLUFF PO | PO | SCOTTSBLUFF | NE | 69361 |
| MAIL PROCESSING MTE A | P&DF | ST ROSE | LA | 70087 |
| NEW ORLEANS P&DC | P&DC | NEW ORLEANS | LA | 70113 |
| HOUMA PO | PO | HOUMA | LA | 70360 |
| SLIDELL PO | PO | SLIDELL | LA | 70460 |
| MANDEVILLE PO | PO | MANDEVILLE | LA | 70471 |
| LAFAYETTE LA P&DF | P&DF | LAFAYETTE | LA | 70501 |
| LAKE CHARLES PO | PO | LAKE CHARLES | LA | 70601 |
| BATON ROUGE P&DC | P&DC | BATON ROUGE | LA | 70826 |
| SHREVEPORT P&DC | P&DC | SHREVEPORT | LA | 71102 |
| MONROE PO | PO | MONROE | LA | 71203 |
| ALEXANDRIA PO | PO | ALEXANDRIA | LA | 71301 |
| PINE BLUFF PO | PO | PINE BLUFF | AR | 71601 |
| MONTICELLO PO | PO | MONTICELLO | AR | 71655 |
| CAMDEN PO | PO | CAMDEN | AR | 71701 |
| HOT SPRINGS NAT PK PO | PO | HOT SPRINGS NAT PK | AR | 71901 |
| CONWAY PO | PO | CONWAY | AR | 72034 |
| LITTLE ROCK P&DC | P&DC | LITTLE ROCK | AR | 72231 |

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| WEST MEMPHIS PO | PO | WEST MEMPHIS | AR | 72301 |
| JONESBORO PO | PO | JONESBORO | AR | 72401 |
| BATESVILLE PO | PO | BATESVILLE | AR | 72501 |
| HARRISON PO | PO | HARRISON | AR | 72601 |
| FAYETTEVILLE PO | PO | FAYETTEVILLE | AR | 72701 |
| RUSSELLVILLE PO | PO | RUSSELLVILLE | AR | 72801 |
| FORT SMITH PO | PO | FORT SMITH | AR | 72903 |
| CHICKASHA PO | PO | CHICKASHA | OK | 73018 |
| OKLAHOMA CITY P&DC | P&DC | OKLAHOMA CITY | OK | 73119 |
| OKLAHOMA CITY P&DC | P&DC | OKLAHOMA CITY | OK | 73125 |
| ARDMORE PO | PO | ARDMORE | OK | 73401 |
| LAWTON PO | PO | LAWTON | OK | 73501 |
| CLINTON PO | PO | CLINTON | OK | 73601 |
| WOODWARD PO | PO | WOODWARD | OK | 73801 |
| GUYMON PO | PO | GUYMON | OK | 73942 |
| CLAREMORE PO | PO | CLAREMORE | OK | 74017 |
| TULSA P&DC | P&DC | TULSA | OK | 74141 |
| VINITA PO | PO | VINITA | OK | 74301 |
| MUSKOGEE PO | PO | MUSKOGEE | OK | 74401 |
| MCALESTER PO | PO | MCALESTER | OK | 74501 |
| DURANT PO | PO | DURANT | OK | 74701 |
| SHAWNEE PO | PO | SHAWNEE | OK | 74804 |
| POTEAU PO | PO | POTEAU | OK | 74953 |
| DENISON PO | PO | DENISON | TX | 75020 |
| ROCKWALL PO | PO | ROCKWALL | TX | 75087 |
| ROWLETT PO | PO | ROWLETT | TX | 75088 |
| SHERMAN PO | PO | SHERMAN | TX | 75090 |
| WYLIE PO | PO | WYLIE | TX | 75098 |
| NORTH TEXAS P&DC | P&DC | COPPELL | TX | 75099 |
| CEDAR HILL PO | PO | CEDAR HILL | TX | 75104 |
| DUNCANVILLE PO | PO | DUNCANVILLE | TX | 75138 |
| DALLAS P&DC | P&DC | DALLAS | TX | 75260 |
| GREENVILLE PO | PO | GREENVILLE | TX | 75401 |
| PARIS PO | PO | PARIS | TX | 75460 |
| TEXARKANA PO | PO | TEXARKANA | TX | 75501 |
| LONGVIEW PO | PO | LONGVIEW | TX | 75602 |
| LGV-NORTHWEST STA | STA-BR | LONGVIEW | TX | 75605 |
| MARSHALL PO | PO | MARSHALL | TX | 75670 |
| EAST TEXAS P&DC | P&DC | TYLER | TX | 75708 |
| PALESTINE PO | PO | PALESTINE | TX | 75803 |
| LUFKIN PO | PO | LUFKIN | TX | 75904 |
| ARLINGTON PO | PO | ARLINGTON | TX | 76012 |
| ARLINGTON PO | PO | ARLINGTON | TX | 76018 |
| AZLE PO | PO | AZLE | TX | 76020 |
| CLEBURNE PO | PO | CLEBURNE | TX | 76031 |
| GRAPEVINE PO | PO | GRAPEVINE | TX | 76051 |
| MINERAL WELLS PO | PO | MINERAL WELLS | TX | 76067 |
| WEATHERFORD PO | PO | WEATHERFORD | TX | 76086 |
| GRAPEVINE PO | PO | GRAPEVINE | TX | 76092 |
| FT WORTH P&DC | P&DC | FT WORTH | TX | 76161 |
| DENTON PO | PO | DENTON | TX | 76201 |

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| GAINESVILLE PO | PO | GAINESVILLE | TX | 76240 |
| WICHITA FALLS PO | PO | WICHITA FALLS | TX | 76302 |
| STEPHENVILLE PO | PO | STEPHENVILLE | TX | 76401 |
| CISCO PO | PO | CISCO | TX | 76437 |
| TEMPLE PO | PO | TEMPLE | TX | 76501 |
| BELTON PO | PO | BELTON | TX | 76513 |
| COPPERAS COVE PO | PO | COPPERAS COVE | TX | 76522 |
| KLN-COPPER MOUNTAIN S | STA-BR | KILLEEN | TX | 76542 |
| KLN-FORT HOOD BR | STA-BR | FORT HOOD | TX | 76544 |
| WACO P&DF | P&DF | WACO | TX | 76702 |
| SAN ANGELO PO | PO | SAN ANGELO | TX | 76902 |
| HOU-WILLIAM RICE | STA-BR | HOUSTON | TX | 77005 |
| HOU RIVER OAKS | STA-BR | HOUSTON | TX | 77019 |
| HOUSTON P&DC | P&DC | HOUSTON | TX | 77032 |
| HOU NORTH SHEPHERD | STA-BR | HOUSTON | TX | 77037 |
| HOU ALMEDA | STA-BR | HOUSTON | TX | 77045 |
| HOU-ALBERT THOMAS | STA-BR | HOUSTON | TX | 77062 |
| HOU JOHN DUNLOP | STA-BR | HOUSTON | TX | 77063 |
| HOU-WINDMILL | STA-BR | HOUSTON | TX | 77075 |
| HOU-FLEETWOOD | STA-BR | HOUSTON | TX | 77079 |
| HOU-GREENBRIAR | STA-BR | HOUSTON | TX | 77098 |
| HOUSTON P&DC | P&DC | HOUSTON | TX | 77201 |
| CONROE PO | PO | CONROE | TX | 77301 |
| N HOUSTON P&DC | P&DC | NORTH HOUSTON | TX | 77315 |
| HUFFMAN PO | PO | HUFFMAN | TX | 77336 |
| HUNTSVILLE PO | PO | HUNTSVILLE | TX | 77340 |
| LIVINGSTON PO | PO | LIVINGSTON | TX | 77351 |
| PORTER PO | PO | PORTER | TX | 77365 |
| TOMBALL PO | PO | TOMBALL | TX | 77375 |
| BELLAIRE PO | PO | BELLAIRE | TX | 77401 |
| BAY CITY PO | PO | BAY CITY | TX | 77414 |
| BRAZORIA PO | PO | BRAZORIA | TX | 77422 |
| CYPRESS PO | PO | CYPRESS | TX | 77429 |
| EAST BERNARD PO | PO | EAST BERNARD | TX | 77435 |
| NEEDVILLE PO | PO | NEEDVILLE | TX | 77461 |
| RICHMOND PO | PO | RICHMOND | TX | 77469 |
| SEALY PO | PO | SEALY | TX | 77474 |
| STAFFORD PO | PO | STAFFORD | TX | 77477 |
| SUGAR LAND PO | PO | SUGAR LAND | TX | 77478 |
| SUGAR LAND PO | PO | SUGAR LAND | TX | 77479 |
| WALLER PO | PO | WALLER | TX | 77484 |
| PASADENA PO | PO | PASADENA | TX | 77501 |
| SANTA FE PO | PO | SANTA FE | TX | 77510 |
| ANGLETON PO | PO | ANGLETON | TX | 77515 |
| CROSBY PO | PO | CROSBY | TX | 77532 |
| DAYTON PO | PO | DAYTON | TX | 77535 |
| DEER PARK PO | PO | DEER PARK | TX | 77536 |
| LAKE JACKSON PO | PO | LAKE JACKSON | TX | 77566 |
| LA PORTE PO | PO | LA PORTE | TX | 77571 |
| LEAGUE CITY PO | PO | LEAGUE CITY | TX | 77573 |
| LIBERTY PO | PO | LIBERTY | TX | 77575 |

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|---|---|---|---|---|
| TEXAS CITY PO | PO | TEXAS CITY | TX | 77590 |
| BEAUMONT P&DF | P&DF | BEAUMONT | TX | 77704 |
| BRYAN PO | PO | BRYAN | TX | 77801 |
| VICTORIA PO | PO | VICTORIA | TX | 77901 |
| KERRVILLE PO | PO | KERRVILLE | TX | 78028 |
| LAREDO PO | PO | LAREDO | TX | 78041 |
| SEGUIN PO | PO | SEGUIN | TX | 78155 |
| SAN ANTONIO P&DC | P&DC | SAN ANTONIO | TX | 78284 |
| CORPUS CHRISTI P&DC | P&DC | CORPUS CHRISTI | TX | 78408 |
| CRP-PORTAIRS STA | STA-BR | CORPUS CHRISTI | TX | 78415 |
| MCALLEN PO | PO | MCALLEN | TX | 78501 |
| EDINBURG PO | PO | EDINBURG | TX | 78539 |
| HARLINGEN PO | PO | HARLINGEN | TX | 78550 |
| MISSION PO | PO | MISSION | TX | 78572 |
| GEORGETOWN PO | PO | GEORGETOWN | TX | 78626 |
| ROUND ROCK PO | PO | ROUND ROCK | TX | 78664 |
| AUSTIN P&DC | P&DC | AUSTIN | TX | 78710 |
| BORGER PO | PO | BORGER | TX | 79007 |
| AMARILLO P&DF | P&DF | AMARILLO | TX | 79120 |
| CHILDRESS PO | PO | CHILDRESS | TX | 79201 |
| BROWNFIELD PO | PO | BROWNFIELD | TX | 79316 |
| LAMESA PO | PO | LAMESA | TX | 79331 |
| LEVELLAND PO | PO | LEVELLAND | TX | 79336 |
| LUBBOCK P&DF | P&DF | LUBBOCK | TX | 79402 |
| LUBBOCK PO | PO | LUBBOCK | TX | 79408 |
| LUBBOCK PO | PO | LUBBOCK | TX | 79493 |
| ABILENE PO | PO | ABILENE | TX | 79601 |
| MIDLAND P&DF | P&DF | MIDLAND | TX | 79711 |
| EL PASO P&DC | P&DC | EL PASO | TX | 79910 |
| LIT-HIGHLANDS RANCH PO | STA-BR | LITTLETON | CO | 80126 |
| DENVER P&DC | P&DC | DENVER | CO | 80266 |
| BLD-VALMONT STA | STA-BR | BOULDER | CO | 80301 |
| GOLDEN PO | PO | GOLDEN | CO | 80401 |
| DILLON PO | PO | DILLON | CO | 80435 |
| WINTER PARK PO | PO | WINTER PARK | CO | 80482 |
| LONGMONT PO | PO | LONGMONT | CO | 80501 |
| FORT COLLINS PO | PO | FORT COLLINS | CO | 80521 |
| FORT MORGAN PO | PO | FORT MORGAN | CO | 80701 |
| STERLING PO | PO | STERLING | CO | 80751 |
| COLORADO SPRINGS P&DC | P&DC | COLORADO SPRINGS | CO | 80910 |
| ALAMOSA PO | PO | ALAMOSA | CO | 81101 |
| SALIDA PO | PO | SALIDA | CO | 81201 |
| DURANGO PO | PO | DURANGO | CO | 81301 |
| GDJ-FORESIGHT CARRIER | STA-BR | GRAND JUNCTION | CO | 81505 |
| GLENWOOD SPGS PO | PO | GLENWOOD SPGS | CO | 81601 |
| CHEYENNE P&DC | P&DC | CHEYENNE | WY | 82009 |
| WHEATLAND PO | PO | WHEATLAND | WY | 82201 |
| RAWLINS PO | PO | RAWLINS | WY | 82301 |
| WORLAND PO | PO | WORLAND | WY | 82401 |
| RIVERTON PO | PO | RIVERTON | WY | 82501 |
| CASPER PO | PO | CASPER | WY | 82609 |

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|---|---|---|---|---|
| GILLETTE PO | PO | GILLETTE | WY | 82716 |
| ROCK SPRINGS PO | PO | ROCK SPRINGS | WY | 82901 |
| POCATELLO PO | PO | POCATELLO | ID | 83201 |
| TWI-PIONEER STA | STA-BR | TWIN FALLS | ID | 83301 |
| BOISE P&DC | P&DC | BOISE | ID | 83708 |
| SALT LAKE CITY P&DC | P&DC | SALT LAKE CITY | UT | 84199 |
| PROVO PO | PO | PROVO | UT | 84601 |
| NORTH VALLEY DDC | PO | PHOENIX | AZ | 85023 |
| PHOENIX P&DC | P&DC | PHOENIX | AZ | 85026 |
| APACHE JUNCTION PO | PO | APACHE JCTN | AZ | 85220 |
| CASA GRANDE PO | PO | CASA GRANDE | AZ | 85222 |
| EAST VALLEY DDC | PO | GILBERT | AZ | 85234 |
| GLOBE PO | PO | GLOBE | AZ | 85501 |
| GREEN VALLEY PO | PO | GREEN VALLEY | AZ | 85614 |
| TUCSON P&DC | P&DC | TUCSON | AZ | 85726 |
| TUCSON PO | PO | TUCSON | AZ | 85745 |
| FLAGSTAFF PO | PO | FLAGSTAFF | AZ | 86004 |
| KINGMAN PO | PO | KINGMAN | AZ | 86401 |
| LAKE HAVASU CITY PO | PO | LAKE HAVASU CITY | AZ | 86403 |
| BULLHEAD CITY PO | PO | BULLHEAD CITY | AZ | 86442 |
| ALBUQUERQUE P&DC | P&DC | ALBUQUERQUE | NM | 87101 |
| ALBUQUERQUE PO | PO | ALBUQUERQUE | NM | 87105 |
| ALBUQUERQUE PO | PO | ALBUQUERQUE | NM | 87109 |
| ALBUQUERQUE PO | PO | ALBUQUERQUE | NM | 87120 |
| ALBUQUERQUE PO | PO | ALBUQUERQUE | NM | 87124 |
| GALLUP PO | PO | GALLUP | NM | 87301 |
| FARMINGTON PO | PO | FARMINGTON | NM | 87401 |
| ESPANOLA PO | PO | ESPANOLA | NM | 87532 |
| LOS ALAMOS PO | PO | LOS ALAMOS | NM | 87544 |
| RANCHOS DE TAOS PO | PO | RANCHOS DE TAOS | NM | 87557 |
| LAS VEGAS PO | PO | LAS VEGAS | NM | 87701 |
| SOCORRO PO | PO | SOCORRO | NM | 87801 |
| LAS CRUCES PO | PO | LAS CRUCES | NM | 88001 |
| CLOVIS PO | PO | CLOVIS | NM | 88101 |
| ROSWELL PO | PO | ROSWELL | NM | 88201 |
| ALAMOGORDO PO | PO | ALAMOGORDO | NM | 88310 |
| RUIDOSO PO | PO | RUIDOSO | NM | 88345 |
| TUCUMCARI PO | PO | TUCUMCARI | NM | 88401 |
| LAS VEGAS P&DC | P&DC | LAS VEGAS | NV | 89199 |
| RENO P&DC | P&DC | RENO | NV | 89510 |
| ELKO PO | PO | ELKO | NV | 89801 |
| LOS ANGELES P&DC | P&DC | LOS ANGELES | CA | 90052 |
| LONG BEACH P&DC | P&DC | LONG BEACH | CA | 90809 |
| PASADENA P&DC | P&DC | PASADENA | CA | 91109 |
| VAN NUYS P&DC | P&DC | SANTA CLARITA | CA | 91383 |
| INDUSTRY P&DC | P&DC | CITY OF INDUSTRY | CA | 91715 |
| MIDWAY P&DF | P&DF | SAN DIEGO | CA | 92110 |
| MARGARET SELLERS P&DC | P&DC | SAN DIEGO | CA | 92199 |
| BLYTHE PO | PO | BLYTHE | CA | 92225 |
| CATHEDRAL CITY PO | PO | CATHEDRAL CITY | CA | 92234 |
| DESERT HOT SPRINGS PO | PO | DESERT HOT SPRINGS | CA | 92240 |

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|---|---|---|---|---|
| EL CENTRO PO | PO | EL CENTRO | CA | 92243 |
| PALM DESERT PO | PO | PALM DESERT | CA | 92260 |
| PALM SPRINGS PO | PO | PALM SPRINGS | CA | 92263 |
| TWENTYNINE PALMS PO | PO | TWENTYNINE PALMS | CA | 92277 |
| YUCCA VALLEY PO | PO | YUCCA VALLEY | CA | 92284 |
| ADELANTO PO | PO | ADELANTO | CA | 92301 |
| BARSTOW PO | PO | BARSTOW | CA | 92311 |
| HESPERIA PO | PO | HESPERIA | CA | 92345 |
| LOMA LINDA PO | PO | LOMA LINDA | CA | 92354 |
| RIALTO PO | PO | RIALTO | CA | 92376 |
| YUCAIPA PO | PO | YUCAIPA | CA | 92399 |
| SAN BERNARDINO P&DC | P&DC | SAN BERNARDINO | CA | 92403 |
| PERRIS PO | PO | PERRIS | CA | 92570 |
| SANTA ANA P&DC | P&DC | SANTA ANA | CA | 92799 |
| ANAHEIM P&DF | P&DF | ANAHEIM | CA | 92803 |
| OXNARD P&DF | P&DF | OXNARD | CA | 93030 |
| SANTA BARBARA P&DC | P&DC | GOLETA | CA | 93102 |
| BAKERSFIELD P&DC | P&DC | BAKERSFIELD | CA | 93380 |
| MOJAVE PO | PO | MOJAVE | CA | 93501 |
| CLOVIS PO | PO | CLOVIS | CA | 93612 |
| MADERA PO | PO | MADERA | CA | 93637 |
| OAKHURST PO | PO | OAKHURST | CA | 93644 |
| FRESNO P&DC | P&DC | FRESNO | CA | 93706 |
| SALINAS P&DF | P&DF | SALINAS | CA | 93907 |
| CARMEL PO | PO | CARMEL | CA | 93923 |
| MARINA PO | PO | MARINA | CA | 93933 |
| SEASIDE PO | PO | SEASIDE | CA | 93955 |
| SAN FRANCISCO P&DC | P&DC | SAN FRANCISCO | CA | 94010 |
| SAN FRANCISCO P&DC | P&DC | SAN FRANCISCO | CA | 94188 |
| CONCORD PO | PO | CONCORD | CA | 94520 |
| OAKLAND P&DC | P&DC | OAKLAND | CA | 94615 |
| NORTH BAY P&DC | P&DC | SAN FRANCISCO | CA | 94952 |
| NORTH BAY P&DC | P&DC | SAN FRANCISCO | CA | 94953 |
| SAN JOSE P & D CENTER | P&DC | SAN JOSE | CA | 95101 |
| STOCKTON P&DC | P&DC | STOCKTON | CA | 95213 |
| LODI PO | PO | LODI | CA | 95240 |
| CERES PO | PO | CERES | CA | 95307 |
| MOD-MAIN OFFICE STA | STA-BR | MODESTA | CA | 95350 |
| OAKDALE PO | PO | OAKDALE | CA | 95361 |
| EUREKA PO | PO | EUREKA | CA | 95501 |
| AUBURN PO | PO | AUBURN | CA | 95603 |
| CARMICHAEL PO | PO | CARMICHAEL | CA | 95608 |
| CITRUS HEIGHTS PO | PO | CITRUS HEIGHTS | CA | 95621 |
| ELVERTA PO | PO | ELVERTA | CA | 95626 |
| GALT PO | PO | GALT | CA | 95632 |
| JACKSON PO | PO | JACKSON | CA | 95642 |
| SHINGLE SPG PO | PO | SHINGLE SPG | CA | 95682 |
| VACAVILLE PO | PO | VACAVILLE | CA | 95688 |
| WOODLAND PO | PO | WOODLAND | CA | 95695 |
| FOL EL DORADO HILLS S | STA-BR | FOLSOM | CA | 95762 |
| SACRAMENTO P&DC | P&DC | WEST SACRAMENTO | CA | 95799 |

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|---|---|---|---|---|
| MARYSVILLE P&DF | P&DF | MARYSVILLE | CA | 95901 |
| REDDING PO | PO | REDDING | CA | 96049 |
| SOUTH LAKE TAHOE PO | PO | SOUTH LAKE TAHOE | CA | 96150 |
| EWA BEACH PO | PO | EWA BEACH | HI | 96706 |
| HILO PO | PO | HILO | HI | 96720 |
| KAHULUI PO | PO | KAHULUI | HI | 96732 |
| KANEOHE PO | PO | KANEOHE | HI | 96744 |
| LIHUE PO | PO | LIHUE | HI | 96766 |
| MAKAWAO PO | PO | MAKAWAO | HI | 96768 |
| WAH-MILILANI STA | STA-BR | MILILANI | HI | 96789 |
| WAIANAE PO | PO | WAIANAE | HI | 96792 |
| WAILUKU PO | PO | WAILUKU | HI | 96793 |
| WAIPAHU PO | PO | WAIPAHU | HI | 96797 |
| HONOLULU P&DC | P&DC | HONOLULU | HI | 96820 |
| BARRIGADA GU PO | PO | BARRIGADA | GU | 96921 |
| THE DALLES PO | PO | THE DALLES | OR | 97058 |
| TUA ANNEX | STA-BR | TUALATIN | OR | 97062 |
| WILSONVILLE PO | PO | WILSONVILLE | OR | 97070 |
| SUNSET DDC | DDC | HILLSBORO | OR | 97123 |
| PORTLAND P&DC | P&DC | PORTLAND | OR | 97208 |
| MT HOOD DDC | DDC | PORTLAND | OR | 97220 |
| SALEM P&DF | P&DF | SALEM | OR | 97301 |
| EUGENE P&DF | P&DF | EUGENE | OR | 97401 |
| MEDFORD CSNPF | P&DF | MEDFORD | OR | 97501 |
| KLAMATH FALLS PO | PO | KLAMATH FALLS | OR | 97601 |
| BEND PO | PO | BEND | OR | 97701 |
| PENDLETON PO | PO | PENDLETON | OR | 97801 |
| BAKER CITY PO | PO | BAKER CITY | OR | 97814 |
| AURORA PO | PO | AURORA | OR | 97850 |
| SEATTLE DDC SOUTH | PO | KENT | WA | 98032 |
| NORTH BEND PO | PO | NORTH BEND | WA | 98045 |
| SEATTLE DDC EAST | PO | REDMOND | WA | 98111 |
| SEATTLE P&DC | P&DC | SEATTLE | WA | 98134 |
| EVERETT P&DF | P&DF | EVERETT | WA | 98203 |
| BLAINE PO | PO | BLAINE | WA | 98230 |
| TACOMA P&DC | P&DC | TACOMA | WA | 98413 |
| SOUTH SOUND DDC | DDC | FIFE | WA | 98424 |
| OLYMPIA P&DF | P&DF | OLYMPIA | WA | 98501 |
| VANCOUVER PO | PO | VANCOUVER | WA | 98661 |
| WENATCHEE PO | PO | WENATCHEE | WA | 98801 |
| YAK MAIN OFFICE STA | STA-BR | YAKIMA | WA | 98903 |
| SPOKANE P&DC | P&DC | SPOKANE | WA | 99224 |
| PASCO P&DF | P&DF | PASCO | WA | 99301 |
| ANCHORAGE P&DC | P&DC | ANCHORAGE | AK | 99503 |
| JUNEAU PO | PO | JUNEAU | AK | 99803 |
| SITKA PO | PO | SITKA | AK | 99835 |
| KETCHIKAN PO | PO | KETCHIKAN | AK | 99909 |

## RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T-42-15.** Please confirm that delivery point sequencing of letters is generally performed at the destination sectional center facilities listed on Labeling List L005 of the Domestic Mail Manual. If you cannot confirm, please explain fully.

**Response:**

Generally confirmed. See response to PB/USPS-T-42-14.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-16.** Please refer to your response to MMA/USPS-T21-64 (Redirected to T-29) in R2005-1. Please confirm that your response to that interrogatory in this case would be the same. If you do not confirm, please provide a full explanation of how your response would differ.

**Response:**

I am unable to confirm as the interrogatory MMA/USPS-T21-64 was not redirected to USPS-T29 in R2005-1. The response was provided by USPS-T21 in R2005-1.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-17.** Please refer to your response to PB/USPS-T29-9 in R2005-1. Please confirm that you response to that interrogatory in this case would be the same. If you do not confirm, please provide a full explanation of how your response would differ.

**Response:**

Confirmed.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF PITNEY BOWES INC.

**PB/USPS-T42-18.** Please refer to your response to PB/USPS-T29-10 in R2005-1. Please confirm that you response to that interrogatory in this case would be the same. If you do not confirm, please provide a full explanation of how your response would differ.

**Response:**

Confirmed.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF PITNEY BOWES INC.
REDIRECTED FROM WITNESS ABDIRAHMAN

**PB/USPS-T22-9.** Please refer to USPS-LR-L-48 and USPS-LR-L-110 for CRA mail processing costs by cost pool and to USPS-LR-L-1 for high-level descriptions of the cost pools.

a. Please confirm that cost pool MODS 13 1TRAYSRT contains costs for tray sorting activities that include mechanical tray sorter and robotics operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First- Class Mail letters.

b. Please confirm that cost pool MODS 17 1DISPATCH contains costs for dispatch activities that include separating, staging, and moving processed mail for subsequent distribution or outbound transportation. If you do not confirm, please
explain fully. Please describe how the activities performed in this cost pool process/handle rolling stock, and trays of First-Class Mail letters.

c. Please confirm that cost pools MODS 17 1OPBULK and MODS 17 1OPPREF contain costs for opening units that include breaking down containers of mail and preparing letters for processing in piece sorting operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.

d. Please confirm that cost pool MODS 17 1OPTRANS contains costs for transporting containers of mail between work areas and weighing mail to and from distribution operations. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.

e. Please confirm that cost pool MODS 17 1PLATFRM contains costs for platform operations that include loading and unloading trucks, crossdocking pallets and other containers of mail, sorting mail during the vehicle unloading process, and activities performed by transfer clerks, ramp clerks, and expediters. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.

f. Please confirm that cost pool MODS 17 1SCAN contains costs for scanning mail operations that include loading, scanning, labeling, and unloading of trays utilizing Air Contracting Data Collection System, Automatic Airline Assignment, Automatic Tray Sleeving, or Scan-Where-You-Band equipment. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters

g. Please confirm that cost pools MODS 18 1MISC, MODS 18 1SUPPORT, and MODS 99 1SUPP_F1 contain costs for general mail processing support operations. If you do not confirm, please explain fully. Please describe the mail processing support activities that constitute these cost pools.

h. Please confirm that cost pool NONMODS ALLIED contains costs for allied labor activities that include platform and collection activities, moving mail to/from

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF PITNEY BOWES INC.
REDIRECTED FROM WITNESS ABDIRAHMAN

other operations, and separating/breaking down mail. If you do not confirm, please explain fully. Please describe how the activities performed in this cost pool process/handle pallets, rolling stock, and trays of First-Class Mail letters.
i. Please confirm that cost pool NONMODS MISC contains costs for all mail processing activities not otherwise classified in the other non-MODS cost pools. If you do not confirm, please explain fully. Please describe the mail processing activities that constitute this cost pool.
j. Please confirm that cost pools MODS 48 LD48 OTH and MODS 48 LD_ADM contain mail processing distribution, allied, support, miscellaneous, and admin costs in customer service facilities. If you do not confirm, please explain fully. Please describe the mail processing activities that constitute this cost pool.

**Response:**

a. Confirmed

Activities include obtaining Mail Transport Equipment (MTE) & working mail containers, setting up the operation, feeding trays from working mail containers, handling and removing rejects, replacement of full containers, staging dispatch containers, and other allied duties associated with the operation.

b. Confirmed

Activities include obtaining MTE and working mail, setting up the operation, sorting mail into dispatch containers, replacement of full containers, staging dispatch containers, and other allied duties associated with the operation.

c. Confirmed

Activities include setting up the operation, preparation of mail containers for processing in piece distribution operation and allied duties associated with the operation

d. Confirmed

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF PITNEY BOWES INC.
REDIRECTED FROM WITNESS ABDIRAHMAN

Activities include weighing containers (pallets, rolling stock etc) on manual In-house scale and transporting containers between work areas.

e. Confirmed.

Activities include loading and unloading trucks, moving containers of mail using Powered Industrial Equipment (PIV) or manually, cross-docking pallets and other containers of mail, sorting mail during the vehicle unloading process, and activities performed by transfer clerks, ramp clerks, and expediters.

f. Confirmed. Activities include the application of labels, loading and unloading of trays, clearing jams, changing printer applicator tape and other allied activities associated with the operations.

g. Confirmed. I am told that MOS 99 1SUPP. F1 is simply the combination of MODS 18 1MISC and MODS 18 1SUPPORT. I am also told that these cost pools can best be defined as consisting of MODS operations that do not fit within other cost pools. The operations are listed in USPS-LR-L-55, Table I-2B; see page I-20.

h. I am told that this can be confirmed in terms of how such costs are classified within IOCS. I am also told that the IOCS questions and responses used to define these cost pools may be found in USPS-LR-L-55 starting at the bottom of page II-27

i. I am told that this can be confirmed in terms of how such costs are classified within IOCS. These activities are described in the response to MPA/USPS-T11-2

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORY OF PITNEY BOWES INC.
REDIRECTED FROM WITNESS ABDIRAHMAN

j. I am told that this can be confirmed and that the operations that define these cost pools may be found in USPS-LR-L-100 on page II-15.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF PITNEY BOWES INC. REDIRECTED FROM WITNESS ABDULKADIR ABDIRAHMAN**

**PB/USPS-T22-12.** Please refer to your response to ABA & NAPM/USPS -T21-63k in R2005-1. Please confirm that your response to that interrogatory in this case would be the same. If you do not confirm, please provide a full explanation of how your response would differ.

**RESPONSE:**

Confirmed

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-1**. Please confirm that the Postal Service does not propose any changes in the definition of letters eligible for Standard Mail automation letter rates, as set forth in Section 201.3.0 of the Domestic Mail Manual ("DMM"). If you are unable to confirm, please set forth in detail the reasons for your answer.

**Response:**

Confirmed.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-2.** Please list the equipment that the Postal Service uses to process Standard Mail automation letters.

**Response:**

DBCSs, DBCS-ECs, MPBCSs, CSBCSs, Manual cases.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-3.** Please provide copies of any tests or studies the Postal Service has performed since June, 2002 to measure the effects, if any, of the weight of automation compatible letters on the operation and performance of the Postal Service's letter automation equipment, including the equipment listed in response to POSTCOM/USPS-T42-3.

**Response:**

No studies have been performed since June 2002 to measure the effects the weight of automation letters on the operation and performance of letter automation equipment

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-4.** In your testimony (at p. 6 *et seq.*) you describe various upgrades and retrofitting of DBCS and related equipment intended to allow the machines to process letters with a wider range of mail characteristics.
a. Please identify the full range of mail characteristics that can be processed on the following equipment, including but not limited to the range in weight of letters.
i. DBCS
ii. DBCS-EC
iii. DIOSS
iv. DIOSS-EC
b. Please identify the full range of mail characteristics (including but not limited to the full range in weight of letters) that can be processed on the equipment listed in response to POSTCOM/USPS-T42-3.
c. Please provide copies of any and all studies, tests, documents and information in the Postal Service's possession that support your response to parts "a" and "b" of this question.

**Response:**

a. See response to ADVO/USPS-T42-10

b. See response to ADVO/USPS-T42-10

c. See "MLR DIOSS Mail Specification", and sections 1.1.1 and 1.1.2 of "Machinable Mail", attached. These are the current capabilities of these machines and the documents able to be located in response to this request.

# MLR DIOSS Mail Specification


Summary

The intent of this document is to establish a specification for a spectrum of mail that is to be processed by the MLR DIOSS (Multi-Line Replacement) machine. This specification is to be used as a reference for the design team while working to complete the final design for the MLR DIOSS D and DIOSS C machines. The intent of the mail specification is to broaden the capability of the machine so as to include a generous amount of mail that is currently considered manual mail.


## Dimensions

### Shape and Size

Each letter-size piece must be rectangular and:

a) For height, no more than 6 ½ or less than 3 ½ inches high.
b) For length, no more that 11 ½ or less than 5 inches long.
c) For thickness, no more than ½ inch or less than
   (1) 0.007 inch thick if no more than 4 ¼ inches high and 6 inches long; or
   (2) 0.009 inch thick if more than 4 ¼ inches high or 6 inches long, or both

### Aspect Ratio

The aspect ratio (length of the mailpiece divided by height) must be between 1.3 and 2.5 inclusive. See Figure 1 below.

Figure 1 – Mailpiece Aspect Ratio

Maximum Weight

The machine shall be capable of feeding, reading, transporting, and stacking mail with a maximum weight of 6 ounces. The mailpiece weight shall be evenly distributed throughout the overall volume of the mailpiece so as to exclude mailpieces with bulky items contained within an envelope located at one end or top or bottom of the mailpiece. (e.g., pens, or keys).

**General Prohibitions and Restrictions**

Wraps and Closures

An automation-compatible mailpiece may not be polywrapped, polybagged, or shrinkwrapped; have clasps, springs, buttons, or similar closure devices; or have protrusions that might impede or damage the mail processing equipment.

Staples and Saddle Stitching

Staples or saddle stitching may be used only on booklet-type mailpieces to join the bound edge (spine). Inserted staples or stitching must parallel the bound edge, seated tightly and securely, and have no protrusions that might impede or damage the mail processing equipment.

Rigid and Odd Shaped Items

Rigid items (e.g., pens, pencils, keys) are prohibited within mailpieces. Reasonably flexible items (e.g. credit cards) are permitted.

Tabs, Wafer Seals, Tape, and Glue

Tabs, wafer seals, cellophane tape, or permanent glue (continuous or spot) may be used as applicable to the particular type of mailpiece if the sealing devices do not interfere with the recognition of the barcode, rate marking, postage information, or delivery or return addresses. In all cases, additional tabs or seals may be used. Cellophane tape is not acceptable within the barcode clear zone. (The barcode clear zone is an area 5/8" high by 4 ¾" wide in the lower right corner of the envelope. This area is defined in Publication 25, Designing Letter Mail, and the Domestic Mail Manual.)

## Flexibility

### Machinability

To ensure transport through automated mail processing machines, a mailpiece and its contents must bend easily when subjected to a transport belt tension of 20 pounds around a 15 ½ inch diameter drum.

### Turning Ability and Deflection

The piece must meet the following standards for turning ability and deflection:

a) Turning Ability. The mailpiece must fit between two concentric arcs drawn on a horizontal flat surface, one with a diameter of 15 ½ inches and the other with a diameter of 16 ¾ inches, in one of the following ways:
   a. The piece must be flexible enough to bend between the two arcs when positioned vertically, with the bound, folded, or final folded edge perpendicular to the surface where the arcs are drawn.
   b. If rigid, the piece must be small enough to allow its longest edge to be placed between the two arcs without touching the lines of the arcs.

b) Deflection. A mailpiece meeting the MLR DIOSS-EC dimensions must be rigid enough so that, when placed flat on a surface to extend unsupported 5 inches off that surface, no part of the edge of the piece that is opposite the bound, folded, or final folded edge deflects more than 1 ¾ (if the piece is less than 1/8 inch thick) or more than 2 3/8 inches (if the piece is from 1/8 to ½ inch thick).

c) Test Device. Testing for compliance with the above standards must be done with a MLR DIOSS-EC Machinability tester as shown in the illustration below.

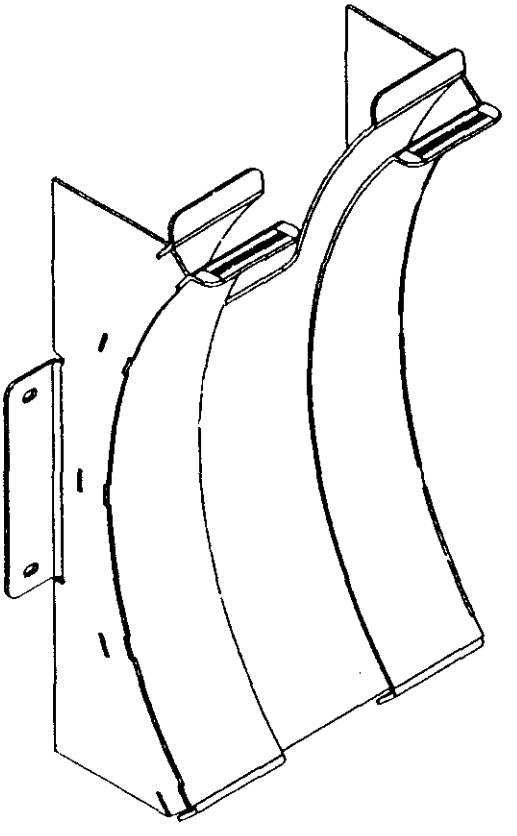

Figure 2 – MLR DIOSS Mail testability fixture

Using the above fixture, an operator can test the rigidity, flexibility, and overall size and thickness of any mailpiece by positioning the mailpiece on the flat surface with the top of the mailpiece toward the vertical wall and aligning the left edge with the vertical line on the left side of the vertical wall. Mailpiece thickness is measured with the gauge in the vertical wall. Overall size limitations are marked on the flat surface. Deflection measurements can be derived from the markings on the vertical wall. Mailpiece rigidity can be measured by passing the mailpiece through the radiused channel on the right side of the fixture.

## Additional Standards for Specific Types of Pieces

### Envelope or Piece Sealed on All Sides

An envelope or any mailpiece formed by an outer sheet or sheets sealed on all four edges must be prepared from paper with a minimum basis weight of 16 pounds.

### Folded Self-Mailer

A folded self-mailer must be prepared with the folded edge parallel to the longest dimension and the address of the mailpiece. Based on the number of tabs used, these additional standards apply:

a) With one tab or wafer seal, the folded edge must be at the bottom of the self-mailer. The tab or wafer seal must be placed in the middle of the top edge of the piece. If formed of a single folded sheet, the self-mailer must be prepared from paper with a minimum basis weight of 28 pounds. If formed of multiple folded sheets, the self-mailer must be prepared from paper with a minimum basis weight of 24 pounds

b) With two tabs or wafer seals, the folded edge may be at the top or bottom of the self-mailer. The two tabs or wafer seals must be placed on the open edge, opposite the folded edge. One tab or wafer seal must be placed within 1 inch of the left edge of the piece, the other, within 1 inch of the right edge of the piece. The whole tab need not be placed within 1 inch of the edge. The tabs must not obscure the FIM, postage, or required address information The folded self-mailer must be prepared form paper with a minimum basis weight of 20 pounds

c) In specifically identified formats, a self-mailer may have the final fold on the right side (leading edge) of the piece. The left edge (trailing edge) and other open edges must be secured with at least one tab or a glue line. The number of tabs required is determined by the final trim size and paper basis weight of the piece If the piece is 7 inches long or more, the piece must be sealed on the top and bottom. In all cases, additional tabs, seals, glue spots or glue lines may be used.

### Booklet-Type Piece

A booklet-type piece must meet these standards:

a) The front and back covers must be prepared from paper with a minimum basis weight of 20 pounds.

b) The bound edge (spine) must be the longest edge of the piece and at the bottom, parallel to the address.
c) The unbound edge (top) must be secured with at least two tabs or wafer seals. One tab or wafer seal must be placed within 1 inch of the left edge of the piece; the second tab or seal, within 1 inch of the right edge of the piece. As an alternative, one tab or wafer seal must be placed within 1 inch from the top left side (trailing edge) of the piece; the second tab or seal, within 1 inch from the top right side (leading edge) of the piece. See Figure 3 (below).

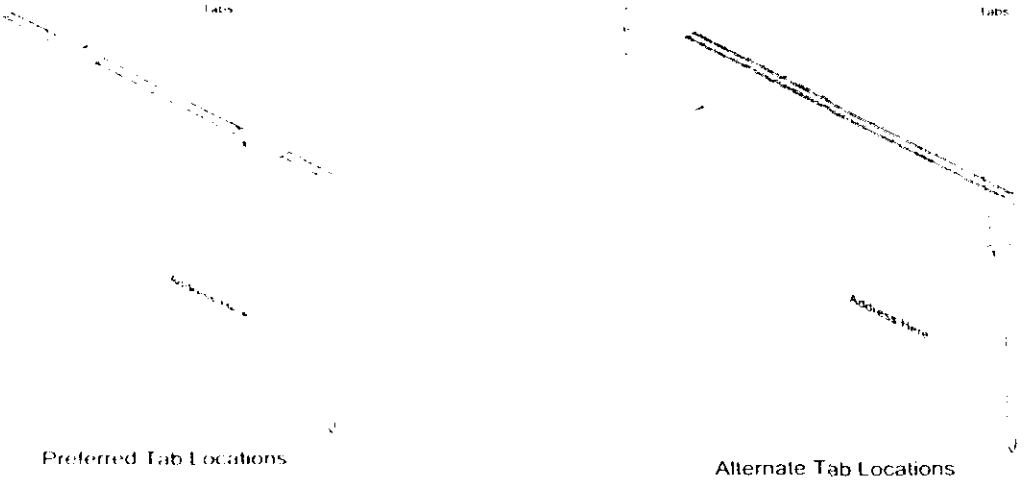


Figure 3 – Tab or Wafer Seal Locations

d) In specifically identified formats, prepared with a minimum paper basis weight of 24 pound bond paper, the spine may be on the shorter side (leading edge) of the piece. The address must still be parallel to the longest side of the piece. The unbound edges must be secured with at least two tabs or wafer seals. If the outside covers are prepared with a minimum paper basis weight of 20-pound bond or equivalent, the spine may be on the right side (leading edge) of the piece. The address must still be parallel to the longest side of the piece. The following restrictions apply
    a If the final trim size of the piece is no more than 4 ¼ inches high and no more than 6 inches long, the unbound

left edges must be secured with at least one tab or wafer seal placed at the vertical center of the piece.

b. If the final trim size of the piece is more than 4 ¼ inches high or more than 6 inches long, the unbound left edge must be secured with two tabs or wafer seals placed within 1 inch of the top and bottom edges.

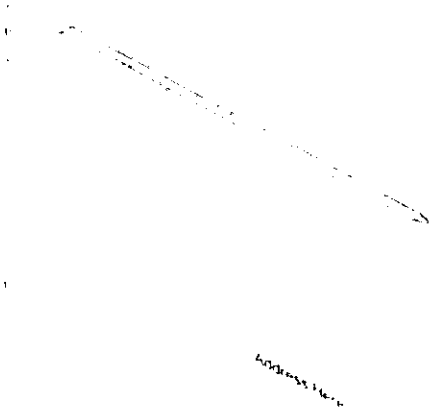

Figure 4 – Alternate Booklet Orientation

Postcards

Any postcard must be prepared from paper stock meeting the industry standard for a basis weight of 75 pounds or greater, with none less than 71 ¼ pounds. The stock must be free from groundwood unless coated with a substance adding to the stock's ability to resist an applied bending force. A double postcard not prepared with all edges sealed must have the folded edge at the top or bottom, and the open edge parallel to the address must be secured with one tab in the middle of the length.

Heavy Letter Mail

Heavy letter mail must have a barcode in the address block and must be prepared in a sealed envelope. Heavy letter mail may neither contain stiff enclosures nor be prepared as a self-mailer or booklet-type mailpiece.

**Definitions**

Basis Weight

The basis weight of a paper is the designated fixed weight of 500 sheets, measured in pounds, in that paper's basic sheet size. It is important to note that the "basic sheet size" is not the same for all types of paper.

Caliper

Caliper refers to the thickness of a sheet of paper expressed in thousandth of an inch. This measurement is taken with a micrometer. Normally, paper caliper should not have more than a + or – 5% variance within a sheet. Generally, the relation between caliper and basis weight . the greater the caliper (the thicker the paper), the greater the paper weight.

Equivalent Weight

While different paper types have different basic sizes, papers can still be compared by using equivalent weight.

Basic Weight ("Category") Table

| Type Paper | Basic Size - 500 Sheets |
|---|---|
| "Bond"<br>Ledger<br>Mimeo<br>Duplicator<br>Rag Paper | 17" x 22" |
| "Offset"<br>Book<br>Text<br>Coated Paper | 25" x 38" |
| "Cover" | 20" x 26" |
| "Tag Stock" | 24" x 36" |
| "Index" | 25-1/2" x 30-1/2" |

## 1.1 Machinable Mail

The WFOV shall, as a minimum, read and process mail pieces, which meet the requirements of USPS Publication 25 A Guide to Business Mail Preparation. This is not to be construed as limiting the readability requirements to only mail which complies with Publication 25. The specifications which additionally address readability are located in USPS-P-1110, POSTNET Specification. However for testing purposes, If the bar code can be read and understood by a human the DBCS machine shall be able to read the bar code and sort the mail piece to an accept stacker.

### 1.1.1 Normal DBCS/First Class Mail:

The DIOSS EC shall process mail with the following physical characteristics:

| Size (inches) | Minimum | Maximum |
|---|---|---|
| Length | 5.0" | 11.5" |
| Height | 3.5" | 6.125" |
| Thickness | 007" | .312" |
| Weight | - | 3 oz. |

### 1.1.2 Manual Mail:

Manual Mail: A mail piece that falls outside the DMM description of automation mail or any mail piece or pieces that are residing in the manual mail area of a processing center.

The DIOSS EC shall process manual mail with the following physical characteristics:

| Size (inches) | Minimum | Maximum |
|---|---|---|
| Length | 5.0" | 11.5" |
| Height | 3.5" | 6.50" |
| Thickness | .007" | .500" |
| Weight | - | 6 oz. |

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-5.** At p. 15 of your testimony, you indicate that incremental software releases, new secondary address readers, and new cameras are expected to be deployed to enhance the UFSM1000s over the next several years.
a. Please confirm that the Postal Service does not plan to take the UFSM1000s out of service before or during the test year. If you cannot confirm, please explain.
b. Will mailpieces meeting the current definition of UFSM1000 flats will continue to be processed on the UFSM1000 during the test year?

**Response:**

a. Confirmed. See USPS-T-42, page 19, lines 9 - 18.

b. Yes, but likely only to the extent they are being processed on the UFSM 1000 today

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-6.** Please refer to your response to P.O.I.R. No. 5, question 1(e) – (l) where you state that the flows for the specified types of hybrid flats and hybrid parcels "cannot be mapped out until the preparation is finalized."
a. Please explain in detail the assumptions that you made concerning the flows of these types of mail in the development of your testimony.
b. Please confirm that until the flows have been finalized, it is not possible to determine what percentage of hybrid parcels and hybrid flats will be processed manually, what percentage will be processed on Postal Service sorting equipment, and what category of mail sorting equipment will be used for these purposes. If you do not confirm, please explain your answer in detail.

**Response:**

a. I have not made any assumptions concerning the flows of hybrid flats and parcels in the development of my testimony.

b. As I explained in my testimony (USPS-T-42, pages 19 and 20), hybrid pieces are problematic in both processing and delivery. They are a small part of the mailstream that cause a disproportionate number of problems and are handled locally as circumstances and experience dictate. Due to the wide local variations, I believe that the best guide currently available to how they will be handled is how they <u>are</u> handled now, which, I understand, is depicted in the cost models of USPS-LR-L-45. When hybrid pieces are identified and tracked through IOCS, we will have a reliable guide to their cost.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-7.** Please confirm that all flat-shaped mailpieces that are currently prepared as eligible for automation rates would also be eligible for automation rates in TY2008. If you cannot confirm, please explain in detail.

**Response:**

Not confirmed. It is my understanding that hybrid pieces, mostly rigid items, will no longer qualify for automation flat rates.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-8.** Please indicate whether the Postal Service expects to impose flats address placement requirements in the next eighteen months that will restrict eligibility of flats that do not meet these address placement requirements for automation flats rates. If so,
a. Please describe the operational circumstances that precipitate any anticipated address placement requirements (e.g., please describe any limitations of FSS equipment, or labor-related efficiencies gained)
b. When are proposed requirements expected to be published?
c. When are final requirements expected to be implemented?

**Response:**

I believe the Postal Service may impose address placement requirements for flats if and when the FSS program is approved.

a. The address placement requirements are not a result of limitations of the FSS equipment, which requires only a uniform orientation of the spines on each flat mail piece. The operational efficiencies will be gained in carrier time on the street while delivering the mail. Today, when carriers sort flats in delivery sequence, they develop an idea of how many flats may be delivered per address (i.e. three for the first house, none for the next two houses, one for the fourth, etc.). Because carriers will no longer be sorting the flats, carriers will need to more closely examine each flat to ensure proper delivery. In addition, when carriers manually sort flats, they can orient the pieces in relation to the address as they choose (all reading right side up, all towards the top, etc.), to facilitate the delivery process. With FSS distributing flat mail pieces in an automated environment, the carriers will no longer have the option on orientation, since the FSS flats will be taken directly to the street. By requiring uniform placement of

the address, the time the carrier must spend manipulating the flats and/or verifying the appropriate delivery address is lessened, since placement requirements could result in addresses on pieces in FSS trays reading right side up and towards the top, regardless of the method of delivery (i.e. cradled in the arm or removed from a flat tray).

b The Mailers Technical Advisory Committee (MTAC) has formed a workgroup to provide recommendations for address placement. It is not certain when those recommendations will be provided and how the Postal Service will respond.

c Based on the complexity of the issues, the lead time needed for customer changes, and the preliminary plans for equipment deployment, I believe it is unlikely that the any standards will be required before calendar year 2008.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. McCRERY TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE AND THE MAILING AND FULFILLMENT SERVICE ASSOCIATION

**POSTCOM/USPS-T42-9.** Please refer to USPS-LR-L-33 at pp. 28-29.
a. Please describe the design or operational limitations of the AFSM100, if any, that precipitate the Turning Ability Requirement.
b. Please describe the design or operational limitations of the AFSM100, if any, that precipitate the Minimum Rigidity Requirement.
c. Please describe the design or operational limitations of the AFSM100, if any, that precipitate the Maximum Rigidity Requirement.
d. Please describe the design or operational limitations of any other equipment that may be fully implemented during the Test Year that precipitate any of the requirements identified in parts a-c.

**Response:**

a. Turning Ability Requirement

This test was originally developed for the FSM 881 where the turning radius was significant. It was left in the AFSM 100 requirements as AFSM 100 characteristics testing proved that very stiff mail pieces have high jam rates throughout the feeding section as the pieces transition from section to section and are then injected into the carousel buckets. Some mail piece flexibility is required to allow the pieces to consistently move at high speed from section to section since there is not always perfectly consistent surface speed matching between sections. Also the timing for the injection of the mail piece into the sorting bucket is critical and stiff mail pieces do not always clear in time to avoid a jam at this junction. Therefore, the turning ability requirement is required not because of turn radii, but to prevent large stiff pieces from being processed.

b. Minimum Rigidity Requirement

During the AFSM100 characteristics testing and during subsequent tests, it has been consistently shown that very flimsy mail pieces are easily damaged and jam

in the various transitions of the AFSM 100 feeder. Flimsy pieces cannot absorb the forces imparted on them as the various AFSM 100 mechanisms accelerate the piece to the speed required to move them through the feeder and into the carousel buckets. The pieces and/or their covers tend to bunch up and are damaged If the piece is successfully accelerated it often wraps around rollers or catches under belts and other surfaces of the feeder. Mail pieces must have some "body" in order to survive the rigors of automated feeding.

c Maximum Rigidity Requirement

Currently, small rigid pieces can pass the turning ability test by fitting within the concentric arcs of the test fixture without actually bending at all. The purpose of this requirement is to close this loophole in the turning ability test. As discussed in my testimony (USPS-T-42, page 20), small rigid pieces are problematic in both processing and delivery.

d None

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO PRESIDING OFFICER'S INFORMATION REQUEST (POIR) No. 5, Question 1**
**Header Revised August 15, 2006**

1. Please provide a generalized description of the flow of the following categories of Standard Mail through the Postal Service from entry to delivery. In the response, please use a format similar to that provided by Pitney Bowes Inc., in interrogatories to the Postal Service in Docket No. R2005-1. *See* Tr. 5/1650-75 (PB/USPS-T-29-8).
   a. Nonautomated Mixed ADC Flat, Nondestination Entry
   b. Nonautomated ADC Flat, Nondestination Entry
   c. Nonautomated 3-Digit Flat, Nondestination Entry
   d. Nonautomated 5-Digit Flat, Nondestination Entry
   e. Nonautomated Mixed ADC/BMC Hybrid Flat, Nondestination Entry
   f. Nonautomated ADC/BMC Hybrid Flat, Nondestination Entry
   g. Nonautomated 3-Digit Hybrid Flat, Nondestination Entry
   h. Nonautomated 5-Digit Hybrid Flat, Nondestination Entry
   i. Nonautomated Mixed ADC/BMC Hybrid Parcel, Nondestination Entry
   j. Nonautomated ADC/BMC Hybrid Parcel, Nondestination Entry
   k. Nonautomated 3-Digit Hybrid Parcel, Nondestination Entry
   l. Nonautomated 5-Digit Hybrid Parcel, Nondestination Entry
   m. Nonautomated, Nonmachinable Mixed ADC Parcel, Nondestination Entry
   n. Nonautomated, Nonmachinable ADC Parcel, Nondestination Entry
   o. Nonautomated, Nonmachinable 3-Digit Parcel, Nondestination Entry
   p. Nonautomated, Nonmachinable 5-Digit Parcel, Nondestination Entry
   q. Nonautomated, Machinable Mixed ADC Parcel, Nondestination Entry
   r. Nonautomated, Machinable ADC Parcel, Nondestination Entry
   s. Nonautomated, Machinable 3-Digit Parcel, Nondestination Entry
   t. Nonautomated, Machinable 5-Digit Parcel, Nondestination Entry
   u. Nonautomated, Machinable Mixed BMC Parcel, Nondestination Entry
   v. Nonautomated, Machinable BMC Parcel, Nondestination Entry

**Response:**

1. Certain steps may not be necessary for finer presort levels and may be skipped. If the container destinates within the origin BMC service area (intra-BMC), the destination BMC steps can be skipped as well.

If more than one flow is possible, the various flows are indicated with upper-case letters i.e., A, B, C.

a. Nonautomated, Mixed ADC Flat, Non-destination entry:

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO PRESIDING OFFICER'S INFORMATION REQUEST (POIR) No. 5, Question 1**
**Header Revised August 15, 2006**

1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
   Mail is transported to originating BMC.
4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.

5. Transport sack to local site listed in L009 labeling list (site performing the origin distribution). See http://pe.usps.com/text/dmm300/L009.htm for a list of sites.
   Dispatch containers are transported to plant.

6A. APPS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up containers, label containers).
   b. Working mail containers are moved to operation.
   c. Containers contents are dumped onto the machine.
   d. Mail is sorted to containers.
   e. Dispatch containers are "swept" when full or at end of run.
   f. Dispatch containers are staged in dispatch staging area or loading docks.

6B. SPBS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up containers, label containers).
   b. Working mail containers are moved to operation.
   c. Containers contents are dumped onto the machine.
   d. Mail is keyed to corresponding destination/operations.
   e. Mail sorts to containers.
   f. Dispatch containers are "swept" when full or at end of run.
   g. Dispatch containers are staged in dispatch staging area or loading docks.

6C. Manual bundle sorting operation
   a. Set up containers in a U-shaped configuration for manual distribution of mail.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO PRESIDING OFFICER'S INFORMATION REQUEST (POIR) No. 5, Question 1**
**Header Revised August 15, 2006**

b. Working mail containers are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.
e. Dispatch containers are staged in dispatch staging area or loading docks.

7. Flat mail prep
   a. Working mail containers with mixed ADC bundles are moved to mail prep operation.
   b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
   c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
   d. Mail pieces are decompensated if necessary.
   e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
   f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

8A. AFSM 100 outgoing primary operation
   a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
   b. Working mail containers (FMCs, flat tray containers) are moved to operation.
   c. Mail is fed onto the machine.
   d. Pieces are sorted to corresponding destination / operation.
   e. Pieces sort to trays.
   f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
   g. Dispatch containers are staged in dispatch staging area or loading docks.

8B. UFSM 1000 outgoing primary operation
   a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
   b. Working mail containers (flat tray containers) are moved to operation.
   c. Mail is fed or ledges are loaded on the machines.
   d. Pieces are keyed or scanned to corresponding destination / operation.
   e. Pieces sort to trays.
   f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO PRESIDING OFFICER'S INFORMATION REQUEST (POIR) No. 5, Question 1**
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g. Dispatch containers are staged in dispatch staging area or loading docks.

9A. AFSM 100 outgoing secondary operation (if necessary)

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

9B. UFSM 1000 outgoing secondary operation (if necessary)

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (flat tray containers) are moved to operation.

c. Mail is fed or ledges are loaded on the machines.

d. Pieces are keyed or scanned to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

10. Transport to destination office

Mail is transported to the destination office.

11A. AFSM 100 - ADC piece distribution operation

a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).

b. Working mail containers (FMCs, flat tray containers) are moved to operation.

c. Mail is fed onto the machine.

d. Pieces are sorted to corresponding destination / operation.

e. Pieces sort to trays.

f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.

g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 - ADC piece distribution operation

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a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.

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c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched.

14. Transport to DDU / AO
a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.
d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

15. DDU operations - Incoming secondary (unless performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays.
f. Trays are sorted and dispatched to carriers.

16. Carrier casing
a. Carrier cases the flats into the carrier case.

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b. Carrier "sweeps" the mail into trays.
c. Trays are loaded into containers.

17. Carrier loading
    a. *Containers are moved to platform by carrier.*
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

Flows b - d assume the mail is prepared in an ADC sack. If the mail is prepared on a pallet, the sack-sorting operations are eliminated and the pallet is cross-docked to the appropriate destination office. Furthermore, when mail is prepared in on more finely sorted containers, some or all of the bundle distribution steps will be eliminated.

b Nonautomated ADC flat, Nondestination Entry

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
    Mail is transported to the Originating BMC.
4. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.)
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.
    e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
    f. Sacks are manually sorted to the corresponding container according to the label
    g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
    Mail is transported to the destination BMC.
6. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.

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e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

7. Transport to DADC
   Mail is transported to destination ADC.
8. Sack shake-out operation
   a. Sacks are processed across a sorting belt.
   b. Working mail sacks are opened and contents are dumped into containers.
   c. Direct sacks are routed to the corresponding operation.

9A. APPS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
   b. Working mail pallets and sacks of mixed ADC flat bundles are moved to operation.
   c. Container contents are dumped onto the machine.
   d. Mail is sorted to containers.
   e. Dispatch containers are "swept" when full or at end of run.
   f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
   b. Working mail pallets and sacks of mixed ADC flat bundles are moved to operation.
   c. Container contents are dumped onto the machine.
   d. Mail is sorted to containers.
   e. Dispatch containers are "swept" when full or at end of run.
   f. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation
   a. Set up containers in a U-shaped configuration for manual distribution of mail.
   b. Working mail pallets and sacks of mixed ADC flat bundles are moved to operation.
   c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
   d. Dispatch containers are "swept" when full or at end of processing.
   e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep
   a. Working mail containers are moved to mail prep operation.

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b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
d. Mail pieces are decompensated if necessary.
e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A. AFSM 100 - ADC piece distribution operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 - ADC piece distribution operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.

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f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

13B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

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13C. Manual incoming secondary operation (when performed at the plant)
   a. Set up manual piece distribution operation (set up and label trays etc.)
   b. Working mail containers are moved to operation.
   c. Pieces are sorted on the flats case.
   d. Flat case is "swept" when full or at the end of distribution.
   e. Mail is swept to trays.
   f. Trays are sorted and dispatched.
14. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU / AO.
   e. Received containers are staged at working mail staging area.
15. DDU operations - Incoming secondary (unless performed at the plant)
   a. Set up manual piece distribution operation (set up and label trays etc.)
   b. Working mail containers are moved to operation.
   c. Pieces are sorted on the flats case.
   d. Flat case is "swept" when full or at the end of distribution.
   e. Mail is swept to trays.
   f. Trays are sorted and dispatched to carriers.
16. Carrier casing
   a. Carrier cases the flats into the carrier case.
   b. Carrier "sweeps" the mail into trays.
   c. Trays are loaded into containers.
17. Carrier loading
   a. Containers are moved to platform by carrier.
   b. Mail is loaded into delivery vehicles.
   c. Empty containers are disposed.
   d. Mail is delivered.

c. Nonautomated 3-Digit Flat, Nondestination Entry

1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
   Mail is transported to Originating BMC.
4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers).

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b. Containers with sacks are moved to the sack sorter induction area.
c. Sacks are inducted into the sack sorter.
d. Sacks are keyed or scanned.
e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

5. Transport to DBMC
   Mail is transported to the destination BMC.
6. Mechanized sack sorter operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
7. Transport to DADC
   Mail is transported to destination ADC.
8. Sack shake-out operation
   a. Sacks are processed across a sorting belt.
   b. Working mail sacks are opened and contents are dumped into containers.
   c. Direct sacks are routed to the corresponding operation.

9A. APPS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
   b. Working mail pallets and sacks are moved to operation.
   c. Container contents are dumped onto the machine.
   d. Mail is sorted to containers.
   e. Dispatch containers are "swept" when full or at end of run.
   f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation
   a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
   b. Working mail pallets and sacks are moved to operation.
   c. Container contents are dumped onto the machine.
   d. Mail is keyed to corresponding destination/operations.

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e. Mail sorts to containers.
f. Dispatch containers are "swept" when full or at end of run.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation
a. Set up containers in a U-shaped configuration for manual distribution of mail.
b. Working mail pallets and sacks are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.
e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep
a. Working mail containers are moved to mail prep operation.
b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
d. Mail pieces are decompensated if necessary.
e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A AFSM 100 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation
g. Dispatch containers are staged in dispatch staging area or loading docks.

11B UFSM 1000 incoming primary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.

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d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers then staged for further distribution or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12A. AFSM 100 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (FMCs, flat tray containers) are moved to operation.
c. Mail is fed onto the machine.
d. Pieces are sorted to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12B. UFSM 1000 incoming secondary operation
a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
b. Working mail containers (flat tray containers) are moved to operation.
c. Mail is fed or ledges are loaded on the machines.
d. Pieces are keyed or scanned to corresponding destination / operation.
e. Pieces sort to trays.
f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
g. Dispatch containers are staged in dispatch staging area or loading docks.

12C. Manual incoming secondary operation (when performed at the plant)
a. Set up manual piece distribution operation (set up and label trays etc.)
b. Working mail containers are moved to operation.
c. Pieces are sorted on the flats case.
d. Flat case is "swept" when full or at the end of distribution.
e. Mail is swept to trays
f. Trays are sorted and dispatched.

13. Transport to DDU / AO
a. Dispatch containers are moved to truck loading bay.
b. Dispatch containers are loaded onto the truck.
c. Dispatch containers are transported to the DDU/AO.

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d. Received containers are unloaded from the truck at the DDU/AO.
e. Received containers are staged at working mail staging area.

14. DDU operations - Incoming secondary (unless performed at the plant)
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.
    f. Trays are sorted and dispatched to carriers.
15. Carrier casing
    a. Carrier cases the flats into the carrier case.
    b. Carrier "sweeps" the mail into trays.
    c. Trays are loaded into containers.
16. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

d. Nonautomated 5-digit Flat, Nondestination Entry.

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
    Mail is transported to Originating BMC.
4. Mechanized sack sorter operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.
    e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
    f. Sacks are manually sorted to the corresponding container according to the label.
    g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
    Mail is transported to destination BMC.
6. Mechanized sack sorting operation

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a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
b. Containers with sacks are moved to the sack sorter induction area.
c. Sacks are inducted into the sack sorter.
d. Sacks are keyed or scanned.
e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

7. Transport to DADC
Mail is transported to destination ADC.

8. Sack shake-out operation
a. Sacks are processed across a sorting belt.
b. Working mail sacks are opened and contents are dumped into containers.
c. Direct sacks are routed to the corresponding operation.

9A. APPS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is sorted to containers.
e. Dispatch containers are "swept" when full or at end of run.
f. Dispatch containers are staged in dispatch staging area or loading docks.

9B. SPBS operation
a. Set up bundle distribution operation (i.e., load sort scheme, set up and label containers etc.).
b. Working mail pallets and sacks are moved to operation.
c. Container contents are dumped onto the machine.
d. Mail is keyed to corresponding destination/operations.
e. Mail sorts to containers.
f. Dispatch containers are "swept" when full or at end of run.
g. Dispatch containers are staged in dispatch staging area or loading docks.

9C. Manual bundle sorting operation
a. Set up containers in a U-shaped configuration for manual distribution of mail.
b. Working mail pallets and sacks are moved to operation.
c. Bundles are sorted to containers by reading the address and OEL information on bundles to corresponding containers.
d. Dispatch containers are "swept" when full or at end of processing.

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e. Dispatch containers are staged in dispatch staging area or loading docks.

10. Flat mail prep
    a. Working mail containers are moved to mail prep operation.
    b. Set up Flat Mail Cart (FMC), container tilter, trash receptacle in preparation of operation.
    c. Bundles are taken from the working containers, their shrink-wrap / strapping / banding is removed.
    d. Mail pieces are decompensated if necessary.
    e. Mail pieces are placed in columns of FMC with address facing up and bound edge to the right.
    f. FMC is weighed if necessary, and moved to piece distribution operation or staged as appropriate.

11A. AFSM 100 incoming secondary operation
    a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
    b. Working mail containers (FMCs, flat tray containers) are moved to operation.
    c. Mail is fed onto the machine.
    d. Pieces are sorted to corresponding destination / operation.
    e. Pieces sort to trays.
    f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
    g. Dispatch containers are staged in dispatch staging area or loading docks.

11B. UFSM 1000 incoming secondary operation
    a. Set up piece distribution operation (i.e., load sort scheme, set up and label trays etc.).
    b. Working mail containers (flat tray containers) are moved to operation.
    c. Mail is fed or ledges are loaded on the machines.
    d. Pieces are keyed or scanned to corresponding destination / operation.
    e. Pieces sort to trays.
    f. Dispatch trays are "swept" when full or at end of run and sorted to containers or dispatched to banding / sleeving operation.
    g. Dispatch containers are staged in dispatch staging area or loading docks.

11C. Manual incoming secondary operation
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.

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f. Trays are sorted and dispatched.

12. Transport to DDU / AO
    a. Dispatch containers are moved to truck loading bay.
    b. Dispatch containers are loaded onto the truck.
    c. Dispatch containers are transported to the DDU/AO.
    d. Received containers are unloaded from the truck at the DDU/AO.
    e. Received containers are staged at working mail staging area.
13. DDU operations - Incoming secondary
    a. Set up manual piece distribution operation (set up and label trays etc.)
    b. Working mail containers are moved to operation.
    c. Pieces are sorted on the flats case.
    d. Flat case is "swept" when full or at the end of distribution.
    e. Mail is swept to trays.
    f. Trays are sorted and dispatched to carriers.
14. Carrier casing
    a. Carrier cases the flats into the carrier case.
    b. Carrier "sweeps" the mail into trays.
    c. Trays are loaded into containers.
15. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

e - l The flows can not be mapped out until the preparation is finalized. The proposed preparation is in the process of being defined, and a Federal Register (FR) proposed rule will be published in the fall. After discussions with the industry/internal stakeholders and formal comments to the FR, the preparation standards will then be finalized.

Flows m - p assume that nonautomated nonmachinable parcels are prepared loose in sacks.

m Nonautomated, Nonmachinable Mixed ADC Parcel, Nondestination Entry

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to Originating ADC

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Sack is transported to local site listed in L604 labeling list. See http://pe.usps.com/text/dmm300/L604.htm for a list of sites. Facilities listed in L604 comprise mostly BMC facilities.

4. Pouch rack sortation (sort to ADC)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. Destination container is dispatched to destination operation / facility.
5. Transport to destination ADC
   Sack is transported to destination site listed in L603 labeling list. See http://pe.usps.com/text/dmm300/L603.htm for a list of sites. Facilities listed in L603 comprise mostly BMC facilities.
6. Pouch rack sortation (sort to 3-digit)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. Destination container is dispatched to destination operation / facility
7. Transport to SCF / plant
   Mail is transported to destination SCF / plant.
8. Pouch rack sortation (sort to 5-digit)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. Destination container is dispatched to destination operation / facility.
9. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU/AO.

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e. Received containers are staged at working mail staging area.

10. DDU operations (sort to carrier)
    a. Sacks are opened and their contents are dumped.
    b. Mail is sorted to carrier along with other parcels for delivery.
11. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Containers are loaded into Delivery vehicles.
    c. Mail is delivered.
    d. Empty containers are disposed.

n. Nonautomated, Nonmachinable ADC Parcel, Nondestination Entry

1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
   Mail is transported to the originating BMC.
4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label
   g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
   Mail is transported to destination BMC.
6. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label
   g. Dispatch containers are placarded and prepared for dispatch.

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7. Transport to destination ADC (if necessary)
   Sack is transported to local site listed in L603 labeling list (if necessary). See http://pe.usps.com/text/dmm300/L603.htm for a list of sites. Facilities listed in L603 comprise mostly BMC facilities, so the destination ADC and BMC could be the same facility.
8. Pouch rack sortation (sort to 3-digit)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. Destination container is dispatched to destination operation / facility.
9. Transport to SCF / plant
   Mail is transported to destination SCF / plant.
10. Pouch rack sortation (sort to 5-digit)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. Destination container is dispatched to destination operation / facility.
11. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU/AO.
   e. Received containers are staged at working mail staging area.
12. DDU operations (sort to carrier)
   a. Sacks are opened and their contents are dumped.
   b. Mail is sorted to carrier along with other parcels for delivery.
13. Carrier loading
   a. Containers are moved to platform by carrier.
   b. Mail is loaded into delivery vehicles.
   c. Empty containers are disposed.
   d. Mail is delivered.

o Nonautomated, Nonmachinable 3-Digit Parcel, Nondestination Entry

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1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant ( if necessary)
3. Transport to OBMC
   Mail is transported to originating BMC.
4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
   Mail is transported to destination BMC.
6. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
7. Transport to SCF / plant
   Mail is transported to the SCF / plant.
8. Pouch rack sortation (sort to 5-digit)
   a. Set up pouch rack operation (i.e., hang sacks in rack, label sacks, set up empty equipment etc.)
   b. Mail container with working sacks are moved to the pouch rack.
   c. Working sacks are opened, their contents are dumped and mail is sorted into the corresponding sacks in pouch rack.
   d. Dispatch sacks are tied when full or at the end of distribution.
   e. Dispatch sacks are sorted to destination container.
   f. *Destination container is dispatched to destination operation /* facility.

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9. Transport to DDU / AO
    a. Dispatch containers are moved to truck loading bay.
    b. Dispatch containers are loaded onto the truck.
    c. Dispatch containers are transported to the DDU/AO.
    d. Received containers are unloaded from the truck at the DDU/AO.
    e. Received containers are staged at working mail staging area.
10. DDU operations (sort to carrier)
    a. Sacks are opened and their contents are dumped.
    b. Mail is sorted to carrier along with other parcels for delivery.
11. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

p. Nonautomated, Nonmachinable 5-Digit Parcel, Nondestination Entry

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
    b. Mail is verified and accepted.
2. Transport to local plant ( if necessary)
3. Transport to OBMC
    Mail is transported to originating BMC.
4. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.
    d. Sacks are keyed or scanned.
    e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
    f. Sacks are manually sorted to the corresponding container according to the label.
    g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
    Mail is transported to destination BMC.
6. Mechanized sack sorting operation
    a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
    b. Containers with sacks are moved to the sack sorter induction area.
    c. Sacks are inducted into the sack sorter.

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d. Sacks are keyed or scanned.
e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

7. *Transport to SCF / plant*
   Mail is transported to destination SCF / plant.
8. Manual sack sorting operation
   a. Set up containers in a U-shaped configuration for manual sack sorting operation.
   b. Containers with sacks are moved to operation.
   c. Sacks are sorted to corresponding containers.
   d. Dispatch containers are placarded and prepared for dispatch.
9. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU/AO.
   e. Received containers are staged at working mail staging area.
10. DDU operations (sort to carrier)
    a. Sacks are opened and their contents are dumped.
    b. Mail is sorted to carrier along with other parcels for delivery.
11. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

q - s. No such preparation or rate will be offered for these categories.

Flows t-v assume that mail is prepared in sacks. Mail prepared on pallets will by-pass sack sorting operations and will be cross-docked to the appropriate destination office.

t. Nonautomated, Machinable 5-Digit Parcel, Nondestination Entry

1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. *Transport to OBMC*

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Mail is transported to the originating BMC.

4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
5. Transport to destination BMC
   Mail is transported to destination BMC.
6. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.
   d. Sacks are keyed or scanned.
   e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
   f. Sacks are manually sorted to the corresponding container according to the label.
   g. Dispatch containers are placarded and prepared for dispatch.
7. Transport to SCF / plant
   Mail is transported to destination SCF / plant.
8. Manual sack sorting operation
   a. Set up containers in a U-shaped configuration for manual sack sorting operation.
   b. Containers with sacks are moved to operation.
   c. Sacks are sorted to corresponding containers.
   d. Dispatch containers are placarded and prepared for dispatch.
9. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU/AO.
   e. Received containers are staged at working mail staging area.
10. DDU operations (sort to carrier)
   a. Sacks are opened and their contents are dumped.
   b. Mail is sorted to carrier along with other parcels for delivery.

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11. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

u. Nonautomated, Machinable Mixed BMC Parcel, Nondestination Entry

1. Mail acceptance and entry
    a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
    b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to Originating BMC
    Mail is transported to Originating BMC.
4. Primary PSM operation
    a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
    b. Containers with parcels are moved to the parcel sorting machine induction area.
    c. Parcels are inducted into the PSM.
    d. Parcels are keyed or scanned.
    e. Parcels are sorted to corresponding run-out / slide.
    f. Dispatch containers are placarded and prepared for dispatch.
5. Transport to DBMC
    Mail is transported to destination BMC.

6A. Primary PSM operation
    a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
    b. Containers with parcels are moved to the parcel sorting machine induction area.
    c. Parcels are inducted into the PSM.
    d. Parcels are keyed or scanned.
    e. Parcels are sorted to corresponding run-out / slide.
    f. Dispatch containers are placarded and prepared for dispatch.

6B. Secondary PSM operation
    a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
    b. Containers with parcels are moved to the parcel sorting machine induction area.
    c. Parcels are inducted into the PSM.
    d. Parcels are inducted through Singulate, Scan, Induction Unit (SSIU).
    e. Parcels are sorted to corresponding run-out / slide.
    f. Dispatch containers are placarded and prepared for dispatch.

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6C. Primary PSM to secondary PSM operation
   a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
   b. Containers with parcels are moved to the parcel sorting machine induction area.
   c. Parcels are inducted into the PSM.
   d. Parcels are inducted through Singulate, Scan, Induction Unit (SSIU).
   e. Parcels are sorted to secondary PSM.
   f. Parcels are sorted to corresponding run-out / slide on the secondary sorter.
   g. Dispatch containers are placarded and prepared for dispatch
7. Transport to local plant
   Mail is transported to the SCF / plant.
8. Transport to DDU / AO
   a. Dispatch containers are moved to truck loading bay.
   b. Dispatch containers are loaded onto the truck.
   c. Dispatch containers are transported to the DDU/AO.
   d. Received containers are unloaded from the truck at the DDU/AO.
   e. Received containers are staged at working mail staging area
9. DDU operations (sort to carrier)
   a. Container contents are dumped.
   b. Mail is sorted to carrier along with other parcels for delivery
10. Carrier loading
   a. Containers are moved to platform by carrier.
   b. Mail is loaded into delivery vehicles.
   c. Empty containers are disposed.
   d. Mail is delivered.

v. Nonautomated, Machinable BMC Parcel, Nondestination Entry

1. Mail acceptance and entry
   a. Non-automation presort mail is received through acceptance units (e.g., BMEU).
   b. Mail is verified and accepted.
2. Transport to local plant (if necessary)
3. Transport to OBMC
   Mail is transported to originating BMC.
4. Mechanized sack sorting operation
   a. Set up sack sorter (i.e., load sort scheme, set up and label containers, etc.).
   b. Containers with sacks are moved to the sack sorter induction area.
   c. Sacks are inducted into the sack sorter.

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d. Sacks are keyed or scanned.
e. Sacks are sorted to corresponding run-out / slide / saw-tooth operation.
f. Sacks are manually sorted to the corresponding container according to the label.
g. Dispatch containers are placarded and prepared for dispatch.

5. Transport to DBMC
   Mail is transported to destination BMC.
6. Sack shake-out operation
   a. Sacks are processed across a sorting belt.
   b. Working mail sacks are opened and contents are dumped into containers.
   c. Direct sacks are routed to the corresponding operation.

7A. Primary PSM operation
   a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
   b. Containers with parcels are moved to the parcel sorting machine induction area.
   c. Parcels are inducted into the PSM.
   d. Parcels are keyed or scanned.
   e. Parcels are sorted to corresponding run-out / slide.
   f. Dispatch containers are placarded and prepared for dispatch.

7B. Secondary PSM operation
   a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
   b. Containers with parcels are moved to the parcel sorting machine induction area.
   c. Parcels are inducted into the PSM.
   d. Parcels are inducted through Singulate, Scan, Induction Unit (SSIU).
   e. Parcels are sorted to corresponding run-out / slide.
   f. Dispatch containers are placarded and prepared for dispatch.

7C. Primary PSM to secondary PSM operation
   a. Set up the PSM operation (load sort scheme, empty equipment, dispatch labels).
   b. Containers with parcels are moved to the parcel sorting machine induction area.
   c. Parcels are inducted into the PSM.
   d. Parcels are inducted through Singulate, Scan, Induction Unit (SSIU).
   e. Parcels are sorted to secondary PSM.
   f. Parcels are sorted to corresponding run-out / slide on the secondary sorter.
   g. *Dispatch containers are placarded and prepared for dispatch.*

8. Transport to local plant

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Mail is transported to SCF / plant.

9. Transport to DDU / AO
    a. Dispatch containers are moved to truck loading bay.
    b. Dispatch containers are loaded onto the truck.
    c. Dispatch containers are transported to the DDU/AO.
    d. Received containers are unloaded from the truck at the DDU/AO.
    e. Received containers are staged at working mail staging area.
10. DDU operations - sort to carrier
    a. Container contents are dumped.
    b. Mail is sorted to carrier along with other parcels for delivery.
11. Carrier loading
    a. Containers are moved to platform by carrier.
    b. Mail is loaded into delivery vehicles.
    c. Empty containers are disposed.
    d. Mail is delivered.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY
*TO POIR NO. 8, QUESTION 15(A)-(C)*

**15.** Please refer to USPS-T-32, pages 20-21, where the rationale for the proposal to eliminate the automation carrier route presort discount for First-Class letters is presented. Witness Taufique states that the "current and future processing of letter-shaped mail requires delivery point sequencing of mail at destinating *Processing and Distribution Centers.*" *He further explains that "fewer delivery* units have Carrier Sequence Bar Code Sorter (CSBCS) equipment" and "[w]hen CSBCS equipment is removed from the remaining delivery units, all of this mail will be merged in the 5-Digit Automation rate category[.]"

a. How many delivery units had CSBCS equipment in the base year?

b. How many delivery units are projected to have CSBCS equipment in the test year?

c. Does the Postal Service currently have a plan to remove all CSBCS equipment from delivery units? If so, what are the estimated starting and completion dates for the planned phase-out of this equipment?

***

**RESPONSE:**

a. Approximately 950 delivery units had CSBCS machines in the base year

b. The number of delivery units that will still have CSBCS machines in the test year is not known, but it is expected to be fewer than in the base year. This is a result of the recent and ongoing effort in the field to deemphasize their use by transferring the incoming secondary distribution to DBCS equipment, due to the increased productivity resulting from the switch. However, these decisions are made at the area/district level, so a future national impact is not known. It should also be noted that the proposal to eliminate the automation carrier route presort discount is consistent with the effort to standardize and streamline operations and reduce the number of less-than-full trays.

c. The Postal Service is in the early stages of procuring an additional allotment of DBCS equipment that would, in part, replace the remaining CSBCS machines in operational use. If the program is approved, deployment would likely begin after the test year.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY POSED BY THE PARCEL SHIPPERS ASSOCIATION REDIRECTED FROM POSTAL SERVICE WITNESS MARC D. MCCRERY

**PSA/USPS-T42-2.** Please refer to page 34 of your testimony where you discuss future network considerations including "shifting much of the allied activities (e.g., bundle sorting, parcel distribution, container breakdown) to Regional Distribution Centers (RDCs) when efficiencies can be realized." Please also refer to Labeling List L601 and L606.
(a) Please confirm that the service area for the Dallas BMC includes Destination ZIP Codes 706, 710-712, 718, 730, 731, 733-738, 740, 741, 743-799, 880, and 885. If not confirmed, please provide a corrected list of 3-Digit ZIP Codes in the Dallas BMC service area.
(b) Once transition to an RDC network is complete, please list the RDC that will service each of the Destination 3-Digit ZIP Codes listed in subpart (a) of this interrogatory.
(c) Do you believe that the transition to an RDC network in particular or the Postal Service's Evolutionary Network Development (END) initiative in general will have any effect on the 5-Digit ZIP Codes included in the L606 5-Digit Scheme labeling list? Please explain your response fully.
(d) In the future END network, will parcel shippers be allowed to enter 5-Digit Scheme pallets at Destination Delivery Units? Please explain your response fully

**RESPONSE:**

(a) Confirmed.

(b) No final determination has yet been made regarding the location of specific RDCs, including any that might serve the ZIP Code areas in question.

(c) No. The END effort will not have a direct effect on delivery operations, and delivery units that serve multiple 5-digit ZIP Codes are the listings that comprise L606.

(d) Yes. There are no plans to remove delivery unit entry eligibility for parcels, including pieces prepared on 5-digit scheme (L606) pallets, in the future.

# RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-1** At page 29 of your testimony you state:

> "Most of the sack sorters in plants have already been removed. Removal of BMC sack sorters is underway and will continue in the near future. As the success of the reduction in sacks effort is realized, sack sorters will continue to be decommissioned."

a. How many (non-BMC) plants have operational sack sorters today?

b. How many (non-BMC) plants are expected to still have operational sack sorters in the test year?

c. How many of the 21 BMC's no longer have an operational sack sorter today?

d. By the beginning of the test year, how many BMC's are currently expected to still have operational sack sorters?

e. By the end of the test year, how many BMC's are currently expected to still have operational sack sorters?

**RESPONSE:**

a. 11

b. Although specific plans and dates for removal have not yet been determined, there is a mandate to significantly reduce the number of sacks and to move away from the outdated sack sorter technology. In the test year, it is therefore expected that the current number will be reduced.

c. One

d. Contingent upon the necessary approvals and contracts, it is expected that approximately 16 BMCs will still have operational sack sorters by the beginning of the test year.

e. Contingent upon the necessary approvals and contracts, it is expected that approximately 12 BMCs will still have operational sack sorters by the end of the test year.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF TIME WARNER INC.**

**TW/USPS-T42-2** Please review the following statement and indicate whether you agree or disagree when the statement is applied to (1) sack sorters in BMC's and (2) sack sorters deployed in other plants. If you disagree, please explain why. If you partially disagree, please indicate how the statement would need to be modified in order for you to be able to be in full agreement.

> "Sack sorting machines in postal facilities, even those with the ability to automatically scan sack labels, do not completely eliminate the need for manual sack sorting. Nor do they eliminate the need for manual reading of sack labels. The reason is that these machines often simply transport a sack to either a 'roller table' (as in BMC's), a 'sawtooth' operation or a 'sack slide' where employees must make a further (manual) separation according to which truck the sack should be dispatched to or which opening unit it should be taken to."

**RESPONSE**:

In general, I agree with the statement for sack sorters in (non-BMC) plants. However, the statement should be modified if applied to sack sorters in BMCs as follows:

> "Sack sorting machines in postal facilities, even those with the ability to automatically scan sack labels, do not completely eliminate the need for manual sack sorting. Nor do they eliminate the need for manual reading of sack labels. The reason is that these machines may simply transport a sack to either a 'roller table', a 'sawtooth' operation or a 'sack slide' where employees must make a further (manual) separation according to which truck the sack should be dispatched to or which opening unit it should be taken to. This is normal practice at plants but less common at BMCs."

For additional related information, see response to TW/USPS-T42-3.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF TIME WARNER INC.**

**TW/USPS-T42-3** Please answer each of the following questions. If you cannot provide completely accurate answers, please give at least approximate answers. Please explain how your answers are derived and provide references as appropriate.

a. For a typical BMC sack sorter, approximately what percent of the sorted Periodicals or Standard sacks are transported by the sack sorter directly to the truck/trailer to which they will be dispatched, or the container in which they will be dispatched, or the (BMC) opening unit at which they will be opened, without any further sack separations needed by employees at the BMC?

b. For a typical BMC sack sorter, approximately what percent of the sorted Periodicals or Standard sacks require a further manual sack separation (e.g., at a roller table) by employees at the BMC?

c. For a typical sack sorter in a (non-BMC) plant, approximately what percent of the incoming Periodicals or Standard sacks are transported by the sack sorter directly to the truck/trailer to which they will be dispatched, or the container in which they will be dispatched, or the opening unit at which they will be opened, without any further sack separations needed by plant employees?

d. For a typical sack sorter in a (non-BMC) plant, approximately what percent of the incoming Periodicals or Standard sacks require a further manual sack separation (e.g., at a sawtooth or sack slide) by plant employees?

**RESPONSE**:

a & b. Approximately 80% of Periodicals or Standard sacks are directly transported to a truck/trailer, container, or opening unit; while approximately 20% require a further manual sack separation by employees at the BMC.

c & d. Approximately 10% of Periodicals or Standard sacks are directly transported to a truck/trailer, container, or opening unit; while approximately 90% require a further manual sack separation by plant employees.

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**TW/USPS-T42-4** Please assume that the Postal Service decides to evaluate whether it is time to "decommission" the sack sorter in a given BMC.

a. What would be your likely role in such an evaluation?

b. Please describe all factors that would be considered in such an evaluation, e.g., productivity factors, current and projected volumes, space and capital considerations, etc.

c. Approximately what annual sack volume would be considered too low to make it worth while to keep a BMC sack sorter?

d. Please describe in detail the type of (manual) sack sorting operation a BMC that eliminates its sack sorter would establish in order to process the remaining sacks.

e. Is it likely that a BMC that eliminates its sack sorting machine would replace it with a manual operation that produces fewer separations, thus requiring more sack sorting to be performed at the plants? Please explain your answer.

f. To what extent would a manual sack sorting operation that replaces a BMC sack sorter need to use secondary and tertiary sort schemes to achieve separations comparable with those achieved with the sack sorter?

g. Please confirm that a BMC today dispatches incoming sacks directly to each SCF in its service area, as well as to some DDU's. If not confirmed, please explain. Please state also whether this is likely to change as BMC's eliminate their sack sorters. Will, for example, sacks to some smaller SCF's be dispatched to their respective ADC's rather than directly to each SCF?

h. In the hypothetical evaluation described above, what productivity rates would be used for separating sacks with and without the presence of a sack sorter?

i. Please answer questions a through h above also under the assumption that the sack sorter considered for elimination is in a (non-BMC) plant.

**RESPONSE:**

a. I do not have any role in evaluating the decommissioning of a sack sorter in a BMC.

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b. Multiple factors are taken into consideration when determining whether sack sorters should be decommissioned. For example, end of service issues of the equipment, corporate strategy, the reduction in plant-specific and system-wide sack workload, the maintenance cost to keep the equipment in service, and the availability of cost-effective and potentially more easily maintained replacement technology all factor into the decision.

c. To my knowledge there is no single threshold volume that is used for making such a decision.

d. If a manual operation was the replacement operation after the removal of the sack sorter(s), a BMC would most likely employ a "bullpen" or "sawtooth" operation which consists of containers set up in a U-shaped configuration for manual sortation with the working mail container set up in the open end of the configuration.

e. No. BMCs that decommission their sack sorting machines would likely replace this equipment with a low cost replacement sorter with a comparable number of separations that better serves the facility's needs. The decision to purchase and deploy the replacement sorter will be based on volume, facility space, and capital considerations, etc. The decision will likely be made locally as opposed to through a Postal Service Headquarters program.

f. It is not very likely that manual sack sorting operations would require the use of secondary or tertiary sorts to achieve separations comparable to

those achieved by sack sorter. BMCs mostly sort sacks into 3-digit separations that, for most the part, can also be achieved by a primary sort in a manual operation.

g. Not confirmed. BMCs mostly sort sacks into 3-digit separations. This is not likely to change as BMCs eliminate their sack sorters.

h. MODS productivity for sack sorters at BMCs is 186 sacks per workhour (See USPS-LR-L-56). If that is adjusted for a volume variability of 0 85, the marginal productivity is 219. It is my understanding that if the sack sorters are removed from a BMC and the sack and tray volume is sufficient to warrant mechanized sorting, then a low cost replacement sorter will be designed and installed to meet the facility's specific needs Productivities will vary with the design, and these projects will be justified on a case-by-case basis. I am told that available information (if any) on manual sack sorting productivities is being provided in the responses to TW/USPS-T27-7 and 8.

i. Responses for a. – h. as they pertain to a plant:

a. I do not have any role in evaluating the decommissioning of a sack sorter in a plant.

b. Low productivity factors, corporate strategy, current and projected volumes, capital considerations, and space constraints would all be taken into consideration in evaluating the removal of a sack sorter from a plant.

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c. To my knowledge there is no single threshold volume that is used for making such a decision.

d. A plant would most likely employ a "bullpen" or "sawtooth" operation which consists of containers set up in a U-shaped configuration for manual sortation with the working mail container set up in the open end of the configuration.

e. N/A as it pertains to a plant.

f. Very unlikely. Manual "bullpen" operations are set up such that a final separation can be achieved with a primary sort.

g. N/A as it pertains to a plant.

h. See my response to part h above.

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**TW/USPS-T42-5** Please consider a wheeled container that arrives at a plant with incoming Periodicals sacks from a BMC.

a. Please confirm that the sacks in this container in most cases will require a manual sack sorting before the individual sacks can either be dispatched or taken to their appropriate opening units. Please describe also the conditions under which such sack sortation is able to be bypassed.

b. Please describe the specific operations and sub-operations involved in the sortation of incoming sacks at a plant without a sack sorter, and the productivity rates (sacks per work-hour) typically achieved in such operations.

c. Approximately how often is the separation of incoming sacks at a plant performed at: (1) the platform; and (2) in another area?

**RESPONSE:**

a. Confirmed. If the BMC prepares either containers with only working sacks such that the container can be dispatched directly to the plant's opening unit or prepares containers with only sacks for a single delivery unit such that the container can be dispatched directly to the appropriate office

b. A plant would most likely employ a "bullpen" or "sawtooth" operation which consists of containers set up in a U-shaped configuration for manual sortation with the working mail container set up in the open end of the configuration. I am told that available information (if any) on manual sack sorting productivities is being provided in the responses to TW/USPS-T27-7 and 8.

c. Depending upon space availability, every effort is made to separate incoming sacks at a plant on the platform. Plants which have limited platform space separate incoming sacks in house.

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**TW/USPS-T42-6** In LR-L-49, at page 20, you describe the Periodicals Cost Reduction Initiative, about which you also testified in Docket No. R2005-1. You say:

> "The outgoing distribution of flat mail pieces prepared in mixed bundles has recently been consolidated into significantly fewer facilities and moved to automated processing whenever practical. This consolidation has also allowed for the outgoing distribution of bundles prepared in mixed sacks to be processed in a mechanized or automated environment instead of across sack racks and ensured that Periodicals are not transported through the air."

In your current testimony you say, at page 20:

> "The outgoing processing and distribution of flat mail pieces prepared in new mixed (residual) bundles and sacks will be performed at the origin processing facility along with First-Class Mail for destinations served by surface transportation This allows the mixed bundles and sacks to be processed in existing outgoing distribution operations and utilize existing surface transportation networks."

a. Into how many facilities have you consolidated the "distribution of flat mail pieces prepared in mixed bundles"? Please provide a list of all such facilities. Please also state whether the Postal Service has come up with a separate term with which to characterize these facilities. For lack of a better term, they are referred to in the following questions as "flats consolidation" facilities.

b. Are all "flats consolidation" facilities also designated as ADC's for Periodicals? If no, how many are not?

c. Are all Periodicals ADC's included among the "flats consolidation" facilities? If no, how many are not?

d. Does your statement about "distribution of flat mail pieces prepared in mixed bundles" also apply to the distribution of flats bundles prepared in mixed ADC sacks? In other words, if a mixed ADC sack is entered by a mailer, for example at an Associate Office, will that sack be transported to one of the "flats consolidation" facilities before being opened? If your answer is not affirmative, please explain the new policy for processing of Mixed ADC Periodicals sacks.

e. Please confirm that in order for outgoing mixed Periodicals flats to receive an outgoing distribution together with First Class flats, it is necessary for the mailer to place in separate bundles and in

separate sacks or other containers those flats that are addressed to destinations where First Class mail receives surface transportation. If this is not accurate, please explain fully the conditions under which Periodicals flats requiring outgoing distribution will be combined with First Class flats.

f. Please confirm that Periodicals flats requiring outgoing distribution that either are addressed to destinations where First Class flats receive air transport, or are mixed together with such flats, will be processed in outgoing distribution, as well as all subsequent distribution steps, along with Standard flats. If not confirmed, please explain.

g. Please confirm that Periodicals flats and flats bundles that receive outgoing distribution along with Standard flats, and that are addressed to destinations far from their origin, will travel through the BMC network.

h. How many of the "flats consolidation" facilities are located either at or close to a BMC?

i. How many of the "flats consolidation" facilities are located either at or close to an ASF?

j. Please confirm that all plants will continue to perform outgoing processing of First Class flats. If not confirmed, please explain.

**RESPONSE:**

a. The outgoing distribution of flats prepared in mixed bundles has been consolidated into 37 facilities, 34 of which process Periodicals (see list that follows). A separate term for these facilities has not been established, but they are often informally referred to as "L009 facilities".

DV DANIELS NJ
SAN JUAN PR
SPRINGFIELD MA
PHILADELPHIA PA
BUFFALO NY
PITTSBURGH PA
HARRISBURG PA
JCTM WASH DC
GREENSBORO NC
CINCINNATI OH
NORTH METRO GA
ATLANTA GA (STD and PKG SVCS only)

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JACKSONVILLE FL
MEMPHIS TN
ST LOUIS MO
DETROIT MI
INDIANAPOLIS IN
IRVING PARK RD IL
MINNEAPOLIS MN
DES MOINES IA
FARGO ND
SIOUX FALLS SD
BILLINGS MT
KANSAS CITY MO
DENVER CO
NORTH TEXAS TX
FT WORTH TX (STD and PKG SVCS only)
OKLAHOMA CITY OK
DALLAS TX (STD and PKG SVCS only)
SALT LAKE CITY UT
SEATTLE WA
PHOENIX AZ
ALBUQUERQUE NM
LOS ANGELES CA
OAKLAND CA
HONOLULU HI
ANCHORAGE AK

b. Of the 37 facilities listed in the response to subpart (a), all but two – Irving Park Rd, IL and Dallas, TX – are also ADCs for Periodicals.

c. No. There are 35 "flats consolidation" facilities that are also ADCs for Periodicals, leaving 68 facilities designated as an ADC for Periodicals that are not also "flats consolidation" facilities.

d. Yes.

e. Confirmed.

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f. In many cases, confirmed, though it should be noted that the combined product will be treated as Periodicals during subsequent distribution steps.

g. It can be confirmed that if direct transportation or transportation linked through a transfer center (e.g. HASP) does not exist from the "flats consolidation point to the destination plant, this volume could be dispatched to a BMC where it can be then transferred onto transportation to destinations far from the origin.

h. 24

i. 7

j. Not confirmed. The responsibility for the outgoing processing at a plant for a specific service area may be shifted to another plant.

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**TW/USPS-T42-7** The following questions concern the flow of Periodicals sacks and pallets through the network of ADC facilities. If precise answers to some questions are not possible, please provide at least rough estimates, based on your knowledge of the Postal Service's surface transportation network.

a. How many processing facilities are currently designated as ADC's for Periodicals?

b. Please confirm that the Postal Service's surface transportation network does not include direct transportation (without transshipping) between all possible pairs of Periodicals ADC's.

c. Please confirm that the Postal Service's surface transportation network does include direct transportation (without transshipping) between all possible pairs of BMC's If not confirmed, please state what the exceptions are.

d. Does the Postal Service have direct surface transportation between any pair in the extended BMC network that includes the ASF's?

e. Please assume that a given Periodicals ADC which is not a "flats consolidation" facility receives a sack or a pallet that is presorted to a distant (located in a different BMC service area) ADC. Roughly what are the probabilities of the following transportation paths for such a sack or pallet:

(1) origin ADC directly to destination ADC;

(2) origin ADC to origin BMC (or BMC annex) to destination BMC (or annex) to destination ADC;

(3) origin ADC to destination BMC (or annex) to destination ADC; or

(4) any other (please explain).

f. Please assume that a given Periodicals SCF which is neither an ADC nor a "flats consolidation" facility receives a sack or a pallet that is presorted to a distant (located in a different BMC service area) ADC. Roughly what are the probabilities of the following transportation paths for such a sack or pallet:

(1) origin SCF directly to destination ADC;

(2) origin SCF to origin ADC and directly to destination ADC;

(3) origin SCF to origin BMC (or BMC annex) to destination BMC (or annex) to destination ADC;

(4) origin SCF to origin ADC to destination BMC (or annex) to destination ADC;

(5) any other (please explain).

g. Same as part e above, except assuming the origin ADC is one of the "flats consolidation" facilities.

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**RESPONSE:**

a. 103

b. It is presumed that transshipping means moving a container off one vehicle and placing it onto another for transport to the final destination. Confirmed.

c. Confirmed.

d. Yes

e. I have no basis upon which to provide more specific, quantitative probabilities.

(1) Unlikely.

(2) Possibly.

(3) Very unlikely.

(4) Origin ADC to HASP to destination ADC, Origin ADC to HASP to HASP to destination ADC.

f. I have no basis upon which to provide more specific, quantitative probabilities.

(1) Unlikely.

(2) Unlikely.

(3) Possibly.

(4) Very unlikely.

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(5) Origin SCF to HASP to destination ADC, origin SCF to origin ADC to HASP to destination ADC, Origin SCF to HASP to HASP to destination ADC, origin SCF to origin ADC to HASP to HASP to destination ADC.

g. I have no basis upon which to provide more specific, quantitative probabilities.

(1) Unlikely

(2) Possibly.

(3) Very unlikely.

(4) Origin ADC to HASP to destination ADC, Origin ADC to HASP to HASP to destination ADC.

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**TW/USPS-T42-8** Please consider the following two scenarios. In the first, a mailer enters at the destinating SCF a 2,000 lb 3-digit pallet, with mostly carrier route bundles. In the second, the mailer enters at the destinating SCF a 1,750 lb 3-digit pallet and a 250 lb 5-digit pallet containing carrier route bundles for one of the DDU's served by the SCF. Assume that the given DDU has the ability to handle pallets.

Please respond to each of the following and explain each of your answers.

a. Based on your own experience, including that as Plant Manager of the Burlington, VT Processing and Distribution Facility, do you believe most plant managers would welcome the introduction of the extra (5-digit) pallet described above?

b. Do you believe that placing the carrier route bundles to a given DDU on a separate pallet, as described above, helps reduce Postal Service costs?

c. Considering the way that carrier route bundles on a 5-digit pallet normally are distributed to carriers at the DDU, do you agree that the chances of these bundles breaking prematurely are practically zero?

d. Do you agree that the value to the Postal Service of placing carrier route bundles on a 5-digit pallet, thereby avoiding at least one bundle sorting operation, depends primarily on the number of bundles on the pallet, rather than the weight of the pallet?

e. Might some plant managers even welcome 5-digit pallets containing less than 250 lbs, because of the avoided bundle sorting, reduced breakage and the ability to get the product to the DDU's faster?

f. Is there additional value to the Postal Service if the carrier route bundles on the 5-digit pallet are organized by carrier route?

g. Do you agree that the value to the Postal Service of making 5-digit pallets from larger 3-digit or ADC pallets is greater the closer that the pallets are entered to the destinating facility?

**RESPONSE:**

a. Yes.

b. Though not based on quantitative analysis, I believe that under the right conditions these pallets can reduce costs. When the smaller 5-digit

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pallets can efficiently be removed from a multi-stack of pallets – smaller pallets are often stacked and wrapped together for entry at a plant – and cross-docked onto a truck, this can be advantageous. However, if the smaller pallets cannot effectively be "unstacked" and cross-docked or the small volume on the pallet does not justify the space on the truck that will transport the mail to the appropriate delivery unit, the contents are likely to be consolidated into another container and much of the value of the 5-digit pallet is lost.

c. Bundles that are strapped and/or securely wrapped then placed on any pallet are unlikely to break open prior to distribution of the contents on the pallet.

d. For the most part, I agree. However, as described in the response to subpart (a), the overall benefit of the pallet will likely depend on the ability to cross-dock the pallet onto the truck that will transport the mail to the delivery unit. Though no single threshold exists that justifies placing the pallet directly on the truck, the judgment call is based on the space the pallet and contents will occupy – pallets are very unlikely to be stacked on delivery unit trucks, so the single pallet will occupy the entire pallet position. Therefore, weight would be a more appropriate measure of the space that the pallet and contents will occupy rather than the number of bundles.

e. They might.

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f. Based on the method likely used to distribute bundles on 5-digit pallets – bundles lifted off the pallet and placed in the appropriate carrier route container – I do not believe that organizing the bundles by carrier route would have significant additional value

g. I agree.

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**TW/USPS-T42-9** Please consider a flats mailer who makes up 5-digit pallets to four 5-digit zones served by the same SCF, but does not dropship, i.e., he enters these pallets at origin. Assume that each pallet weighs 250 lbs.

a. Please confirm that under current Postal Service regulations the mailer has the option of stacking the four pallets referred to above on top of each other, wrapping additional plastic around the stack of pallets and thereby effectively making one pallet out of four. Please describe also the precise requirements and the conditions under which such a combination of pallets is allowed.

b. Please confirm that the stack of four pallets described in part a will be handled in the postal system as a single pallet, until it reaches the destinating SCF, at which point it will be opened and the four 5-digit pallets will be transferred to their respective DDU's.

c. Please confirm that for pallets that are not dropshipped, combining several pallets that travel together as one pallet though the postal system helps avoid Postal Service costs.

**RESPONSE:**

a. Confirmed. The standards that specify how pallets can be stacked are defined in DMM 705.8.3, which can be found at http://pe.usps.com/text/dmm300/705.htm#wp1380958.

b. Partially confirmed. See conditions under which the 5-digit pallets could be transferred directly to their respective DDUs described in response to TW/USPS-T42-8, subparts (b) and (d).

c. Assuming that this combined pallet has the necessary stability such that it can be safely transported on Postal Service transportation, confirmed.

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**TW/USPS-T42-10** Please assume that a Periodicals flats mailer is able to enter a 2,000 lb ADC pallet at the destinating BMC/transfer hub for a given ADC. Assume that the ADC is also an SCF and that in addition it serves as ADC for three other SCF's.

Assume that the mailer decides instead to split up this ADC pallet into four SCF pallets, one for each of the four SCF's served by the ADC. Please discuss the implications of this decision for Postal Service costs and address the specific questions below.

a. Please confirm that the bundles to the three SCF's which are separate from the ADC itself in most cases will avoid one bundle sort by being moved to SCF pallets If this is not always the case, please explain the conditions under which it might not be the case.

b. Please confirm that the bundles to the three SCF's which are separate from the ADC itself, in addition to avoiding one bundle sort, will also have a reduced chance of premature breakage

c. Please confirm that a BMC has direct transportation to each SCF in its service area. If not confirmed, please explain when this is not the case.

d. Please confirm that the bundles to the three SCF's which are separate from the ADC itself will be able to travel directly to their respective destinating SCF's, whereas if they had remained on the ADC pallet they would have to first travel to the ADC and then, after the additional bundle sort, to travel from the ADC to the DSCF.

e. Do you agree that, all factors considered, splitting the 2000 lb ADC pallet referred to above into four smaller SCF pallets would help reduce Postal Service costs?

**RESPONSE:**

a. Partially confirmed. ADCs do sort bundles into 5-digit containers for delivery units or automated schemes served by SCFs which are separate for the ADC itself in order to minimize the rehandlings needed at the downstream SCFs. Also, ADCs with automated or mechanized bundle distribution may perform more extensive distribution for SCFs in the ADC service area that do not have similar technology to minimize the less efficient bundle distribution at these downstream SCFs. In these cases,

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an equal number of bundle sorts will be required on bundles to these destinations when placed on ADC pallets or when placed on SCF pallets.

b. Partially confirmed. See response to subpart (a).

c. Not confirmed. BMCs often do not have direct transportation to SCFs within their service area that are also served by an ASF.

d. Partially confirmed. See responses to subparts (a) – (c). Similar to the circumstances described in response to TW/USPS-T42-8b, if the smaller SCF pallets cannot effectively be unstacked and cross-docked or the small volume on the pallet cannot justify the space on the truck that will transport the mail to the appropriate SCF, the contents are likely to be consolidated into another container and much of the value of the pallet is lost.

e. With all of the complicating factors described in subparts (a) through (d), I do not believe I have enough information to state even anecdotally whether this scenario would reduce Postal Service costs in every case or even on the average.

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**TW/USPS-T42-11** Please assume that, in response to the proposed Periodicals container charge, meant to discourage use of sacks but in its present form also an incentive to use fewer pallets with less presort, Periodicals mailers reduce their current use of 5-digit pallets in favor of larger 3-digit pallets and reduce their current use of 3-digit pallets in favor of larger ADC pallets. Please discuss the likely consequences on costs and service. In particular, please address each of the following questions.

a. Please confirm that the reduction in Periodicals pallet presort levels described above will require the Postal Service to perform additional bundle sorting.

b. Please confirm that the reduction in Periodicals presort levels described above is likely to engender additional premature bundle breakage.

c. Is it possible that in some facilities the additional bundle sorting will put a strain on available automated and mechanized equipment capacity, causing some reversion to less efficient (i.e., manual) bundle sorting methods? If your answer is that this is not possible, please explain why not. If your answer is that it is possible, please explain how the Postal Service plans to cope with such a development, should it occur.

d. Please confirm that Periodicals share the available automated and mechanized bundle sorting equipment with several other products, e.g., Standard bundles, Priority Mail, etc., and that an additional strain on the available capacity could affect those other products as well. If not confirmed, please explain.

e. Please confirm that the need for additional bundle sorting steps described above may make it more difficult for the Postal Service to meet its service commitments – for Periodicals and possibly for other mail classes as well. Please explain also how the Postal Service plans to cope with such a development, should it occur.

**RESPONSE:**

a. Confirmed.

b. Confirmed.

c. An increase in bundle sorting requirements could put a strain on the ability of a given plant to perform this distribution. If bundle sorting requirements were to increase at a given plant, the plant would first utilize the excess capacity on the existing automated and/or mechanized equipment. If

additional capacity is still needed, it would then likely be absorbed by deploying additional automated or mechanized capacity and/or manual distribution. However, I believe that it is worth noting that a container change, which would encourage the preparation of fewer containers, would also create an incentive for mailers to prepare larger or combined mailings with fewer sacks and pallets that would have an offsetting impact on bundle distribution requirements due to the improved average container presort of larger mailings.

d. Partially confirmed. In some, but not all cases, Periodicals share the available automated and mechanized bundle sorting equipment with other products, e.g., Standard Mail bundles, Priority Mail, etc. In the cases where equipment is shared, a change in the bundle sorting requirements for Periodicals could affect the other products.

e. It may, but then again, it may not. The steps described in subpart (c) that are likely to be taken in response to any increase in bundle sorting requirements could have a detrimental, positive (e.g. additional equipment), or no significant impact on the ability of a plant to meet its service commitments. The adjustments that plants make in response to changes in volume are always considerate of the plant retaining the ability to distribute all volume within the available processing window(s) in accordance with the applicable service commitments.

# RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-12** Please comment on the risk of bundles breaking prematurely when sorted on an APPS machine versus the similar risk when bundles are sorted on an SPBS or manually. In particular:

a. Was reduced bundle breakage among the design objectives during the development of the APPS? If no, why not?

b. Based on your experience and observations, where facilities have moved bundle sorting from SPBS to APPS machines, has the problem with bundle breakage (1) been reduced; (2) become worse; or (3) remained about the same?

c. Has there been any quantitative study of bundle breakage as it relates to APPS machines? If yes, please provide the results of any such study.

d. Please describe current operating procedures for the APPS as regards actions to be taken when bundles break or are about to break.

e. Among the facilities that use APPS machines to sort flats bundles today, is it common practice to dump sacked flats bundles on the APPS, along with bundles from pallets or other containers? Do some facilities avoid putting sacked bundles on the APPS? If yes, how many?

**Response:**

a. Yes.

b. In facilities where bundle sorting has moved from SPBS to APPS equipment, bundle breakage is perceived to have become worse. Generally, this is not due to degradation in bundle quality but the limited ability to rescue and repair failing or broken bundles within the automated processes of the APPS compared to the SPBS (see USPS-T-42, pages 26 and 27 for more information).

c. I am not aware of a quantitative study on bundle breakage on APPS. Electronic Mail Improvement Reporting (eMIR) system is used to report mail

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piece irregularities nationwide, including at all APPS sites. See response to MPA/USPS-T42-4b for a brief summary of results of eMIR and bundle integrity in CY 2005.

d. The following procedures are used to secure the integrity of bundles that are about to break or are broken:

1. Remove broken bundle.
2. Counter-stack uneven pieces to form a more uniform bundle.
3. Re-band using strapping machine.
4. Ensure banding material does not cover address block.
5. Place bundle back onto load conveyor.

In the event that the integrity of the bundles has been lost to the extent that it cannot be recouped, the procedures for handling broken bundles are:

1. Collect loose pieces.
2. Orientate with address up and bound edge to the right.
3. Place in flat mail cart (FMC).
4. Flat tubs may be used when time is an issue and loose mail is in abundance.
5. When time permits, prep flat mail from tubs to FMC.

e. Facilities have sack shake-out operations that prepare sacked mail for processing on the APPS. The decision to redirect questionable mailings to SPBS equipment or manual units is made locally and on a case-by-case

basis. Questionable bundles in sacks are rerouted from the APPS on the same basis as questionable bundles on pallets.

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**TW/USPS-T42-13** Please comment on the relative use of APPS machines in postal facilities for (1) bundle sorting and (2) parcel sorting, and how it is likely to change in the future. In particular, please address the following questions.

a. Is it possible through either MODS or any other data base to determine the numbers of (1) parcels and (2) bundles that are sorted on the APPS machines? If yes, please provide FY2005 estimates for both.

b. Roughly what percentage of the items sorted on APPS machines in the test year do you expect to be flats bundles?

c. Roughly how many of the APPS machines currently deployed are used for: (1) parcel sorting only, (2) bundle sorting only; and (3) both parcel and bundle sorting?

d. Do you believe there is a difference in productivity (units per workhour) between bundle sorting and parcel sorting when performed on the APPS? If yes, please explain why and provide any available quantification of the difference.

e. To your knowledge, is any APPS machine used today for incoming secondary bundle sortation? If yes, how often does this occur? How often is it likely to occur in the test year?

f. Roughly how much time does it take to set up an APPS machine for a new sorting scheme? Please assume for the purpose of answering this question that the new sorting scheme will use all of the potential separations that APPS provides, so that all the recipient containers need to be replaced.

g. Given the large number of possible separations available on the APPS, and the costs of setting up the machine for a new scheme, do some facilities more or less permanently reserve sets of separations for particular sorting schemes, e.g., by reserving some separations for Priority parcels, another set of separations for flats bundles, etc.? If this practice is used, how common is it in facilities with APPS machines?

h. Is it possible that when an APPS is used to sort flats bundles the same sorting scheme is always used, thereby avoiding setup costs involved in changing to a new scheme? If yes, how often does this occur?

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**Response:**

a. For sort schemes on which both bundles and parcels are processed, the volumes of each cannot be readily separated and are reported as a combined product. The volume of pieces sorted (minus rejects) and the productivity for bundles and parcels on the APPS are:

| Mail type | Volume | Productivity |
|---|---|---|
| Combined Parcels and bundles | 162,012,214 | 448 |
| Priority Parcels | 144,383,489 | 403 |

Priority parcels are sorted separately. The difference in productivities can be attributed to the fact that Priority parcels have larger dimensional characteristics and typically use sacks or Gaylord boxes for dispatch. Sacks require frequent replacement because there are fewer pieces sorted per sack, and Gaylord boxes have to be replaced using pallet jacks as opposed to wire-tainers full of bundles which can be pushed and replaced manually.

b. I have no basis on which to provide the response. however, I do not expect it to be considerably different than today.

c. One APPS machine is currently processing only parcels while three APPS machines are processing only bundles. The balance of the APPS machines is processing both.

d. See response to subpart (a).

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

e. No. APPS is not likely to be used for incoming secondary bundle sortation in the test year.

f. The time to change-over an APPS sort scheme varies considerably due to the number of outputs (i.e., 100-200), configuration of the machine (i.e., open vs. closed loop), types of output containers "swept" (i.e., sacks, wire-tainers, Gaylord boxes, etc.), types of empty containers prepped on the machine, proximity of dispatch staging areas, availability of replacement containers, and crew size, etc. The goal is 30 minutes or less for a sort scheme change-over.

g. Such decisions are made locally by management to optimize the processing and dispatch of mail on/off the APPS. Reservation of bins is a fairly common practice as long as it fulfills the needs of the sort scheme (e.g., out of scheme, reject bins); though it is not likely that bins would be reserved for bundles on a Priority parcel scheme.

h. Yes. This is very common.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-14**

a. Do APPS machines have the capability to gather statistics on how many units are keyed to each destination? If yes, can one, for example, determine the percentage from a given sort scheme that is sorted to the 5-digit level?

b. When APPS machines are used for ADC bundle distribution, what percentage of the bundles are sorted to: (1) 5-digit separations; (2) 3-digit separations; (3) other SCF's served by the ADC; and (4) other separations (please specify)?

**Response:**

a. The APPS machine has the capability to gather statistics on how many units are sorted to each destination. This volume includes pieces resolved by Optical Character Reader (OCR), Bar-Code Reader (BCR) and keyed by Remote Encoding Center (REC).

Yes, at a facility level, the percentage of mail sorted on a given sort scheme to 5-digit level can be determined.

b. This information is not readily available at a national level, and this is complicated by the fact that many APPS used for ADC bundle distribution also perform SCF bundle distribution on the same scheme. However, an estimate could be generated by analyzing the Periodicals Mail Characteristics found in USPS-LR-L-91, specifically the percentage of each bundle by presort level prepared on ADC pallets and in ADC sacks.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY**
***TO INTERROGATORY OF TIME WARNER INC.***

**TW/USPS-T42-15**

Please describe the possible paths taken by a flats bundle whose address the APPS machine is unable to read, and the costs and approximate probability of each path. In particular:

a. Please confirm that the address for such a bundle may be resolved via remote encoding. If available, what percent of bundle addresses are resolved in this way?

b. Please confirm that such a bundle may be returned to the APPS feeding belt for another try at address resolution. If confirmed, how does one avoid the same bundle being returned over and over again?

c. Under what conditions will a bundle that passed through the APPS automatic reader without its address being resolved be sent to a manual bundle sorting operation?

d. Does an APPS crew include any employee(s) assigned to key items whose address could not be resolved by the automatic reader? If yes, how many?

**Response:**

a. Confirmed. Data providing separate figures for parcels and bundles is not available. Out of the 306,395,703 pieces processed on the APPS in FY 2005 (see response to TW/USPS-T42-13, subpart (a)), 42.02% were resolved by the REC.

b. Confirmed. The pieces that are re-fed to the semi-automatic induction station from the sorter for another try at address resolution are not returned back for a third try at address resolution and are sorted to the reject output bin.

c. APPS output rejects are routinely routed to an SPBS machine or to a manual unit for processing. The decision to route reject containers to an SPBS or

manual unit or reprocess the volume through the APPS is made by local management.

d. No. The crew at the site where the APPS is located is not assigned or qualified to key mail. The APPS are connected to Remote Encoding Centers (RECs) that serve several APPS sites concurrently. The number of employees assigned per site depends on the type, class, volume, number of induction stations and availability of personnel.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-16** Please describe the staffing of an APPS machine, including the number of employees from each craft and their various assignments. If this varies according to the configuration and use of a particular machine, please explain further.

**Response:**

The craft assigned to work on the APPS is mail handlers. The assignments and number of mail handlers on the APPS are categorized into the following:

Feed/load - 2-3 per induction station.

Semi-Automatic induction – 1 per semi-automatic induction station.

Sorter/sweep operations – 2-8. The staffing requirements of the APPS vary by configuration, number of induction stations (1-2), number of output bins (100-200), mail class, sort scheme, shape and availability of containers, number of allied personnel and local requirements, etc.

Powered industrial equipment (PIE) operators can also considered part of the APPS crew if they are not also assigned to work in other operations/units. PIE operators bring in working mail to the induction stations from staging area and take away dispatch mail to the dispatch staging/docks.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY**
***TO INTERROGATORY OF TIME WARNER INC.***

**TW/USPS-T42-17** Please describe the maintenance requirements for APPS machines, including the frequency of both scheduled and unscheduled maintenance and the amount of down time and number of maintenance personnel typically involved. When does scheduled maintenance typically occur?

**Response:**

The APPS daily preventative maintenance requirements are four hours per day. APPS has condition-based maintenance requirements that are determined by the utilization of the machine. Unscheduled maintenance cannot be predicted in terms of frequency, down-time or number of personnel involved.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-18**

In your testimony (p. 18, ll. 10-16) you describe the Flats Sequencing System (FSS), which you say "will be used to walk sequence flat mail pieces for delivery within a single or multiple 5-digit delivery zones." You indicate that "Deployment is expected to begin in April 2008 contingent upon successful testing and board approval."

Please describe the requirements that flats will need to meet in order to be processed on the FSS as it is currently envisioned. In particular:

a. Will all flats currently able to be sorted on the AFSM-100 also be able to be sorted on the FSS?

b. Will the FSS be able to sort flats currently considered non-machinable on the AFSM-100 machines? If yes, what kinds of non-AFSM-100 machinable flats will be able to be sorted on FSS?

c. Will flats that arrive through the UFSM mailstream, having been sorted on a UFSM machine in an outgoing or incoming primary operation, be processed on the FSS?

d. Will flats that arrive through the manual mailstream, having been sorted manually in an outgoing or incoming primary operation, be processed on the FSS?

e. Consider a 3/4 inch thick magazine with standard magazine length and height and weighing 2.5 pounds. Would it be considered a candidate for FSS processing? If no, where would such a magazine be sent if it arrived at an FSS machine?

f. Would a CD or DVD, enclosed in a cardboard cover, be considered a candidate for FSS processing? If no, where would the CD/DVD be sent if it arrived at an FSS machine?

g. Would flats that in this docket are referred to as "hybrid" be considered candidates for FSS processing?

h. Under what conditions would a newspaper be considered a candidate for FSS processing?

**Response:**

a. That is the expectation.

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b. FSS is designed to handle most of the mail that could be sorted on the UFSM, but it is premature to speculate on the precise capabilities of the production version.

c.-h. See my answer to part b. It should also be noted that even if the FSS machine is physically capable of processing rigid pieces, they are unlikely to be processed on the machine if that would result in an unstable FSS flats bundle It is likely not cost-effective to compensate carriers for picking rigid pieces out of the FSS bundle. See testimony of witness Coombs (USPS-T-44) in this case

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-19** You indicate (p. 18, ll. 12-13) that flats processed on an FSS machine will pass through it twice, resulting in flats in carrier walk sequence.

a. Please confirm that before the FSS starts the second pass for flats to a given zone, all the flats that are to be included in the FSS bundle that day must already be available and must have gone successfully through the first FSS pass. If not confirmed, please explain.

b. Please provide a rough timeline for FSS processing, based on how the Postal Service at the present time envisions implementation of this system in a postal plant serving a large metropolitan area. Specifically, please indicate the hours during which the FSS would perform the second pass, the hours before that when it would perform the first pass, and the approximate time at which the finished FSS product would be ready to be dispatched to the delivery units. Please provide approximate time intervals even if the Postal Service has not yet developed detailed plans.

c. In the situation described in part b above, and consistent with your answer to part b, approximately when is the latest time that a flat would have to arrive at the platform of the given plant in order to have a reasonable chance of being included in next day's FSS delivery? Please answer separately assuming that the flat is:

(1) part of the collection mailstream;
(2) on a 5-digit pallet;
(3) in a 5-digit bundle on a 3-digit pallet; and
(4) in a 3-digit bundle on a 3-digit pallet.

d. Please assume that after the completion of the second FSS pass the sequenced product is dispatched to a delivery unit that is an hour and a half away. Consistent with your answer to part b above, when, realistically, would carriers in that DU be able to take the mail to the street for delivery?

**Response:**

a. Confirmed.

b. – d. Tests are underway to develop the best operating strategy for the FSS machine. It would be premature to speculate on these questions.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-20** Please describe how the FSS will handle a flat whose address its automatic reader is unable to read. In particular?

a. Will the FSS have remote encoding capability? If yes, will it use such capability in both passes or just the initial pass?

b. If the FSS has an address resolved through remote encoding in the first pass, does it have a way of remembering the result when it encounters the same flat in the second pass? If yes, how?

c. What will be the disposition of flats whose address are not resolved on the FSS?

**Response:**

a. Yes, on the first pass only.

b. Yes, a Flats ID Code Sort (FICS) label is affixed to the flat (see USPS-T-42, page 15, for more information).

c. Manual processing.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-21**

Please describe in as much detail as possible the Postal Service's plans for managing the staging, storage and retrieval of the large volume of flats at plants that perform FSS processing, including the staging between the two FSS passes and including large volumes of flats that today are carrier route presorted and go directly to the delivery units. In particular:

a. Please confirm that all flats processed in the initial FSS pass must be stored and then retrieved for the second pass on the machine. Please confirm also that entering flats from pass 1 into pass two in the proper sequence is essential for correct results.

b. Does the FSS have its own storage and retrieval system? If yes, what is the capacity of that system?

c. Will flats between pass one and pass two be kept in flats tubs or some other container? Please explain.

d. What type of container will be used for the FSS product resulting from pass two?

e. Roughly how much floor space will be taken up by an FSS machine and its associated storage area?

**Response:**

a. Confirmed to both questions.

b. Yes. Current design layouts call for storage of 1,080 trays in the primary staging area.

c. Yes, the container is captive within the FSS machine.

d. A flats tray designed for carrier use.

e. Under current design plans, approximate machine square footage is less than 15,000 square feet, 5,000 square feet is added for storage and an additional 5,000 square feet for aisle space.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-22** Please state the approximate expected FSS throughput, staffing level and productivity rate for each FSS pass.

**Response:**

It is premature to speculate on the precise capabilities of the FSS production version or the operational procedures that will be employed.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-23** Will it be possible to bring a 5-digit pallet with unbundled flats directly to the FSS pass one input and to load the flats directly into the machine, *without a separate flats preparation process?*

**Response:**

It is premature to speculate on the precise capabilities of the FSS production version or the operational procedures that will be employed.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-24** Will the FSS have an automated induction capability, similar to that on some AFSM-100's?

**Response:**

Yes.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-25** Please refer to your answers to TW/USPS-T42-7, parts e, f and g. In those answers you refer to HASP's as likely transfer points in the transportation of Periodicals sacks and pallets between remote ADC's/SCF's. Your answer to TW/USPS-T42-6g also refers to the existence of HASP transfer centers for Periodicals.

Please confirm that HASP stands for 'Hub and Spoke Program' and is described as follows in the "Glossary Of Postal Terms" (USPS-LR-N2006-1/1):

> "For surface mail, primarily for 2-day committed mail. The HASP includes a central point ("hub") where mail for a group of offices ("spokes") can be unloaded from a series of incoming trips, massed according to their intended destination, and then sent on to that destination on another trip."

**Response:**

Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

***TW/USPS-T42-26***

a. Does the Postal Service have more than one transportation hub and spoke system? If yes, what are they?

b. Are the hubs (HASP's) that you refer to in your answers to TW/USPS-T42-7 the same as what have often been called Periodicals transfer hubs? If no, what is the difference?

c. How many hubs (HASP's) are there in the Periodicals surface transportation system?

d. How many of those hubs are BMC's?

e. How many are annexes attached or very close to a BMC?

f. How many are separate facilities used only for container transfer?

g. How many are (non-BMC) postal plants that also perform other kinds of mail processing?

h. How many are used primarily for the transfer of Periodicals?

i. Please list the hubs (HASP's) that currently are used to transfer Periodicals.

j. Do all HASP hubs accept mail directly from Periodicals mailers? If no, which ones do not and why don't they?

**Response:**

a. There is just one network of facilities designated as Hub and Spoke Program (HASP) facilities.

b. No, the HASP network supports several product groups, while the Periodicals transfer hubs are a select group of facilities, mainly Bulk Mail Centers (BMCs), where Periodicals pallets can be deposited in closer proximity to the destination for transfer to the appropriate destination plant or delivery unit.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

c. There will be 21 sites by the end of calendar year 2006.

d. One.

e. None.

f. None

g. Each of the HASPs performs some sack sortation.

h. None

i. Binghamton, Indianapolis, Salt Lake City, Phoenix, Atlanta, Orlando, Southeast (Clinton, TN), Dallas, Bronx, New Jersey, Northern (Westborough, MA), Busse (Chicago, IL).

j. None accept mail directly. They are not staffed for mail acceptance activities.

**RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.**

**TW/USPS-T42-27**

a. Do HASP's that are not BMC's perform sack sorting? If yes, would this sorting typically be performed in the type of bullpen or sawtooth operation that you refer to in response to TW/USPS-T42-4?

b. Do you believe that transfer hubs designed for consolidation and cross-docking of pallets and rolling containers generally perform such functions more efficiently than BMC's? Please explain your answer.

**Response:**

a. Yes to both questions.

b. It is difficult to compare the two different types of facilities. Their core duties are different as are their operating plans. However, it would be my expectation that a similar operation (e.g., bullpen) in both types of facilities would have similar efficiencies.

## RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-28** Will the configuration and function of HASP hubs be significantly different in the test year from what it is today? If yes, please describe all expected changes.

**Response:**

It is not possible to explicitly identify how the configuration of the HASP network will look in the test year as the network evolves, however, it is expected that there will be approximately 21 HASPs by the test year. The core functions of the HASP network facilities are expected to remain the same through the test year

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**TW/USPS-T42-29** In Docket No. R2005-1 you indicated, in response to interrogatory TW/USPS-T29-1, that employees working at the automated induction (AI) units attached to some AFSM-100 machines would be using MODS number 035. In response to TW/USPS-T29-9 in the same docket you indicated that "prepped" flats leaving an 035 operation would be weighed for determination of FHP at the subsequent flats distribution operation.

a. Please confirm that AI employees still use MODS number 035. If not confirmed, please explain.
b. Please confirm that flats inducted into an AFSM-100 after being "prepped" at an attached AI unit will be recorded as first handling pieces (FHP) to the AFSM-100. Please explain if not confirmed.
c. Please confirm that flats inducted into an AFSM-100 after being "prepped" at an attached AI unit will be recorded as total pieces handled (TPH) from operation 035. Please explain if not confirmed.
d. Please explain how the "weighing" to determine piece volume from the AI to the AFSM100 is accomplished. For example, is there an automatic piece count performed by the AI/AFSM system, or are records of some kind kept by AI/AFSM employees?

**Response:**

a. Not confirmed. MODS operation number 140 is used by AI employees for mail preparation.

b. Not confirmed. Flats inducted into an AFSM may also be second or third handling pieces, therefore, not recorded as FHP.

c. & d. Flat mail is no longer weighed to determine the volume of pieces processed on an AFSM 100. The End of Run (EOR) report provides a count for the total number of pieces processed through the AI/AFSM flats distribution operation.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**TW/USPS-T42-30** Please assume that a given mail processing plant uses AFSM-100 machines for most of its flats sorting but that the incoming secondary flats sorting to a particular 5-digit zone is done manually. Assume further that a rolling container (e.g., hamper, APC) at the plant contains 5-digit flats bundles to that 5-digit zone.

a. Please confirm that such a container will either:

(1) be transported to a flats preparation area (MODS 035); or

(2) be transported to a manual flats case, located either at the plant or in a delivery unit (DU)

If there are other possible paths for the container described above, please explain what they are and approximately how frequently they occur.

b. Please confirm that in the first case described in part a. above, the processing steps involved in distributing the flats in the container to carrier route are as follows. Please explain if any of the steps below do not normally occur, or if there are other steps that should be included.

(1) The container is transported to the 035 flats preparation area;

(2) an 035 employee takes a bundle from the container, removes the bundling material and orients the flats;

(3) the 035 employee places the flats from the broken bundle neatly on top of other flats in an ergo cart, making sure they are oriented the same way as the other flats;

(4) the ergo cart is transported to the manual flats case, located either at the plant or at a delivery unit;

(5) a clerk at the manual flats case grabs a bundle (handful) of flats from the ergo cart;

(6) the same clerk sorts the flats into the manual case; and

(7) the flats are swept and transported to the carriers who will deliver them.

c. Please confirm that in the second case described in part a. above, the processing steps involved in distributing the flats in the container to carrier route are as follows. Please explain if any of the steps below do not normally occur, or if there are other steps that should be included.

(1) The container is transported to the manual flats case, located either at the plant or at a delivery unit;

(2) a clerk at the manual flats case takes a bundle from the container, removes the bundling material and orients the flats;

(3) the same clerk sorts the flats into the manual case; and

(4) the flats are swept and transported to the carriers who will deliver them.

d. It might appear that when flats end up being sorted manually, a separate 035 type "prepping" operation before the flats are sent to the flats case simply adds handling steps and thereby costs, when compared with sending the bundles directly to the flats case where the same employee breaks the bundles and sorts the flats directly into the case. Please state whether you agree with this conclusion. If you do not agree, please explain why not.

e. Please confirm that the practice of "prepping" flats in a separate operation from where the flats are sorted exists in order to get the maximum productivity from the flats sorting machines. If not confirmed, please explain.

f. Please assume that the incoming secondary flats distribution to the 5-digit zone referred to above is performed only at the delivery unit Please confirm that in that case 5-digit bundles for the zone will not be "prepped" and the bundles will be sent unbroken to the DU

g. Please assume that the incoming secondary flats distribution to the 5-digit zone referred to above is performed manually at the plant rather than at the delivery unit. Will 5-digit bundles for the zone in that case be sent directly to the flats cases, or will they first be sent to a flats preparation area? If both are possible, please indicate which is most common.

**Response:**

a. It will be transported to the manual flats operation, located either at the plant or in a delivery unit (DU).

b. N/A

c. Confirmed.

d. I agree.

e. Confirmed.

f. Confirmed.

g. To the flats cases.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**TW/USPS-T42-31** Do employees at a manual 035 flats prepping operation have instructions to put aside certain flats that are not suitable for processing on the AFSM-100? If yes, what are those instructions?

**Response:**

Yes, flats that are not machinable on the AFSM 100 are segregated for processing on either the UFSM 1000 or manually. These pieces are segregated into a separate Flat Mail Cart (FMC) or a different container for dispatch to a UFSM 1000 or manual operation.

## RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-32** Please refer to the document in LR-L-145 that was provided in response to MPA/USPS-T42-7c and describes the standard operating procedures for Periodicals processing as of January 19, 2000.

a. Please confirm that the document in LR-L-145 does not describe the operating procedures for Periodicals that will be in effect in the test year.

b. Please provide the most recent document describing operating procedures for Periodicals processing.

c. Please confirm that (1) the 2000 document referred to above emphasizes the avoidance of "commingling" Periodicals with other mail classes and (2) current procedures allow for a great deal more commingling.

**Response:**

a. Confirmed.

b. Please refer to LR-L-158 for the most recent document describing operating procedures for Periodicals processing.

c. (1) Confirmed. (2) Confirmed.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**TW/USPS-T42-33** Please refer to your answer to TW/USPS-T42-29a, in which you indicate that MODS number 140 is used by AI employees for mail preparation.

a. Please confirm that MODS number 140 was not used during FY2005. If not confirmed, please provide the total FY2005 volume and workhours.

b. Will both volumes and workhours be recorded under MODS number 140? If volumes are recorded, will the MODS reports distinguish between volumes fed to different AFSM-100 sorting schemes (e.g., outgoing versus incoming)?

c. To the extent that AI systems were used for inducting flats in FY2005, were the AI workhours recorded under MODS number 035? If no, how where they recorded?

***Response:***

a. Confirmed

b. Yes and no, respectively.

c. Yes.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
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**TW/USPS-T42-34** Please refer to your answer to TW/USPS-T42-29b, in which you state: "Flats inducted into an AFSM may also be second or third handling pieces, therefore, not recorded as FHP."

a. Please note that the question referred only to flats inducted into the AFSM-100 via the AI system and state whether one can infer from your answer that the AI system is or will be used also to induct flats that already have been sorted at a previous flats sorting operation If this inference is correct, please state the circumstances under which the AI system will be used to induct flats from previous flats sorting operations and what advantages it offers for such flats.

b. Please confirm that MODS numbers 401-407 are used to record volumes and workhours at AFSM-100 machines that are equipped with AI systems. If not confirmed, what numbers are used and what is the use of MODS numbers 401-407?

**Response:**

a. Any flats requiring further sortation on the AFSM 100 will be inducted using the AI system. Flats received from a previous flat sorting operation do not require unbundling, de-compensating, or facing of the bundles, as the flats are received in a flat mail tray ready to be prepped into an Automation Compatible Tray (ACT).

b. Not confirmed. MODS 401-7 are used for AFSM 100 machines equipped with ATHS. MODS 461-7 are used for AFSM 100 machines equipped with AI. MODS 141-7 are for the AFSM 100s with both.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-35** In your response to TW/USPS-T42-12d you describe current procedures for dealing with bundles that break on an APPS machine.

a. Do the procedures you describe in that answer also apply to bundles that break during: (1) an SPBS bundle sorting; (2) a LIPS bundle sorting; or (3) manual bundle sorting from an opening belt? If the procedures differ in any way, please describe the differences.

b. In Docket No R2001-1, witness Kingsley provided, as part of her response to AOLTW/USPS-T39-10 (Tr. 9/2173-74), a copy of an April 3, 2001 letter to "Managers, In-Plant Support," signed by Mr. O'Tormey, that stresses the importance of package recovery. Is there any more recent set of written instructions to plant managers dealing with the subject of package recovery? If yes, please provide a copy If no, please state whether the instructions in the letter referred to above still apply and, to the extent that they do not, explain what is different today.

c. The April 3, 2001 letter referred to above complained that the recommended procedures for package (bundle) recovery often were not followed, that many plants had no recovery plan in place and that many continued to key individual pieces (from broken bundles) on the SPBS machines. Based on your observations of mail processing plants today, do you believe that plants today do have a plan for recovery of broken bundles and that recommended procedures generally are being followed? If no, what steps are being taken to improve the situation?

d. Assume that during an APPS, SPBS/LIPS or manual bundle sorting operation a bundle is observed that still is intact but appears to have been weakened in some way, so that it is at risk of breaking under subsequent bundle handlings. What instructions apply to such bundles at different types of bundle sorting operations? Should employees whenever practicable attempt to reinforce such bundles?

e. When the pieces in a broken bundle are still together, is bundle recovery always the preferred action? If no, what are the exceptions?

f. In your observation, approximately what percentage of broken bundles are able to be recovered in today's operating environment? If it is impossible to specify even a rough percentage, please state at least whether you think it is more or

less than 50%. Additionally, please indicate how you believe the percentage may vary among various types of bundle sorting operations.

g. Has the Postal Service performed any survey to determine the percentage of broken bundles that end up being recovered in current bundle sorting operations? If yes, please describe any such survey and its results, and provide copies of any available documentation.

h. Please assume that a mail processing employee sees a broken bundle on an APPS, SPBS or manual opening belt and that the pieces in the bundle still are together, so that recovery is possible. Approximately how much time would it typically take this employee to remove the bundle, reinforce it and place it back on the belt? Is it likely that such an operation could take as much as a half minute?

i. Has the Postal Service performed any survey to determine the average time it takes an employee to recover a broken bundle and repair it? If yes, please describe any such survey and its results, and provide copies of any available documentation

**Response:**

a. In addition to the steps described in TW/USPS-T42-12d, the operators on SPBS, LIPS and manual bundle sorting operations have the ability to "perfect" each questionable bundle before sortation due to individual bundle handling by the operators. Rubber-bands and straps are often used in such operations to secure broken bundles. The ability to handle an individual bundle is limited on the APPS due to automated processing.

b. See response to TW/USPS-T42-12d. The instructions provided are a part of the recent Certification & Standardization process that is used to certify APPS machines in the field. Since the letter in question, APPS has been deployed at certain sites and Electronic Mail Improvement Reporting (eMIR) is used in lieu of PS form 3749.

c. Generally speaking, all plants with SPBS machines have a recovery plan for broken bundles and keying of individual pieces is discouraged.

d. Employees should attempt to reinforce such bundles whenever practicable.

e. If the order of the pieces has not been jeopardized e.g., in a carrier-route bundle, bundle recovery is always the preferred action.

f. No data exists that quantifies the extent of bundle recovery. Based on my observations, in facilities where bundle sorting is still on SPBS equipment or in manual units, recovery of broken bundles can be estimated to be over 50%. In facilities with APPS the percentage of recovery of broken bundles would be considerably less due to the automated handling environment.

g. I am not aware of any such survey.

h. Assuming that recovery of the broken bundle is possible within reasonable limits, the time taken to reinforce a broken bundle depends on the equipment, location of the broken bundle, proximity to banding / strapping material and equipment, etc. For example, SPBS keyers may have access to rubber-bands at the induction stations for reinforcing questionable bundles. SBPS and APPS feed station operators may have access to a strapping machine. It is likely that such an operation could take half of a minute or more.

i. I am not aware of any such survey.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-36** Please describe the various types of sacks currently being used by the Postal Service as well as any new types of sacks that it may use in the future. Please describe the characteristics of various types of sacks in terms of size, durability, opening/closing methods (e.g., use of strings, padlocks, Velcro, etc.) and other handlings characteristics that affect costs and carrying capacity. Please identify also the types of sacks commonly used for different classes and shapes of mail as well as those used for the Postal Service's internal operations and indicate which types of sacks will continue to be commonly used as the Postal Service reduces its total sack use

**Response:**

Please refer to *Postal Bulletin* 221466, 01/20/2005, pages 76-78 and *Postal Bulletin* 22180, 05/11/2006, pages 41-42 for articles on two new sacks which are replacing much of the previous sack stock. The May 11 article indicates that the new sacks will be deployed over the next 6 to 12 months. The only existing sack stock which will be retained is EIRS 09, the registry sack, and 18G, the security liner. The Postal Bulletin articles include pictures of the sacks unfilled, being filled, and closed. Pictures of the retained sack stock appear below.

In general, number one and two sacks are for flats and bundles of letters (green First-Class, brown Periodicals, white Standard). Number 3 sacks are used for Package Services.

Canvas sacks (except EIRS 09) and Plastic Sacks (except EIRS 01V and 03V) are closed with a drawstring. EIRS 09 and the nylon sacks are closed by tightening a strap around the top of the sack until it can be latched closed. EIRS 09 would also have a lock applied to the latch so that an unlocking device is require to open the sack. EIRS 09 is used for internal operations.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF TIME WARNER INC.

The current sacks are:

1. EIRS 01 – Codura Nylon domestic Mailbag w/Locking Cord fastener closure, Size 31.00"W x 41.00"L

2. EIRS 01VM - Semi-Clear plastic mailbag w/Velcro closure, Size 31.50"W x 44.50"L

3. EIRS 03VM - Semi-Clear plastic mailbag w/Velcro closure, Size 31.50"W x 34.50"L

4. EIRS 09 - Codura Nylon registered Mail pouch w/strap closure, Size 31.00"W x 40.00"L

5. EIRS 12M – Airmail Nylon Priority Mail pouch w/strap closure, Size 31.00"W x 41.00"L

6. EIRS 13 – Airmail Nylon First Class Mail pouch w/strap closure, Size 31.00"W x 41.00"L

7. EIRS 18G – Airmail Nylon Security Liner, Size 70.00"W x 64.00"L

8. EIRS 20M – Airmail Nylon Express Mail pouch w/strap closure, Size 31.00"W x 41.00"L

In addition, the following are used less frequently

1. EIRS 01P (#1) – Plastic mailbag w/ drawtape and plastic label holder closure, Size 31.00"W x 40.00"L

2. EIRS 02P (#2) - Plastic mailbag w/ drawtape and plastic label holder closure, Size 24.00"W x 40.00"L

3. EIRS 03P (#2Brn) – Plastic mailbag w/ drawtape and plastic label holder closure, Size 24.00"W x 40.00"L

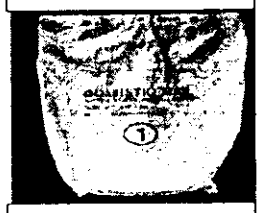
4. EIRS 04P (#3) - Plastic mailbag w/ drawtape and plastic label holder closure, Size 24"W x 25"L

5. EIRS 05 - (#3Brn) - Canvas/Cotton Brown Sack w/cord and metal label holder closure, Size 25"W by 24"Long

6. EIRS05P (#3Brn) - Plastic mailbag w drawtape and plastic label holder closure, Size 24"W x 25"L

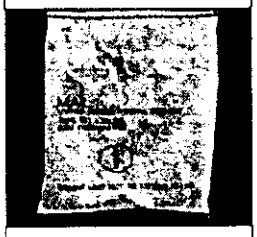
# MAIL TRANSPORT EQUIPMENT LIST
# MAILBAGS

## EIRS 01



#1 SACK WHITE
CANVAS, CORDURA,
MIXED
40 X 31
200 PER PALLET

## EIRS 01P

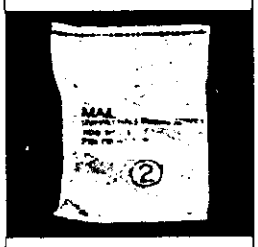


#1 SACK PLASTIC
WHITE
39 X 30
500 PER PALLET

## EIRS 01V

#1 SACK PLASTIC
CLEAR
44.5 X 32.5
500 PER PALLET

## EIRS 02P

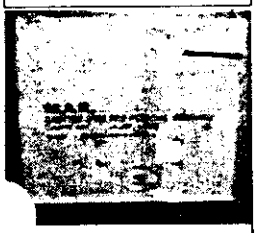


#2 SACK PLASTIC
WHITE
36 X 27
500 PER PALLET

## EIRS 03P

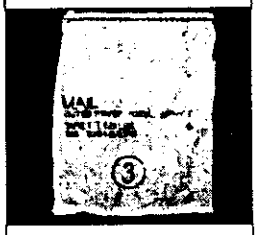
#2 SACK PLASTIC
BROWN
36 X 27
500 PER PALLET

## EIRS 03V



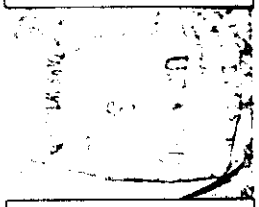
#3 SACK PLASTIC
CLEAR
34.5 X 25
500 PER PALLET

## EIRS 04P



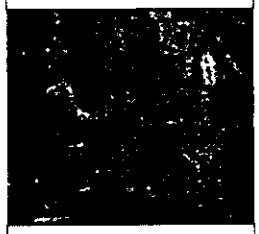
#3 SACK PLASTIC
WHITE
30 X 24
500 PER PALLET

## EIRS 05



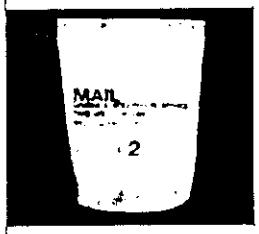
#3 SACK BROWN
CANVAS, COTTON,
POLY
25 X 24
650 PER PALLET

## EIRS 05P



#3 SACK PLASTIC
BROWN
25 X 23
500 PER PALLET

## EIRS 09

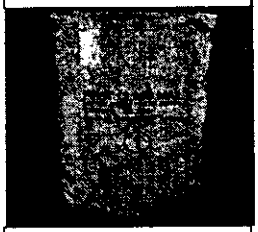


#2 POUCH CANVAS
CORDURA WHITE
40 X 24
200 PER PALLET

## EIRS 12M

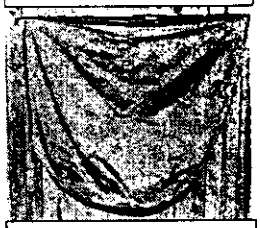
US PRIORITY NYLON
MODIFIED
40 X 31
600 PER PALLET

## EIRS 13



FCM #1 POUCH
NYLON GREEN
36 X 24
400 PER PALLET

## EIRS 18G



SECURITY POUCH
LINER, NYLON
RED, GREEN OR GREY
31 X 42 X 49
50 PER PALLET

## EIRS 20M

LG EXPRESS POUCH
NYLON MODIFIED
40 X 31
600 PER PALLET

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-37**

a. Please describe the conditions under which a facility using an FSM-1000/UFSM-1000 machine would do so under respectively:
   (1) MODS numbers 196-197;
   (2) MODS numbers 305-308
   (3) MODS numbers 441-448;
   (4) MODS numbers 450-451;
   (5) MODS numbers 461-468; and
   (6) MODS numbers 811-819

b. Please confirm that the FSM-1000/UFSM-1000 can be used in either an automated feed mode with a single feeding station or in a manual feed/manual key mode. Please state also whether it is possible to use the two modes simultaneously and any restrictions that may apply to such simultaneous use.

c. Which MODS numbers are used with the automated feed mode and which are used with the manual feed/key mode?

d. Do these machines still have a manual feed/automated read mode, as they used to have before being equipped with automated feeding stations? If yes, when is such a mode used and with which MODS numbers?

e. Your testimony states (at page 19):

> The pieces processed on the UFSM 1000 in today's operating environment have many of the same characteristics as those processed on the AFSM 100s, but the flats can be thicker and/or heavier. In plants with both AFSM 100s and UFSM 1000s, the UFSM 1000s are often utilized as an additional piece of flat sorting equipment, with unique responsibilities in terms of the schemes processed on the machine.

Would you also say that many of the flats processed on UFSM 1000 machines could also be processed on an AFSM-100?

f. Assume that a group of oversized or overweight magazines are identified in the bundle preparation stage as unsuitable for AFSM-100 processing and that they instead are taken to an FSM-1000/UFSM-1000 machine. In what mode is that machine likely to be run to process these flats and what MODS number is likely to be used?

g. Assume that some Periodicals in newspaper format are identified as unsuitable for AFSM-100 processing and that they instead are taken to an FSM-1000/UFSM-1000 machine. In what mode is that machine likely to be run to process these newspapers and what MODS number is likely to be used?

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF TIME WARNER INC.

**Response:**

a. (1) MODS numbers 196-197 have recently been updated to reflect UFSM 1000 OCR international mail processing; (2) MODS numbers 305-308 pertain to international mail mechanized processing; (3) MODS numbers 441-448 pertain to UFSM 1000 processing of outgoing primary and outgoing secondary, incoming primary and incoming secondary, Managed Mail, incoming SCF, Box Section, and incoming non-scheme flats. (4) MODS numbers 450-451 pertain to UFSM 1000 processing of outgoing Priority Mail and incoming Priority Mail flats; (5) MODS numbers 461-468 have recently been updated to reflect AFSM 100 processing in automatic induction (AI) mode for outgoing primary and outgoing secondary, incoming primary and incoming secondary, Managed Mail, incoming SCF, Box Section, and incoming non-scheme flats. (6) MODS numbers 811-819 have recently been updated to reflect UFSM 1000 OCR processing for outgoing primary and outgoing secondary, incoming primary and incoming secondary, Managed Mail, incoming SCF, Box Section, and outgoing Priority and incoming Priority flats.

b. Confirmed. I am not aware of any restrictions that may apply to simultaneous use.

c. MODs numbers on the UFSM 1000 used in the automated feed mode are 196-197, and 811-819. MODs numbers used in the keying mode are 305-308, and 441-451.

d. No.

e. Yes.

f. & g. The UFSM 1000 flat sorter is more likely to be run in the keying mode for processing both oversized or overweight magazines and/or Periodicals using MODS numbers in the 440 series for processing flats on the UFSM 1000.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-38** What are the current guidelines for how many carrier routes a 5-digit zone should have before it is considered worthwhile to perform its incoming secondary flats distribution on automation rather than manually? For example, if a 5-digit zone has only five carrier routes, is incoming flats secondary distribution likely to be performed manually? What if there are ten carrier routes, etc.?

**Response:**

A 5-digit zone should have sufficient volume -- approximately 500 or more pieces per route per day -- to warrant incoming secondary flats distribution on automation. In addition, any zone with 10 or more routes, regardless of volume, should also be on automation.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORIES OF TIME WARNER INC.

**TW/USPS-T42-39** Part c of MPA interrogatory MPA/USPS-T42-1 to you was redirected to witness Smith. In his answer, witness Smith indicates that according to IOCS tallies of manual sorting of Periodicals flats at post offices, stations and branches, only 63.6% is for incoming secondary distribution. Review of the remaining tallies will show that most of them have a value "C" in the response to Question 18D02, indicating a manual incoming primary sort.

a. Is it true that a significant portion of incoming primary flats distribution today is performed not in the plants, where there is access to automated sorting, but in local post offices, stations and branches? If yes, please describe the conditions under which this occurs and any plans the Postal Service may have for bringing this sorting into the plants where automated flats sorting is available.

b. Do some associate offices refer to their incoming flats distribution as an incoming primary sort, even if it may result in a distribution of flats to carrier route? If yes, how frequently does this occur?

c. Do any local post offices, stations and branches in today's postal system perform outgoing flats distribution? If yes, how frequently does this occur and for what reasons?

**Response:**

a. No.

b. No. I am not aware of any associate office that refers to the incoming secondary flats distribution as an incoming primary flats sort.

c. No. I am not aware of any post office, station or branch that performs outgoing flats distribution.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF TIME WARNER INC.

**TW/USPS-T42-40** *Your answer to TW/USPS-T42-36 and the two Postal* Bulletin articles referred to in that answer indicate that the Postal Service is replacing almost all types of sacks currently in use with two new sack types, named EIRS 01VM and EIRS 03VM.

a. Please confirm that the new sacks will be used both by postal customers, including Periodicals mailers, and at internal Postal Service operations such as sack racks.

b. Will 01VM or 03VM normally be used by Periodicals mailers, or will both be used?

c. Will either the 01VM or 03VM come in more than one color? If yes, which colors will be used?

d. Will the ability to recognize sacks in postal facilities as containing Periodicals simply because they are brown continue to exist after the current stock has been replaced by 01VM and 03VM sacks? If yes, how?

e. Will the ability to recognize Priority, Express Mail, First Class, etc sacks simply from their color continue to exist in postal facilities after the current stock has been replaced by 01VM and 03VM sacks? If yes, how?

f. Approximately what is the purchase prize and expected number of times used before replacement for (1) the 01VM and (2) the 03VM?

g. Sacks that break open and spill their contents, for example while on a BMC sack sorter, have been known as a problem in the past. Please describe any experience that the Postal Service may have to date regarding the ability of the Velcro closures on the 01VM and 03VM sacks to hold up during the types of rough handling sacks encounter in the postal system.

h. Please confirm that Velcro closures generally will be subject to more stress when sacks are full and describe any experience regarding the volume that can safely be placed in each of the new sacks.

**Response:**

a. Confirmed.

b. Both may be used.

c. No, the bags are translucent.

d. No.

e. No.

f. The bags cost $.55 and $.75. There should be approximately 8 uses per bag before it needs to be replaced.

g. There have been few reports of problems with the Velcro closures releasing. Problems may occur if a complete seal is not made by pressing the two sides of the fastener together firmly

h. Problems may occur if the bags are filled beyond the fill line established for each bag. They are designed to hold up to 70 pounds of mail.

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY FROM TIME WARNER REDIRECTED FROM WITNESS MILLER**

**TW/USPS-T20-9**

a. Please confirm that in reality some non-carrier route flats do undergo manual incoming secondary sorting even if none of the conditions described in the previous interrogatory hold, for example when:

   (1) the facility serving the flat's destination ZIP code has an AFSM-100 machine but no scheme on that machine for the 5-digit zone that the flat is destined to;

   (2) available machine capacity is insufficient to process all eligible flats in time for a critical dispatch

   Please explain if you cannot confirm.

b. Are you aware of still other reasons why a non-carrier route flat may end up undergoing manual incoming secondary sorting in today's postal system? If so, please specify them.

**Response:**

(a) Confirmed.

(b) I can think of the following circumstances that could lead to non-carrier route flats being processed manually: some plants maintain "hot 2C" lists in which mail pieces are, to a large extent, processed manually to minimize the potential for service issues, some plants maintain separate manual operations for processing newspapers due to the problems associated with placing some of those mail pieces on equipment, mailings could be entered after the automation incoming secondary processing window had expired, mail for a class with significantly higher volume (e.g., Standard Mail) could be given processing precedence over mail for a class with lower volume if the classes are processed to maintain a separation and the equipment cannot be used to finalize both mail classes within the processing window, equipment breakdowns could result in the

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY FROM TIME WARNER REDIRECTED FROM WITNESS MILLER**

implementation of contingency processing plans, power outages/disruptions could result in the implementation of contingency processing plans, adverse weather conditions could affect the staffing level and transportation network and result in the implementation of contingency processing plans, and mail from upstream operations could be delayed.

# RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF TIME WARNER REDIRECTED FROM WITNESS TALMO

**TW/USPS-T27-3.** Please assume that a rolling container (e.g., hamper, APC) arrives at an SCF with Periodicals sacks that have been placed in that container at an upstream postal facility. Assume further that the container includes sacks with SCF, 3-digit, 5-digit, carrier routes and carrier route presort. Assume also that some of the 5-digit, carrier routes and carrier route sacks will be transferred to their respective DDUs before being opened, i.e., the SCF is not the destinating facility for all the sacks in the given container.

a. Please confirm that before the 3-digit/SCF sacks in this container can be dumped at a 3-digit/SCF bundle sorting operation they must be separated from the 5-digit, carrier routes and carrier route sacks that arrived in the same container. Please confirm also that, unless the SCF has a sack sorting machine capable of reading sack labels, performing such a separation involves at least (1) manually reading the sack label and (2) manually placing the sacks that are to be taken to the 3-digit/SCF bundle sorting operation in a separate container. Please explain if not confirmed.

b. Please confirm that before the 5-digit, carrier routes and carrier route sacks to a particular 5-digit zone can be moved to their respective bundle dumping/sorting operations they must be separated from sacks to other 5-digit zones as well as from the 3-digit/SCF sacks that are in the same container. Please confirm also that, unless the SCF has a sack sorting machine capable of reading sack labels, performing such a separation involves at least (1) manually reading the sack label and (2) manually placing the sacks for that 5-digit zone in one or more separate containers. Please explain if not confirmed.

**RESPONSE:**

(a)-(b) Confirmed, but these separations described in subparts (a) and (b) are accomplished together in a single operation (i.e., the sacks are not handled twice).

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF TIME WARNER REDIRECTED FROM WITNESS TALMO**

**TW/USPS-T27-4**. Please assume that a rolling container (e.g., hamper, APC) arrives at an ADC with Periodicals sacks that have been placed in that container at an upstream postal facility. Assume further that the container includes sacks with ADC, SCF, 3-digit, 5-digit, carrier routes and carrier route presort.
Please confirm that before the ADC sacks in this container can be dumped at an ADC bundle sorting operation they must be separated from the sacks with higher presort level that arrived in the same container Please confirm also that, unless the ADC has a sack sorting machine capable of reading sack labels, performing such a separation involves at least (1) manually reading the sack label and (2) manually placing the sacks that are to be taken to the ADC bundle sorting operation in a separate container. Please explain if not confirmed.

**RESPONSE:**

Confirmed.

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF TIME WARNER REDIRECTED FROM WITNESS TALMO**

**TW/USPS-T27-5.** Please assume that a BMC is sorting Periodicals sacks that are then sent to different SCF's and ADC's in the BMC service area.

a. Is it likely that such a BMC sack sort operation would place the 3-digit sacks to the particular SCF in a container separate from the container(s) into which 5-digit, carrier routes and carrier route sacks to the same SCF are sorted? If you believe this is likely, then please provide an approximate estimate of the percent of 3-digit sacks, sorted to the destinating SCF by a BMC, that are segregated at the BMC from sacks with higher presort going to the same SCF.

b. Is it likely that such a BMC sack sort operation would place the sacks to a particular 5-digit zone within the SCF in a container separate from the container(s) into which other sacks to the same SCF are sorted? If you believe this is likely, then please provide an approximate estimate of the percent of 5-digit sacks, sorted to the destinating SCF by a BMC, that are segregated at the BMC from sacks to other 5-digit zones within the same SCF.

**RESPONSE:**

(a) No, not likely.

(b) No, not likely.

**RESPONSE OF POSTAL SERVICE WITNESS McCRERY TO INTERROGATORIES OF TIME WARNER REDIRECTED FROM WITNESS TALMO**

**TW/USPS-T27-6**. Please assume that an outgoing sack operation at a Periodicals ADC sorts sacks destined to other ADCs. Consider the sacks to a given destinating ADC that is not also the originating ADC.
Is it likely that such an outgoing ADC sack sort operation would place the ADC sacks to the given destinating ADC in a container separate from the container(s) into which SCF, 3-digit, 5-digit, carrier routes and carrier route sacks to the same ADC are sorted? If you believe this is likely, then please provide an approximate estimate of the percent of ADC sacks, sorted to the destinating ADC at the originating ADC, that are segregated at the originating ADC from sacks with higher presort going to the same destinating ADC.

**RESPONSE:**

No, not likely.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF UNITED PARCEL SERVICE

**UPS/USPS-T42-1.** Refer to USPS-T-42, page 6, where you state that there are over 5,200 Delivery Barcode Sorters deployed across the Postal Service network.
(a) Refer to the facility classification employed by Witness Van-Ty-Smith, USPS-T-11, page 3, in which she divides facilities into BMCs, MODS offices, and non- MODS offices. Approximately how many of the 5,200 DBCS machines that you refer to are located in each of these three types of facilities?
(b) How many DBCS machines will be located in a typical MODS facility?
(c) What is the minimum number of DBCS machines that will be located in a MODS facility?
(d) What is the maximum number of DBCS machines that will be located in a MODS facility?
(e) For those instances in which a MODS facility is equipped with multiple DBCS machines, discuss in detail how the workload will typically be divided across these machines. Will they operate simultaneously? What sortation activities will be carried out in parallel?
(f) What factors determine the number of DBSC machines that will be installed at a particular MODS facility?
(g) Are decisions ever made to increase the number of DBCS machines installed at a MODS facility? If so, what changes in circumstances will trigger the decision to install additional machines?
(h) Are decisions ever made to decrease the number of DBCS machines installed at a MODS facility? If so, what changes in circumstances will trigger the decision to remove machines?

**Response:**

a. The response is forthcoming.

b. See VP/USPS-T42-3.

c. One.

d. There is no preset maximum. See VP/USPS-T42-3.

e. Workload consists of a volume of letters that must be sorted in a specific manner, called a sort plan or scheme, in a time interval defined by when the mail is available for sorting, when the DBCS machines become available, and when the volume of mail must be completely sorted according to that sort plan. DBCSs will operate simultaneously to the extent that the workload

requires multiple machines. Typically, outgoing sorts will run simultaneously on multiple machines, but they may not be the same sort plan. For example, if the facility has exactly two DBCS, each with a different number of sort stackers, then each DBCS would run a different outgoing primary sort plan. Furthermore, one may be operating in a barcode sorting mode (e.g., FIM mail) and the other in an ISS (image capture) mode. Incoming primary and SCF schemes may also require multiple machines, although not as commonly as outgoing primary. Conversely, it would be quite unusual to see the same incoming secondary sort plan running on two different machines. It is important to distinguish between the type of sort plan and the individual plans For example, in the early morning (e.g., 3 am to 6 am) most or all DBCSs would commonly be running incoming secondary volume (including DPS), but it would be quite unusual to see the same incoming secondary sort plan on two different machines.

f. Workload and available floor space.

g. Changes in workload or available floor space can trigger a decision to increase the number of DBCSs in a facility.

h. Changes in workload or available floor space can trigger a decision to decrease the number of DBCSs in a facility.

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORIES OF UNITED PARCEL SERVICE

**UPS/USPS-T42-2.** Refer to USPS-T-42, page 21, where you state that periodicals are sometimes sorted manually in order to avoid service failure. Describe in detail the operational conditions that create a risk of this type of service failure and trigger a decision to rely on manual sortation.

**Response:**

See response to TW/USPS-T20-9.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-1.**
Please refer to your testimony at page 4, with respect to the Advanced Facer Canceller System ("AFCS"). Regarding the 1,083 AFCS machines you mention at page 4, line 8:
a. How many Postal Service facilities have only one AFCS machine?
b. How many Postal Service facilities have exactly two AFCS machines?
c. How many Postal Service facilities have exactly three AFCS machines?
d. How many Postal Service facilities have more than three AFCS machines?
e. Is Periodical letter-shaped mail (*e.g.*, newsletters) processed on AFCS machines?
f. To what extent, if any, are Standard Regular or Nonprofit letters processed on AFCS machines?

**RESPONSE:**

a. Number of facilities with exactly one AFCS machines 44

b. Number of facilities with exactly two AFCS machines. 76

c. Number of facilities with exactly three AFCS machines 34

d. Number of facilities with more than three AFCS machines 121

e & f. To a minimal extent machinable letters of all mail classes are processed on the AFCS. For example, machinable Periodicals, Standard Regular or Nonprofit letter mail pieces that are mis-delivered or marked 'Return to Sender' by the recipient and deposited in collection mail are processed on the AFCS.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-2.**

Please refer to your testimony, at pages 4-5, regarding the Multiline Optical Character Reader ("MLOCR").
a. At page 5, lines 5-6, you state that 646 MLOCRs will be replaced by DIOSSEC machines. Over what time period is the replacement of these 646 MLOCRs scheduled to occur?
b. How many MLOCRs will be replaced by May 2007?

**RESPONSE:**

a. The replacement of 646 MLOCRs with DIOSS-EC machines and DIOSS kits/upgrades is occurring concurrently with the removal of the MLOCRs. Removal of the MLOCRs began in September 2005 and is expected to be completed in June 2007. Deployment of the new DIOSS-EC machines and kits began in January 2006 and is also expected to be completed in June 2007

b. 630 MLOCRs are expected to be replaced by May 31, 2007.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-3.**

Please refer to your testimony, at page 6, regarding the Delivery Bar Code Sorter ("DBCS").
a. Of the more than 5,200 DBCS machines mentioned at page 6, line 12, please indicate how many facilities have 1, 2, 3, 4-5, 6-10, or more than 10 DBCS machines.
b. What is the largest number of DBCS machines at any facility?
c. If more than one facility has the largest number, please indicate how many facilities have that number of DBCS machines.

**RESPONSE:**

a. The DBCS machines for a particular facility, as reported below, may not be all under one roof but a portion may be at, for example, a supporting annex nearby.

Number of facilities with 1 DBCS machine: 17.

Number of facilities with 2 DBCS machines: 58.

Number of facilities with 3 DBCS machines: 41.

Number of facilities with 4-5 DBCS machines: 77.

Number of facilities with 6-10 DBCS machines: 97.

Number of facilities with more than 10 DBCS machines: 160.

b. One facility listed 81 DBCS machines.

c. N/A.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-4.**
Please refer to your testimony at page 15. Regarding the 534 Automated Flats Sorting Machine 100 ("AFSM 100") mentioned at page 15, line 8:
a. In how many separate facilities are those 534 AFSM 100 machines deployed?
b. For the facilities to which AFSM 100 machines have been deployed, please provide a distribution showing how many facilities have only one AFSM 100 machine, how many facilities have exactly two such machines, and how many facilities have exactly three such machines?
c. What is the largest number of AFSM 100 machines at any facility?
d. If more than one facility has the largest number, please indicate how many facilities have that number of AFSM 100 machines

**RESPONSE:**

a. The 534 AFSM 100 machines are in 230 separate facilities.

b. Number of facilities with exactly one AFSM 100 machine: 98

Number of facilities with exactly two AFSM 100 machines: 47

Number of facilities with exactly three AFSM 100 machines: 40

c. The largest number of AFSM 100 machines at any facility: 8

d. Number of facilities with the largest number (8) of AFSM 100s: 3

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-5.**

Please refer to your testimony at page 6, lines 13-14, where you state that throughput of the DBCS machine is "approximately 37,000 pieces per hour and the staffing index is two clerks."
a. Would it be reasonable to infer that productivity of the DBCS machine, when running at a normal pace, is approximately 18,000 pieces per labor hour?
b. Unless your answer to preceding part a is an unqualified affirmative, please explain why not, provide the correct figure for average productivity per labor hour, and explain how that figure is derived.

**RESPONSE:**
a & b. No. On Page 4, footnote 5 of my testimony, I explain the difference between throughput and productivity as follows, "Throughput is entirely distinct from productivity. Throughput is the number of pieces that can be fed through the machine during one machine run hour. Productivity is the total pieces finalized (pieces fed minus rejects) divided by the total workhours used (includes setup, sweep, jam clearance time, etc.)". FY 2005 MODS productivity for DBCS was 8,349 pieces per hour.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-6.**
Please refer to your testimony at page 15, line 14, where you state that throughput of the AFSM 100 is "approximately 17,000 per hour and the staffing index is five clerks."
a. Would it be reasonable to infer that productivity of the AFSM 100, when running at normal pace, is approximately 3,400 pieces per labor hour?
b. Unless your answer to preceding part a is an unqualified affirmative, please explain why not, provide the correct figure for average productivity per labor hour, and explain how that figure is derived.

**RESPONSE:**

a & b. See response to VP/USPS-T42-5. FY 2005 MODS productivity for AFSM 100 was 2,035 pieces per hour.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-7.**
a. Please describe briefly the nature of activities that are performed in the cancellation cost pool.
b. Please indicate the types of mail by shape (*e.g.*, letters, flats, parcels) that are handled in the cancellation cost pool, and give the approximate distribution of pieces by shape, if available.
c. Please indicate the classes and subclasses of mail that are processed in the cancellation cost pool, and give the approximate distribution of pieces by subclass, if available. If such data are not available, please identify each subclass that represents less than 5 percent of the volume processed in the cancellation cost pool.

**RESPONSE:**
a. The cancellation cost pool includes activities directly related to the separation and cancellation of letters, flats and parcels in the collection mail. Equipment used includes hand cancellers, mechanized cancellers, the Advanced Facer Canceller System (AFCS) for automated cancellation of letters, various dumpers, belts, tables and cullers, and possibly tabbing equipment used to seal open mailpieces so they can be processed on automation. Activities include moving mail into the operation, setting-up mail transport equipment, dumping, culling, facing, canceling, tabbing, separating, containerizing, and repairing collection mail.

b and c. This cost pool processes anything that can be placed in a collection box – letters, flats, small parcels, priority mail, return-to-sender, missent, keys, trash, etc. Letters are counted on the AFCS. Limited volume information on other mail in the cost pool is estimated by converting weight to pieces as the mail is entered into distribution operations. For FY 2005, this process produced the following volume information on letters and flats. A minimal but undetermined number of small parcels from collection boxes are also cancelled in this cost pool.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

| Operation Num | Operation Name | Shape | Volume Non-Add TPH | Work Hours |
|---|---|---|---|---|
| 010 | HAND CANCELLATIONS* | | 874,579,037 | 1,646,363.66 |
| | 40% LETTERS - 60% FLATS | | | |
| 011 | MICRO MARK | LTR | 757,627,464 | 171,914.17 |
| 012 | M - 36 | LTR | 23,322,032 | 4,966.42 |
| 013 | MARK II/HALF MARK | LTR | 429,943,695 | 106,383.75 |
| 014 | FLYER | LTR | 724,728,452 | 211,060.42 |
| 015 | ADV FACER CANCELLER SYS | LTR | 26,483,755,741 | 1,581,941.22 |
| 016 | FLAT CANCELLATIONS | FLT | 269,541,594 | 348,339.72 |
| 017 | CANCELLING OPERATIONS MISC | | 0 | 2,940,266.84 |
| 018 | COLLECTION MAIL SEPARATION | | 0 | 2,012,705.55 |
| 019 | TABBER | LTR | 221,416,628 | 166,559.38 |
| 066 | AFCS VIDEO FACING MODE | LTR | 558,663,624 | 59,062.16 |
| 067 | AFCS CANCELLED MODE ONLY | LTR | 377,565,109 | 23,951.23 |

In addition, IOCS produces estimates of the workhours (but not volume – the MODS table above illustrates the distinction) devoted to each type and subclass of mail for each cost pool. (See witness Van-Ty-Smith, T-11, Table 3)

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-8.**

a. When **BCS/DBCS** equipment is used for an **outgoing primary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing primary sortation scheme?
b. Does much Periodical letter-shape mail (*e.g.*, newsletters) receive an outgoing primary sortation on BCS/DBCS machines?
c. Unless your answer to preceding part b is to the effect that no Periodical lettershape mail receives outgoing primary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate?
d. Does much Standard Regular letter-shape mail receive an outgoing primary sortation on BCS/DBCS machines?
e. Unless your answer to preceding part d is to the effect that no Standard Regular mail receives outgoing primary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate? Please explain how outgoing automation compatible Standard Regular letter mail is processed on automation equipment.

**RESPONSE:**

a. Machinable letters of First-Class Mail, Periodicals, and Standard Mail are most commonly processed on outgoing primary sortation scheme.

b. Yes, if the Periodicals letter-shaped mail pieces are machinable and require an outgoing primary sortation.

c. Since volume of Periodicals letter-shaped mail requiring outgoing primary sortation is so small, it may be merged with First-Class Mail.

d. Yes, if the Standard Regular letter-shaped mail pieces are machinable and require an outgoing primary sortation.

e. In general, Standard Regular letter mail processing is kept separate from other mail classes on outgoing primary sortation. On limited occasions, Standard Regular letter mail is merged with First-Class Mail, for example, if there is insufficient volume of Standard Regular letter mail to justify setting up a separate sortation scheme.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-9.**
a. When **BCS/DBCS** equipment is used for an **outgoing secondary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing secondary sortation scheme?
b. Does much Periodical letter-shape mail (*e.g.*, newsletters) receive an outgoing secondary sortation on BCS/DBCS machines?
c. Unless your answer to preceding part b is to the effect that no Periodical lettershape mail receives outgoing secondary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate?
d. Does much Standard Regular letter-shape mail receive an outgoing secondary sortation on BCS/DBCS machines?
e. Unless your answer to preceding part d is to the effect that no Standard Regular mail receives outgoing secondary sortation on BCS/DBCS equipment, would such sortation be merged with First-Class Mail, or kept separate? Please explain.

**RESPONSE:**
a. Machinable letters of First-Class Mail, Periodicals, and Standard Mail are most commonly processed on outgoing secondary sortation scheme

b. Yes, if the Periodical letter-shaped mail pieces are machinable and require an outgoing secondary sortation.

c. Since volume of Periodicals letter-shaped mail requiring outgoing secondary sortation is so small, it may be merged with First-Class Mail.

d. In general, Standard Regular letter mail processing is kept separate from other mail classes on outgoing secondary sortation. On limited occasions, Standard Regular letter mail is merged with First-Class Mail, for example, if there is insufficient volume of Standard Regular letter mail to justify setting up a separate sortation scheme.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-10.**
a. When the **AFSM 100** is used for an **outgoing primary** sortation, what are the classes and subclasses of letter mail most commonly processed on that outgoing primary sortation scheme?
b. Does much Periodical flat-shape mail receive an outgoing primary sortation on the AFSM 100?
c. Unless your answer to preceding part b is to the effect that no Periodical flatshape mail receives outgoing primary sortation on the AFSM 100, would such sortation be merged with First-Class Mail, or Standard Regular, or kept separate?
d. Does much Standard Regular flat-shape mail receive an outgoing primary sortation on the AFSM 100?
e. Unless your answer to preceding part d is to the effect that no Standard Regular flats receive outgoing primary sortation on the AFSM 100, would such sortation be merged with First-Class flats, or kept separate? Please explain.

**RESPONSE:**
a. In general, letter mail is not processed on the AFSM100. Occasionally, First-Class Mail, Periodicals, and Standard letter mail that does not process well on letter automation equipment (e.g. pieces that are too rigid) is redirected to flats automation for processing on the AFSM 100.

b. Yes, if the Periodicals flat-shape mail is machinable and requires an outgoing primary sortation.

c. Generally, outgoing Periodicals flat-shaped mail is kept separate from First-Class Mail on the AFSM 100. However, recent operational and mail preparation changes will merge the processing of outgoing Periodicals flat mail with First-Class Mail flats at origin plants for destinations that are linked by surface transportation (See page 20, lines 23 – 29 of my testimony). Furthermore, the balance of Periodicals flats requiring outgoing sortation is on occasion merged with Standard flats, though in these cases the merged product is treated as Periodicals.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

d. Yes, if the Standard flat-shape mail is machinable and requires an outgoing primary sortation. Generally, Standard mail is presorted and a relatively low volume of Standard flat mail requires outgoing primary sortation on the AFSM 100.

e. Standard Regular flats receiving outgoing primary sortation should not be merged with First-Class Mail flats, though on limited occasions it does occur

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-11.**
a. When the **AFSM 100** is used for an **outgoing secondary** sortation, what are the classes and subclasses of flats letter mail most commonly processed on that outgoing secondary sortation scheme?
b. Does much Periodical flat-shape mail receive an outgoing secondary sortation on the AFSM 100?
c. Unless your answer to preceding part b is to the effect that no Periodical flatshape mail receives outgoing secondary sortation on the AFSM 100, would such sortation be merged with First-Class flats, or kept separate?
d. Does much Standard Regular flat-shape mail receive an outgoing secondary sortation on the AFSM 100?
e. Unless your answer to preceding part d is to the effect that no Standard Regular flats receive outgoing secondary sortation on the AFSM 100, would such sortation be merged with First-Class Mail, or kept separate? Please explain.

**RESPONSE:**

a. There are no classes and subclasses of flats letter mail that are commonly processed on the AFSM 100.

b. Yes, if the Periodicals flat-shape mail is machinable and requires an outgoing secondary sortation.

c. See response to VP/USPS-T42-10c.

d. Yes, if the Standard flat-shape mail is machinable and requires an outgoing secondary sortation. Generally, Standard mail is presorted and relatively low volume of Standard flat mail requires outgoing secondary sortation on the AFSM 100.

e. Standard Regular flats receiving outgoing secondary sortation should not be merged with First-Class Mail flats, though on limited occasions it does occur.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-12.**

This question concerns **primary incoming** sortation of letter mail on **BCS/DBCS** equipment.
a. Are barcoded Periodical letters (*e.g.*, newsletters) merged with First-Class letters *during either a primary or secondary incoming sortation*?
b. If your answer to preceding part a is negative, please explain how barcoded Periodical letters are processed up to the point where they are ready for DPSing.
c. Are barcoded Standard Regular letters merged with First-Class letters during either a primary or secondary incoming sortation?
d. If your answer to preceding part c is negative, please explain how barcoded Standard Regular letters are processed up to the point where they are ready for DPSing.

**RESPONSE:**

a. Yes, barcoded Periodicals letters are merged with First-Class Mail letters during both incoming primary and secondary sortation.

b. N/A

c. In general, Standard Regular letters are merged with First-Class Mail letters during incoming secondary sortation. On limited occasions, Standard Regular letters are merged with First Class letters on incoming primary, for example, if there is not enough volume of Standard Regular letters to justify setting up separate sortation schemes.

d. N/A

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-13.**
This question concerns primary incoming sortation of flats on AFSM 100 machines.
a. Are barcoded Periodical flats merged with First-Class flats during either a primary or secondary incoming sortation on the AFSM 100?
b. If your answer to preceding part a is negative, please explain (i) how barcoded Periodical flats now are processed on automation equipment, and (ii) how barcoded Periodical flats will be processed after the deployment of the Flats Sequencing System ("FSS"), as discussed in your testimony at page 18, lines 10-16.
c. Are barcoded Standard Regular flats merged with First-Class or Periodical flats during either a primary or secondary incoming sortation on the AFSM 100?
d. If your answer to preceding part c is negative, please explain (i) how barcoded Standard Regular flats now are processed on automation equipment, and (ii) how barcoded Standard Regular flats will be processed after deployment of the FSS, discussed in your testimony at page 18, lines 10-16.

**RESPONSE:**

a. Certain plants occasionally merge barcoded machinable Periodicals flats with First-Class Mail flats during incoming primary sortation scheme, while other plants routinely do so. Barcoded machinable Periodicals flats are routinely merged with First-Class Mail flats at incoming secondary sortation scheme on the AFSM 100.

b.(i) Barcoded machinable Periodicals flats for automated zones that are not prepared in carrier-route bundles are sorted to an incoming secondary sortation scheme for automated zones. On an incoming secondary sortation scheme the flats are sorted to carriers or firms.

(ii) As I state on page 18, lines 10 -16 of my testimony, machinable flat pieces for delivery to a single or multiple 5-digit zones will be sorted to Delivery Point Sequence (DPS) – walk sequence for each carrier – on a Flats Sequencing System (FSS). To achieve that sequence, flats in single or multiple 5-digit zones will be processed twice on FSS.

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

c. Certain plants occasionally merge barcoded machinable Standard Regular flats with either First-Class Mail or Periodicals flats during incoming primary sortation while other plants routinely do so. If the operational window allows, barcoded machinable Standard Regular flats are routinely merged with First-Class Mail flats during incoming secondary sortation on the AFSM 100.

d. (i) Barcoded machinable Standard Regular flats for automated zones that are not prepared in carrier-route bundles are sorted to an incoming secondary sortation scheme for automated zones. On an incoming secondary sortation scheme the flats are sorted to carriers or firms

(ii) See response to VP/USPS-T42-13b(ii).

RESPONSE OF WITNESS MCCRERY TO
INTERROGATORY OF VALPAK

**VP/USPS-T42-14.**

a. Are you the Postal Service's expert witness on delivery operations in Docket No. R2006-1?
b. Unless your response to preceding part a is affirmative, please indicate who is considered to be the Postal Service's expert witness on delivery operations in Docket No. R2006-1.

**RESPONSE:**

a & b. As indicated in the roadmap testimony (USPS-T-47) at Tables 3-5 of Attachment 1, as well as in the text at pages 24 and 62, Joyce Coombs (USPS-T44) is the delivery operations witness for the Postal Service in this case.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-15.**

Please refer to your response to VP/USPS-T42-1.
a. Do any of the 1,083 AFCS machines discussed in your response to that interrogatory have any significant differences as regards throughput rates, MODS productivity rates, or capacity?
b. Unless your response to preceding part a is negative, please provide a brief description of the extent or range of such differences in throughput rates and productivity for the 1,083 AFCS machines now deployed.
c. Unless your response to preceding part a is negative, please discuss the correlation, if any, between (i) deployment of AFCS machines with lower throughput rates or lower MODS productivity rates, and (ii) smaller postal facilities.

**RESPONSE:**

a - c. No, AFCS capabilities do not differ significantly. However, note that other factors like daily preventative maintenance, site-specific work practices, cross-clocking by employees, volume and the arrival profile of mail, size and shape of facility, etc. can cause differences in throughput and productivity. Data by machine are not available for establishing a correlation between deployment of AFCS machines with lower throughput and MODS productivity rates and smaller postal facilities.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-16.**

Please refer to your response to VP/USPS-T42-3.
a. Do any of the more than 5,200 DBCS machines discussed in your response to that interrogatory have any significant differences as regards throughput rates, MODS productivity rates, or capacity?
b. Unless your response to preceding part a is negative, please provide a brief description of the extent or range of such differences in throughput rates and productivity for the 5,200 DBCS machines now deployed.
c. Unless your response to preceding part a is negative, please discuss the correlation, if any, between (i) deployment of DBCS machines with lower throughput rates or lower MODS productivity rates, and (ii) smaller postal facilities.

**RESPONSE:**

a. Yes.

b - c. Generally speaking, the throughputs of our DBCS machines are similar. However, there are a small number (94) of the newer DBCS machines that have expanded capabilities to augment processing, generally at larger facilities, allowing them to process a wider range of mail, e.g. thicker mail pieces. These expanded capability machines are able to process machineable letter mail, a portion of the previously non-machineable (i.e., manually sorted) letter mail, and a mixture of these two mail types. The expected throughput of the expanded capability machines is the same as our other DBCS machines when processing machineable letter mail. However, the expected throughput declines substantially when the machine is used to process manual mail or a mixture of machineable and manual mail. See histogram attached to response VP/USPS-T12-4b for the range of productivity rates.

Also, the number of output bins on a DBCS ranges from 158 to 302 based upon local site requirements. Productivity can be affected by the number of output bins due to varied sweeping requirements.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-17.**

Please refer to your response to VP/USPS-T42-4.
a. Do any of the more than 534 AFSM 100 machines discussed in your response to that interrogatory have any significant differences as regards throughput rates, MODS productivity rates, or capacity?
b. Unless your response to preceding part a is negative, please provide a brief description of the extent or range of such differences in throughput rates and productivity for the 534 AFSM 100 machines now deployed.
c. Unless your response to preceding part a is negative, please discuss the correlation, if any, between (i) deployment of AFSM 100 machines with lower throughput rates or lower MODS productivity rates, and (ii) smaller postal facilities.

**RESPONSE:**

a. Generally speaking, the base AFSM 100 machines are similar and no significant differences exist. However, enhancements that are currently being added to some of the AFSM 100s are expected to decrease staffing requirements and increase throughput.

b. We are in the process of retrofitting some of our AFSM 100 machines with Automatic Tray Handling Systems (ATHS) and/or Automatic Induction (AI) Systems. Both of these enhancements are expected to increase AFSM 100 productivities (through reduced staffing requirements) and the AI System is also expected to increase machine throughput. See USPS-T42, pages 16 and 17 of my testimony for more information on AI Systems and ATHS.

c. See response to (a).

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-18.**

Please refer to your responses to VP/USPS-T42-5 and 6. In your response to VP/USPS-T42-5, the FY 2005 MODS productivity for DBCSs is 8,349 pieces per hour, while throughput is 18,000 pieces per labor hour; *i.e.*, productivity of the DBCS is only about 45.1 percent of throughput. In your response to VP/USPS-T42-6, the FY 2005 MODS productivity for the AFSM 100 is 2,035 pieces per hour, while throughput is 3,400 pieces per labor hour; *i.e.*, productivity of the AFSM 100 is 59.9 percent of throughput. Please explain why the ratio of productivity to throughput for the DBCS machine (45.1 percent) is so much lower that the ratio for the AFSM 100 (59.9 percent)

**RESPONSE:**

The differences in the ratio of productivity to throughput per labor hour are due to the distinct fixed costs of the two equipment types. For example, as stated on page 15, line 15 of my testimony in docket No. R2006-1 and page 13, line 3 of my testimony in docket No. R2005-1, "Unlike letter sorting equipment which sorts to bins, all FSMs sort mail directly into flat trays." Transferring letters from bins to trays adds significant time for sort scheme change-over on the DBCS. This activity does not impact throughput, but decreases productivity for DBCSs. Other factors include number of bins to be swept (i.e. 190-220 for DBCSs as opposed to 120 for AFSM 100s), presence or absence of tray take-away system, different jam rates, etc., all of which contribute towards the difference of the ratios.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-19.**

Please refer to your response to VP/USPS-T42-7.
a. Would you expect Periodicals to account for as much as 5 percent of the mail processed in the cancellation cost pool? If not, what would be a reasonable\ ballpark estimate for the percentage of mail in the cancellation cost pool represented by Periodicals?
b. Would you expect Standard Mail to account for as much as 5 percent of the mail processed in the cancellation cost pool? If not, what would be a reasonable ballpark estimate for the percentage of mail in the cancellation cost pool represented by Standard Mail?
c. Would you expect parcel-rated mail, including BPM, Media Mail and Library Mail, to account for as much as 5 percent of the mail processed in the cancellation cost pool? If not, what would be a reasonable ballpark estimate for the percentage of mail in the cancellation cost pool represented by parcel-rated mail?
d. The work hours recorded to Operation Number 017, Cancelling Operations Misc., account for almost 32 percent of the total work hours shown in your responses to VP/USPS-T42-7(b) and (c). Please describe the major activities that take place in this operation.

**RESPONSE:**

a. No, a reasonable ballpark estimate would be less than 1%.

b. No, a reasonable ballpark estimate would be considerably less than 5%.

c. No, a reasonable ballpark estimate would be less than 1%.

d. Operation 017 is specifically for activities that include: movement of mail into the unit, setting up MTE for use in these operations; dumping, culling, facing, and containerizing mail on belts, conveyors, or tables at or around canceling equipment, facing and containerizing loose or non-machinable mail; repair of damaged mail pieces generated by cancellation operations; and preparing short-paid mail for processing

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-20.**

In Docket No. R2001-1, witness Kingsley testified that "subject to practical requirements such as transportation costs and the need to make the best use of our existing space, **we prefer larger plants**." USPS-T-39, p. 29, ll. 10-12 (emphasis added).
a. Do you concur generally with this statement by witness Kingsley?
b. Do you have any reservations about this statement by witness Kingsley? If so, please state each reservation briefly.
c. Please provide references to all studies that have been conducted within the last
10 years, either by the Postal Service or by any other organization, that analyze how unit cost (or productivity) varies in relation to size of mail processing plants.
d. Of the references provided in response to preceding part c, please indicate each study that supports the assertion that larger mail processing plants are more efficient to operate, and have lower unit mail processing costs, than smaller mail processing plants.
e. Aside from formal studies discussed in response to preceding parts c and d, what other evidence are you aware of that supports the conclusion that larger plants are more economical and efficient to operate than smaller plants? Please explain

**RESPONSE:**

a. Yes

b. No

c-d. Plant size can be measured in terms of number of employees, square feet of floor space, pieces sorted (i.e. TPH) and unique pieces sorted (i.e. FHP), among others. To the best of my knowledge, none of these attempts progressed to the point of a "study" providing an analytically useful explanation for the differences in productivity among our existing plants. The General Accountability Office (GAO) published a report in 2005 concerning USPS operations strategies. (See GAO-05-261, also available as USPS-LR-N2006-1/7.) On pages 28 through 34 of the report, the GAO discusses productivity variations among plants. Although more anecdotal than analytic, the GAO report notes that there

are many reasons -- none definitive -- why productivities differ among plants. Figure 12 of their report, like the histogram attached to VP/USPS-T12-4b, is typical and shows that, although the average productivity of large plants is less than the average for small plants, many large plants are significantly more productive than numerous smaller plants. This suggests the presence of underlying reasons that are related to facility size in only a minor and coincidental fashion. Such factors include unpredictable volume arrival times due to traffic congestion, less efficient plant layout due to space constraints and land costs, and added network sorting responsibilities. The Postal Service builds plants where such factors are present because they must be there to provide adequate service in that geographic area. Many such plants are large, but their size certainly does not cause the factors underlying their productivity.

Of course, if you are referring to changes in productivity at individual plants as volume increases or decreases at the same plant, there is the vast literature on volume variability, beginning with R1997-1 and culminating in witness Bozzo's testimony in this case, that you can access. But that is a different matter entirely.

e. As discussed in the last section of Ms. Kingsley's R2000-1 testimony, the decision to construct a plant is a painstaking process that considers the space needs and service requirements of each area. This careful balancing of all the factors involved in each unique case does in actual fact lead to construction of some large facilities – a surprising outcome if smaller facilities were, everything else equal, more economical and efficient. Conversely, we can consider what

does NOT happen. If smaller plants were truly more economical and efficient merely by virtue of their size, then we could choose a high-cost large plant and reduce unit costs by simply subdividing the building into two smaller plants, each staffed and managed separately. The very absurdity of this proposal is evidence in itself

# RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-21.**

Please refer to Docket No. R2001-1, USPS-T-39, page 31, lines 1-2, where witness Kingsley has a table showing the effect of daily sort plan changes in automated and mechanized distribution operations at two facilities (A and B, say).

a. Are you able to separate the data in that table and provide them for each of those of the two facilities individually?

b. If so, please provide it in two separate tables in the same format used by witness Kingsley.

c. Do you have available any other data which show the number of daily sort plan changes in distributions on DBCS machines at facilities with different numbers of DBCS machines (as discussed in your response to VP/USPS-T42-3)? If so, please provide such data, and indicate whether the number of daily sort plan changes declines as the number of DBCS machines within the facility increases.

d. With respect to a comparison between automated mail processing in smaller facilities with only a few sorting machines versus larger facilities with greater volume of mail and more sorting machines, please cite all evidence of which you are aware showing that larger facilities with more volume and more machines have either (i) fewer scheme changes, or (ii) longer average run times between scheme changes, or (iii) both fewer scheme changes and longer run times.

**RESPONSE**

a. Yes.

b. The Effected Daily Sort Plan Changes in Mechanized Distribution Operations at Facility A

| | Flat Sorting Machines(1) | Letter Sorting Machines(2) | Optical Charcter Readers(3) | SPBS |
|---|---|---|---|---|
| Number of Machines | 4.00 | 18.00 | 3.00 | 2.00 |
| A. Average Run Time Per Machine (hrs.) | 16.63 | 5.13 | 5.20 | 15.80 |
| B. Average Number of Sort Plan Changes Per Machine | 8.13 | 5.50 | 6.30 | 4.00 |
| C. Ave. Time to Change a Sort Plan (min.) | 4.98 | 16.18 | 18.60 | 32.00 |
| D. Scheme Changes % of run time (4) | 0.04 | 0.29 | 0.38 | 0.14 |
| E. Schemes Effect (5) | 0.98 | 0.71 | 0.62 | 0.86 |

1. AFSM 100, FSM 1000, FSM 881
2. DBCS, OSS, BCS
3. RCS, OCR
4. (B * C) / (60*A)
5. 1 - D

# RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

The Effect of Daily Sort Plan Changes in Mechanized Distribution Operations at Facility B

| | Flat Sorting Machines(1) | Letter Sorting Machines(2) | Optical Charcter Readers(3) | SPBS |
|---|---|---|---|---|
| Number of Machines | 8 00 | 31.00 | 8.00 | 1.00 |
| A. Average Run Time Per Machine (hrs.) | 14 25 | 12.65 | 8.00 | 20.00 |
| B Average Number of Sort Plan Changes Per Machine | 12 00 | 4.10 | 1.00 | 4.00 |
| C Ave Time to Change a Sort Plan (min.) | 9 75 | 10.00 | 10.00 | 30.00 |
| D Scheme Changes, % of run time (4) | 0 14 | 0.05 | 0.02 | 0.10 |
| E Schemes Effect (5) | 0 86 | 0.95 | 0.98 | 0.90 |

1) AFSM 100, FSM 1000, FSM 881
2) DBCS, OSS, BCS
3) ISS, OCR
4) (B * C) / (60* A)
5) 1 - D

c. No

d. Data to answer this question empirically is not available. Large facilities generally have more volume, more delivery points to sort to, and greater network sorting responsibilities. More volume suggests longer runs. More delivery points and network responsibilities suggest more schemes. Intuitively, it is difficult to predict the net effect on average run time per scheme. Of course, if you are interested in a single facility with the same delivery points, network responsibilities and floor layout, but more volume from one year to the next, then the average run time per machine would clearly increase. The same sort schemes must be run regardless of volume so the only impact of more volume on sort scheme changes might be adding a parallel scheme on a high volume separation (e.g. a primary), a tiny change lost among the hundreds of sort schemes that must be run each day.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-22.**

Please refer to Docket No. N2006-1, USPS-LR-N2006-1/7, the chart on the "Highlights" page (preceding page i), "Total Pieces Handled per Person per Hour in Processing Plants for Fiscal Year 2004," which shows small plants handling 1,970 pieces per hour versus 1,495 pieces per hour in large plants. Also, please refer to the response to VP/USPS-T12-4 in this docket, including the histogram attached thereto. Please explain how you would reconcile any assertions, including that of witness Kingsley referenced in preceding VP/USPS-T42-19, concerning the preference for larger plants with the above-referenced data, which indicate that smaller plants on average have higher productivity (and lower unit cost) than larger plants.

**RESPONSE:**

I presume you are referring to VP/USPS-T42-20, not 19. Please see my

response to that question.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-23.**

Please refer to your response to VP/USPS-T42-10. Under what conditions would First-
Class flats, Periodicals flats and Standard flats be given separate outgoing **primary** *sortations on AFSM 100 machines? If volume is the primary factor,* please indicate the volume level, in terms of machine utilization, that warrants separate primary outgoing sortations.

**RESPONSE**

See response to VP/USPS-T42-10c and e. The differing arrival profiles of various mail classes, overall operational windows, volume, request by or consideration for downstream operations could necessitate separate processing of various classes of mail.

As further explained in my testimony on page 20, lines 23-29 and in response to interrogatory VP/USPS-T42-10c, Periodicals flat mail at origin plants in residual (mixed) bundles and containers, for destinations that are linked by surface transportation to the origin facility, will be merged with First-Class flat mail regardless of volume. For the remaining destinations that are not linked by surface transportation, Periodicals flat mail will be merged with but always in front of Standard flat mail, regardless of volume

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-24.**

Please refer to your response to VP/USPS-T42-11. Under what conditions would First-
Class flats, Periodicals flats and Standard flats be given separate outgoing **secondary** sortations on AFSM 100 machines? If volume is the primary factor, please indicate the volume level, in terms of machine utilization, that warrants separate secondary outgoing sortations.

**RESPONSE:**

See response to VP/USPS-T42-23.

RESPONSES OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-25.**

Please refer to your response to VP/USPS-T42-13. Under what conditions would First-
Class flats, Periodicals flats and Standard flats be given separate incoming **primary** sortations on AFSM 100 machines? If volume is the primary factor, please indicate the volume level, in terms of machine utilization, that warrants separate incoming primary sortations.

**RESPONSE:**

Differing arrival profiles of various mail classes, overall operational windows, volume, request by or consideration for downstream operations could necessitate separate processing of various classes of mail. The decision to merge or separate flats across differing mail classes in an incoming primary sortation scheme on the AFSM 100 is at the discretion of a supervisor or manager at the local plant. No threshold volume figure exists to make that decision.

RESPONSES POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
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**VP/USPS-T42-26.**
Please refer to your testimony at page 13, lines 18-21, where you state "there are only limited opportunities to increase efficiencies within letter mail processing operations through the application of **proven** technologies." (Emphasis added.) Is the Postal Service considering or experimenting with any technologies that might not be now considered "proven" but which could result in more efficient letter mail processing? If so, please describe briefly any technological improvements of which you are aware that might evolve and be deployed after the Test Year in this docket.

***Response:***

Yes. Engineering is pursuing new, unproven technologies, but they are

proprietary to their respective vendors and cannot be disclosed at this time.

RESPONSES POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-27.**
Please refer to your testimony at page 36, lines 11-13, where you state that "a few very large schemes (*e.g.*, the initial outgoing and incoming schemes, *i.e.*, the 'primaries') may be run on multiple sorters due to time constraints."
a. Please define, with more specificity, the term "large schemes" as you use it here.
b. What is the **maximum** number of separations in the "large scheme" you mention?
c. To qualify as a "large scheme," what is the **minimum** number of separations that would be needed?
d. Could large volume for a "medium" size sort scheme also result in mail for the same scheme being run on multiple sorters? Please explain.
e. Your response to VP/USPS-T42-3(a) identified 97 facilities as having 6-10 DBCS machines. What percentage of these facilities would be likely to run the same initial outgoing or incoming schemes on multiple machines?
f. Your response to VP/USPS-T42-3(a) identified 160 facilities as having greater than 10 DBCS machines. What percentage of these facilities would be likely to run the same initial outgoing or incoming schemes on multiple machines?

**Response:**

a. - d. "Large" schemes referred to schemes that have a high volume compared to other schemes at the same facility. The number of separations is immaterial.

e. - f. I would expect that the outgoing and incoming primaries would run on multiple DBCSs at virtually all facilities with 6 or more DBCSs.

RESPONSE OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

**VP/USPS-T42-28.**

a. For a DBCS machine, what is the minimum volume (or minimum time) required to make sorting of letter mail on a particular sort scheme economically efficient?

That is, what is the volume (or time) below which it would be more practical to use some alternative, such as:

(i) Where feasible, consolidation with letter mail from another class that requires the sortation on the same sort scheme, or

(ii) Manual sortation?

b. For an AFSM 100, what is the minimum volume (or minimum time) required to make sorting of flats on a particular sort scheme economically efficient? That is, what is the volume (or time) below which it would be more practical to use some alternative, such as

(i) Where feasible, consolidation with flat mail from another class or subclass that requires sortation on the same sort scheme, or

(ii) Manual sortation?

**Response:**

(a) I am told that 10 minutes of mail is a good rule of thumb, but that it differs significantly with the situation. For letters, manual sorting is approximately 13 times more expensive than automated sorting, so even very short runs can be cost effective, especially since it is faster to sweep down a machine when there are only a few pieces in most stackers. For incoming mail, adding Standard Mail to a run of First-Class Mail is attractive, since there is no additional transportation cost involved and the availability of downstream automation processing time within, for example, incoming secondary operations is known. For outgoing mail, the requirement to upgrade any mixed-class trays (e.g., First-Class and Standard Mail) to First-Class transportation and processing limits this strategy. Manual processing of machinable mail is a last resort.

RESPONSE OF POSTAL SERVICE WITNESS MARC D. MCCRERY TO
INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC.
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(b) I'm told that a minimum volume of three to four thousand pieces is necessary to sort flats on a particular sort scheme. Below that number, consolidation with flat mail from another class would be considered, if feasible. If not feasible, then flats would be manually sorted.

RESPONSES OF POSTAL SERVICE WITNESS MCCRERY TO
INTERROGATORIES OF VALPAK DIRECT MARKETING SYSTEMS, INC. AND
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REDIRECTED FROM POSTAL SERVICE WITNESS JOYCE K. COOMBS

**VP/USPS-T44-20.**
Please refer to your response to VP/USPS-T44-3(b), where you state that in the environment after FSS is implemented, "the data analysis has not yet been completed and no final decision has been made" with respect to how carriers will handle unaddressed, nonmachinable wraps on route segments where carriers are restricted to three bundles. With respect to Test Year city carrier cost estimates, and the fundamental change in the handling environment that the FSS will create, what assumptions are made concerning the mail processing cost of saturation flats?

**Response:**

I am not aware of any quantified assumptions yet made regarding the processing cost of saturation flats with respect to the environment that FSS will create. Testing and the subsequent analysis have yet to be finalized such that a financial justification, including cost and operational impacts, can be completed. This process is expected to be finalized in the fall. At this point, only a small cost savings has been factored into this case for FY 08 based on machines that are projected to be installed by the end of FY 08 (see USPS-LR-L-49).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY
TO INTERROGATORY OF VALPAK DIRECT MARKETING SYSTEMS, INC.
AND VALPAK DEALER'S ASSOCIATION, INC.
REDIRECTED FROM WITNESS COOMBS

**VP/USPS-T44-36.**
Please refer to witness McCrery's response to ADVO/USPS-T42-1 and your response
to ADVO/USPS-T42-19, redirected from witness McCrery. Witness McCrery, in his response to ADVO/USPS-T42-1, stated that 5-Digit Pallets with CR bundles or sacks are cross-docked for transportation to the delivery unit. Your response to ADVO/USPS-T42-1 states that 66 percent of post offices, stations, branches, delivery distribution centers, and carrier annexes cannot handle pallets.
a. If 66 percent of delivery units are not capable of handling pallets, why are the pallets cross-docked at the destination processing plant to those delivery units without the pallet handling capability?
b. At those delivery units not capable of handling pallets, how are the pallets handled?

**Response:**

(a-b) In the cases where a delivery unit cannot handle a pallet, the contents of the pallet would be transferred into a different, delivery unit-compatible container (e.g., rolling stock) at the plant. However, it is my experience that delivery units that cannot handle pallets tend to be smaller offices, and plants rarely receive direct pallets prepared by customers intended for final delivery at such smaller offices. Customers are not allowed to deposit pallets directly into delivery units that are unable to accept pallets and therefore are required to manually offload the contents of the pallet into a container provided by the delivery unit at these locations.

CHAIRMAN OMAS: There are additional interrogatory responses that I would like to enter into the evidentiary record at this time. They are DMA/USPS-T6-30(a), 31(a) and (b), and 32(a) and (b) redirected to Witness McCrery.

If those questions were asked of you orally today would your responses be the same as those you provided to us in writing?

THE WITNESS: Yes, they would.

CHAIRMAN OMAS: Ms. Reporter? I have just provided the reporter with two copies and direct that they be admitted into evidence and transcribed.

(The documents referred to were marked for identification as Exhibit No. DMA/USPS-T6-30(a), 31(a) and (b), and 32(a) and (b), and were received in evidence.)

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION
REDIRECTED FROM POSTAL SERVICE WITNESS RICHARD G. LOUTSCH

**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) PIVMS uses inputs like vehicle usage, vehicle requirements, mail volume, and current staffing to reassess the needs of the operation. PIVMS will assist managers and supervisors to better manage employees by tracking current vehicle usage, travel time, idle time, and workload in addition to making data available for projecting workload. The program is not expected to increase supervisory or other managerial responsibilities.

b) Retained by Witness Loutsch.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION
REDIRECTED FROM POSTAL SERVICE WITNESS RICHARD G. LOUTSCH

**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 Scheduling of clerks and mail handlers is done by In-Plant Support personnel within the constraints of the bid assignments. The scheduling work will continue to be done within this group

b The intent of the Labor Scheduler is to make the schedules themselves more efficient, such as reducing overlaps in tours, rather than to make the process of scheduling more efficient. See LR-L-49, page 17 for more information.

c Retained by Witness Loutsch.

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION
REDIRECTED FROM POSTAL SERVICE WITNESS RICHARD G. LOUTSCH

**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 There are 2,495 APCs and all 100% are located in 2,464 postal sites. There are currently no APCs located in a non-postal facility. The feasibility of placing APCs in offsite locations is being evaluated, but at this time there are no definite plans to locate any APCs in offsite locations

b The APC Machine Service Manual discusses expectations regarding the management and operation of APCs in the following section:

**1.2.1.2. Role of the Site Supervisor**

Site supervisor's responsibilities with regard to the operation and service of the Automated Postal Center are as follows:

- Schedule appropriate Service Employee coverage for the servicing of the kiosk
- Ensure accountability of all stamp stock (i.e., proper security, financial exams, etc.)

RESPONSE OF POSTAL SERVICE WITNESS MCCRERY TO INTERROGATORY OF DIRECT MARKETING ASSOCIATION
REDIRECTED FROM POSTAL SERVICE WITNESS RICHARD G. LOUTSCH

- Back up service support for the Automated Postal Center in the event the designated Service Employee is not available
- *Provide kiosk opening procedure support as needed*
- Communicating changes to site contact information.
- *Overseeing credit exams.*

Local supervisors were not significantly involved in the planning or deployment of APCs Local supervisory time to manage the operation of an APC varies from one location to another depending on the number of transactions each APC conducts.

c Retained by Witness Loutsch.

1 CHAIRMAN OMAS: Is there any additional
2 written cross-examination for Witness McCrery?
3 (No response.)
4 CHAIRMAN OMAS: There being none, this
5 brings us to oral cross-examination.
6 Eight participants have requested oral
7 cross-examination. We will begin with Amazon.com, Mr.
8 Olson.
9 MR. OLSON: Thank you, Mr. Chairman.
10 CROSS-EXAMINATION
11 BY MR. OLSON:
12 Q Mr. McCrery, Bill Olson from Amazon.com.
13 I'd like to begin with your response to our
14 Interrogatory 1(c).
15 A I'm there.
16 Q Okay. You say that SPBSs are not used to
17 process machinable BPM and media mail at destination
18 BMCs, correct?
19 A Correct.
20 Q What is the maximum weight of a parcel that
21 an SPBS can handle? Do you know?
22 A It is 25 pounds approximately.
23 Q Is it used for other parcels other than
24 media mail or bound printed matter or just pretty much
25 for bundles now?

A Well, it is used in plants for Priority Mail and of course obviously parcels. In some cases the machines particularly for bundles, which is a common use, 20 pounds is also sometimes a common maximum that is used as well.

Q Is the dominant use then of SPBSs now for bundles, not parcels?

A I don't know if I would characterize it as dominant because again in plants it is also used extensively for Priority Mail.

Though it is used extensively for bundled distributions, periodicals, standard mail, et cetera, it is also used for Priority Mail parcels. They share the capacity of that equipment.

Q Is there a particular reason why it's not used for BPM and media mail?

A Well, in bulk mail centers, and that was the question, those machinable parcels, pieces that meet the machinable parcel definition, which most BPM in my experience -- BPM and media mail parcels -- do in fact meet that criteria, are processed on the parcel sorting machines in bulk mail centers.

Q The SPBSs have been around for a long time, have they not?

A Correct.

1 Q Do you know how long offhand?
2 A I recall from my earlier days in the early
3 to mid '90s is when I started to recall seeing them,
4 so they've been around for approximately I would guess
5 15 years at least.
6 Q And your response to (a) says that SPBSs are
7 even more modern than parcel sorting machines,
8 correct, so they've been around even longer?
9 A Correct.
10 Q Do you know when they were deployed, out of
11 curiosity?
12 A The parcel sorting machines were deployed as
13 part of the bulk mail center network development that
14 started in the early to mid '70s.
15 Q In your response to 1(a) here you describe
16 secondary parcel sorters, which appear to be capable
17 of many more separations than primary parcel sorters.
18 Is that correct?
19 A Correct.
20 Q Other than the number of separations, are
21 there large distinctions between primary parcel sorter
22 and secondary parcel sorters with respect to
23 throughput and productivity?
24 A Not that I'm aware of. I would have to
25 refresh my memory on the specifics, but not that I'm

1 aware of.

2 Q On page 2 of the answer to that

3 interrogatory you talk about the throughput for BMC

4 parcel sorter machines and the productivity. Are

5 those numbers then for both? Were they intended to be

6 for both?

7 A You're referring to subpart (a)?

8 Q Yes, still on (a).

9 A Yes. Correct. I believe so.

10 Q Okay. It says national throughput for BMC

11 parcel sorter machines for FY 2005 was 3,587 and

12 productivity was 370.

13 A Correct.

14 Q Throughput is the number of pieces per hour

15 the machine can sort? Is that a fair description?

16 A That's correct.

17 Q And for productivity you take that

18 throughput and divide it by the labor hours? Is that

19 a fair description?

20 A Yes, and you typically would subtract out

21 rejects and other things so it's not quite a

22 straightforward calculation like that, but generally

23 correct.

24 Q Okay. If the wage rate of the employees

25 working is in the range of $35 to $37 an hour for

1 direct labor costs, would that indicate to you about
2 10 cents of direct labor costs based on the
3 productivity you're proposing there of 370? In other
4 words, 10 cents of labor per piece?
5 A I could do a basic calculation to confirm.
6 Oh, I see. With just the productivity of 370?
7 Q Yes, divided by $37 or $35 an hour.
8 A Yes. Yes. You're looking at a pretty
9 straight calculation of about 10 cents, yes.
10 Q Okay. And that's even before piggybacks are
11 added on, correct?
12 A That's my understanding on the issue of
13 piggybacks, yes.
14 Q And to contrast that to letters, letters are
15 somewhere in the range of half a cent, aren't they,
16 for the direct labor costs of letter sorting machines?
17 A Well, certainly they're less. Specifically
18 what that is, I'd have to again refresh my memory to
19 know for sure.
20 Q Okay.
21 A It's obviously been put on the record.
22 Q A substantial difference in any event?
23 A There is, yes.
24 Q In your response to (a) here you also
25 discuss secondary parcel sorters distributing or

1 separating, at the top of page 2, to five digit
2 separations for the BMC service area. Is that
3 correct?
4 A Correct.
5 Q Is the benefit of that to the Postal Service
6 that when the five digit container gets to the plant
7 it can just be cross docked to the DDU?
8 A Correct.
9 Q So no additional handling is required then
10 at the plant?
11 A Not for five digit containers in terms of
12 piece distribution, no.
13 Q Let me ask you to look at Interrogatory 5.
14 A Okay.
15 Q In BMC we asked you about the throughput and
16 productivity of the parcel sorting machines with the
17 SSIUs appended. Is that correct?
18 A Yes.
19 Q And you gave us the numbers of 3,520 and
20 347. That's just about the same as a parcel sorting
21 machine without an SSIU. Isn't that correct?
22 A Correct.
23 Q Is that surprising that it wouldn't affect
24 either productivity or throughput to add the SSIUs?
25 A Well, now that I see the SSIU productivities

1 I would want to then be certain that the earlier
2 productivities that were provided were in fact for a
3 combined primary and secondary productivity versus
4 just a secondary productivity because, yes, I would be
5 surprised that those productivities with the SSIU
6 would be in fact similar than a combined productivity
7 without the SSIUs, which is the case with the primary
8 parcel sorters.
9 Q Would it be worth then going back and
10 checking these to clarify the record?
11 A Absolutely.
12 MR. OLSON: Mr. Chairman, can we ask the
13 Postal Service to provide that?
14 CHAIRMAN OMAS: Ms. Portonovo?
15 MS. PORTONOVO: Yes, the Postal Service will
16 provide it. No objection.
17 CHAIRMAN OMAS: Could you provide it in
18 seven days, please, and could you speak a little
19 louder?
20 MS. PORTONOVO: Yes.
21 CHAIRMAN OMAS: Thank you.
22 MR. OLSON: Thank you, Mr. Chairman.
23 BY MR. OLSON:
24 Q The answers you gave in (b) and (c), Mr.
25 McCrery had to do with current national average. The

1 other numbers were FY 2005. In your response could
2 you clarify if current means FY 2005?
3 A Yes, it does. It's the last full year
4 productivity.
5 Q Okay.
6 A And throughput.
7 Q Do you know offhand if the productivity of
8 parcel sorting machines varies by DBMC significantly?
9 A Not for certain, but I'm sure that there is
10 some variation amongst the productivities. Surely
11 that would be the same on some level. To the extent I
12 don't know for sure.
13 Q That's not something you've looked at, I
14 take it?
15 A No, it's not.
16 Q Okay. Do you know if the productivity
17 figures or throughput figures vary? Well, I guess
18 throughput wouldn't, but does productivity vary per
19 year significantly? Do you know?
20 A Not significantly in my opinion unless
21 there's some modification to the technology.
22 Q And this is pretty old technology, so
23 there's probably not a lot of changes?
24 A Well, there have been changes that were
25 pointed out with the technology. One example, as

1 we've been discussing, is the SSIU, singulator scan
2 induction unit, in addition to the secondaries over
3 the last five or six years.
4 Q But other than that it's pretty well
5 established technology, isn't it?
6 A Yes. There have been other changes to the
7 primaries. There has been barcode application
8 technology to those.
9 There's other smaller changes that would
10 have affected, you know, to some small degree possibly
11 that, but the basic backbone of the system hasn't
12 changed dramatically. The biggest, from my
13 recollection, is that SSIU addition to the secondary.
14 Q Okay. In this 5(a) do you see your response
15 there where you say in the last sentence, "The
16 separations on secondary parcel sorters range from 724
17 to 4,127 five-digit separations," correct?
18 A Yes.
19 Q Okay. So that's a secondary parcel sorter
20 machine with SSIU, correct?
21 A Yes.
22 Q Do the number of separations change if it
23 has SSIU or not?
24 A The SSIU is a feature of the induction
25 system, and it does not affect the discharge

1 containers or slides.

2 Q Okay. Can you look back at your response to

3 our Interrogatory 1(a) again on the top of the second

4 page where you say, "Separations on secondary parcel

5 sorters range from 40 to 252 container loaders and 83

6 to 417 chute/slides used for manual sacking or

7 containerization."

8 I'm trying to draw a contrast between the 83

9 to 417 chutes and slides and the 724 to 4,127 five-

10 digit separations. Perhaps I don't know enough as to

11 what the difference is.

12 A The difference is that the chutes and

13 slides, those are the number of different and distinct

14 runouts for the parcels. The slides are then sorted.

15 The parcels that come down and off the slides are then

16 sorted typically into sacks or other type containers,

17 typically sacks, to five-digit separations.

18 An individual slide could have ranging from

19 six to 26 or so roughly five-digit separations that

20 are then made after that slide, so you'll have a

21 difference in the number of container loaders in the

22 chute and the slides versus the number of actual five-

23 digit separations that you make.

24 Q And in both cases this is the number of

25 separations you can achieve in one pass, I take it?

1 A Correct.

2 Q Okay. Is this high number of separations

3 well-established for many years, or is this fairly

4 new?

5 A From my knowledge, the number of separations

6 on secondaries, with some limited exceptions, remain

7 pretty stable.

8 There have been changes in the number of

9 container loaders that sometimes facilities have on

10 their sorters. They may change out some slides and

11 turn them into container loaders or vice versa as a

12 way to accommodate growth, for example.

13 I know that Jacksonville has an expansion of

14 their sorter, added an expansion of the sorter in the

15 mid 1990s, so in fact they have differences in

16 runouts, but, generally speaking, that has been

17 relatively stable.

18 Q The capability of having, as you say in your

19 answer to 5(a), 724 to 4,127 separations on a

20 secondary parcel sorter, that capability has been

21 there for some years?

22 A Generally speaking, yes. There's always

23 been obviously a high number of separations able to be

24 processed on a secondary. Correct.

25 Q And just out of curiosity, if the SSIU is as

1 helpful as it is, why don't Chicago and New Jersey
2 BMCs have it? Do you know?
3 A Well, from what I recall is the
4 configuration of those sorters and the facility
5 constraints. They weren't able to accommodate the
6 technology.
7 I certainly believe that if they could, if
8 it was feasible, they would have been retrofitted, but
9 it was not feasible from an engineering standpoint.
10 Q Could you take a look at your response to 8,
11 please? This question follows up on your response to
12 our Question 1(f). Do you recall this?
13 A Correct. I do.
14 Q You stated that despite the high number of
15 separations you can have on the secondary parcel
16 sorting machine that parcels are frequently massed
17 together and sent from the BMC to the plant for
18 further separation, correct?
19 A Correct.
20 Q The term massed is not one I've come across
21 before. Is that a term of art, and can you define
22 that for me?
23 A It simply means combined into a single
24 container.
25 Q Okay. So you're talking about parcels from

1 multiple five-digit zips that are mixed together for a
2 particular plant. They're shipped to the plant, and
3 the plant then has responsibility to sort it to five-
4 digit zip?
5 A Correct.
6 Q And when the plant gets those massed parcels
7 you say that the plant's processing is manual in your
8 response to (a) here, correct?
9 A Correct.
10 Q Do you know offhand of the parcels that are
11 sorted on secondary parcel sorting machines as to how
12 many or what percentages would be massed and sent to
13 the plant in this way?
14 A I do not know a specific percentage of the
15 parcels that are combined together. I would
16 characterize it as a very small percentage.
17 I believe somewhere it's been stated that
18 they're typically for the very small five-digit zones
19 for BMC service areas when they may only have one or
20 two parcels per day such that a container at the BMC
21 is not even appropriate off of a slide as I described
22 earlier when you only have a few, in those cases.
23 In west Texas, for example, out of Dallas
24 they may in fact combine, as I said, those parcels
25 into a three-digit container, and then SCF out in west

1 Texas, Odessa for example or something, would then do
2 a further break to their little offices.
3 Q The impression I'm getting is that might be
4 five percent or fewer of the parcels being massed and
5 sent out to the plants this way?
6 A Yes, I would definitely say five percent or
7 less.
8 I will also qualify that ASF, if you're
9 familiar with the auxiliary service facilities, for
10 example, Salt Lake City and Billings and those
11 locations, they tend to mass more frequently than say
12 a bulk mail center because they do not have the
13 extensive technology and separations that a PSM would
14 have on their sorters, for example, and maybe just an
15 SPBS machine or some other sorter at the ASF so they
16 do that more common.
17 Even with that clarification, I would still
18 say that less than five percent is clearly an
19 appropriate estimate of what percentage of the pieces
20 that are combined to the three-digit level for further
21 manual separation downstream.
22 Q Okay. Would you then go back to your answer
23 to 1(f) and help me understand what you mean in your
24 response?
25 There we asked about BPM and media mail

1 being sent from the DBMC to a plant for further
2 separation, and you say, "Certain zones are massed
3 together and sent to the plant for further separation
4 for the final sort. This occurs commonly at all BMCs
5 typically for lower volume five-digit destinations."
6 Is that consistent with the five percent to
7 say that it occurs commonly?
8 A Yes, commonly meaning it's common that a BMC
9 would do that for their low volume, small five-digit.
10 Q Okay. That's fine. It's totally
11 reconcilable. I just didn't understand what you meant
12 when you said it was common.
13 Could you say that it would be desirable
14 from the standpoint of the Postal Service purchasing
15 and using equipment to avoid manual sortation of
16 parcels wherever possible?
17 A No. It would depend on the return obviously
18 on the use of that equipment compared to manual labor
19 for what would be a very small amount of mail.
20 Q The manual labor charges handling a parcel
21 is pretty high, isn't it?
22 A I have no basis on which to comment on
23 they're pretty high. I mean, I'd have to know more
24 about what the actual cost is on a manual handling.
25 Q That's not something you regularly deal with

1 I take it?

2 A No, it's not.

3 Q Okay. Could you look at your response to

4 5(a), please? I want to focus again on that range of

5 724 to 4,127 five-digit separations, okay?

6 If you will agree with me for purposes of

7 the question anyway that manual sortation is pretty

8 expensive for the Postal Service, that avoiding manual

9 sortation is frequently an objective of the Postal

10 Service to avoid those costs? If you could just

11 accept that?

12 Is there some reason why more of the

13 secondary parcel sorting machines aren't maximized to

14 have more five-digit separations than they have

15 currently? I mean, they're not all at 4,127 now

16 currently, correct?

17 A Correct.

18 Q Is there some reason that that's not done

19 that would make sense?

20 A Well, if you understand the sorting at the

21 BMC in the low volume separations, as I described

22 earlier it comes down a slide for a manual handling at

23 that point into a sack.

24 From that standpoint if it is combined for a

25 manual sort at a plant it's really a manual sort

1 tradeoff to a manual sort. What it comes down to is
2 that the destination at the bulk mail center does not
3 require, does not substantiate even a sack because
4 once that sack is created for a couple of parcels a
5 day then that sack needs to be handled at that bulk
6 mail center and transferred through to the plant.
7 If those parcels are then combined at the
8 BMC then they can be taken, and the manual handling
9 that we discussed is essentially just a transfer of
10 that manual handling to the plant, and then those
11 parcels are combined in a bullpen operation with other
12 trays, sacks and other containers going to the
13 delivery unit.
14 From the standpoint of a savings on the
15 handling of the sack with just a few pieces from the
16 bulk mail center and the maximization and use of
17 transportation without any quantitative analysis of
18 that, that is the reason why the decision is made to
19 sometimes move those small volume manual handlings and
20 not have the manual handling at the BMC, but have the
21 manual handling at the plant.
22 Q And then when the piece gets to the DDU of
23 course there would be another manual handling to get
24 it down to carrier route, correct?
25 A Correct. That's always the case, yes.

1 Q Is there a range of the number of five-digit
2 zips that are served by each BMC that you've ever
3 heard, the number from a low to a high, for example?
4 A The number of five-digit zips?
5 Q Yes.
6 A Well, you have it right there, the 724 to
7 4,127.
8 Q In other words, the BMCs serving the fewest
9 number of five-digit zips is 724?
10 A Approximately, yes.
11 Q And the number of five-digit zips served by
12 the largest BMC is 4,127?
13 A Correct.
14 Q Do you know which those are offhand?
15 A I believe 4,127 is Springfield, and 724 is
16 either Kansas City or Des Moines, I believe.
17 Q Let me talk to you about the automated
18 package processing system for a moment. I need to
19 clarify some of your responses that I wasn't sure what
20 you meant.
21 Look at 6, please. In your response to 6
22 you say that in existing BMC facilities the secondary
23 parcel sorting machines will continue to be used to
24 sort BPM and media mail parcels. Is that correct?
25 A Correct.

1 Q So even if the BMC has one or more APPS
2 systems, the APPS will not be used to sort media mail
3 and BPM?
4 A Machinable parcels. Correct.
5 Q In 4(d) you say that small parcels will be
6 processed on APPS rather than on the less productive
7 SPBS or manual operations. Do you see that?
8 A Which one are you referring to? I
9 apologize.
10 Q 4(d).
11 A Okay. Correct.
12 Q Okay Does that indicate to you or should
13 that indicate to me that at existing BMCs that the
14 APPS machines are going to replace the SPBSs?
15 A Correct.
16 Q Okay. And they're not replacing any parcel
17 sorting machines?
18 A Correct.
19 Q Okay. We've established before the first
20 question that bound printed matter and media mail are
21 not handled on SPBSs at BMCs, correct?
22 A Correct.
23 Q And they're not going to be handled on APPS
24 machines at BMCs?
25 A Correct.

1 Q So at BMCs will the APPS machines help
2 increase the productivity or reduce the cost of
3 handling the media mail and BPM at the BMCs?
4 A Could you repeat the question?
5 Q Yes. Just focus on the BMCs, the existing
6 BMCs, even if they change their name in the new
7 network.
8 I think you said that the APPS systems are
9 never going to be used for media mail and BPM in the
10 current plans correct?
11 A At those BMCs, correct, for machinable
12 parcels.
13 Q So there will be no change at the existing
14 BMCs for handling media mail and BPM despite the
15 introduction of APPS?
16 A For machinable parcels. If you know the
17 preparation for media and library mail, you have media
18 mail flats, irregulars and machinable parcels, which
19 are just flats and irregulars. Those are bundled
20 pieces and containerized in a different fashion.
21 In those cases those very well could be
22 placed on an APPS machine, but for machinable parcels,
23 which I believe you're asking about, small parcels,
24 those are the ones that are reading the
25 characteristics of a machinable parcel, which,

1 generally speaking, is six ounces and over and a few
2 other characteristics.
3 No, that is not the piece of equipment that
4 is intended to process those pieces in a BMC or a
5 former BMC that has the PSM equipment.
6 Q Okay. But then in another response you say
7 that in the plants or the RDCs that emerge in the new
8 system that are not existing BMCs that the APPS
9 machines will be used to handle media mail and BPM.
10 I believe you have a response that says
11 that. Do you recall that?
12 A You did point out a response where I
13 indicated that the APPS will be used to process small
14 parcels, and in that case I'm referring to standard
15 mail parcels in BMC sites, so it would be the ones
16 that are below six ounces, first class mail parcels
17 that are processed and machinable.
18 You also referred to APPS machines at future
19 RDCs that are not BMCs. In those cases, yes, the APPS
20 will be used not only for the ones I just mentioned,
21 but also machinable bound printed matter and media
22 mail. I mean media mail and library mail.
23 Q I think that's your response, just for the
24 record, to 9(a) and (b). It's consistent with that.
25 Let's look at 2(e) and (f). We asked you

1 about the APPS, and you referred us to a response you
2 had given to Time-Warner 13(a). Do you recall that?
3 A I do.
4 Q Okay. In the response to Time-Warner 13(a)
5 you use three times in your response the words
6 Priority parcels. Is that the same as Priority Mail
7 parcels?
8 A Correct.
9 Q Okay. I just thought there might be a small
10 P priority.
11 The productivity on those Priority Mail
12 parcels was 403. Do you see that?
13 A I do.
14 Q Okay. That is not much higher than the
15 productivity range on the PSMs that I think was 347 to
16 370. Do you recall those numbers?
17 A I do.
18 Q Is it possible to make a legitimate apples
19 to apples comparison between Priority Mail that
20 reflects this productivity level of 403 in media mail
21 and BPM on the other hand on parcel sorting machines
22 that have a productivity of 347 to 370?
23 A I don't believe so. The major difference
24 would be the number of separations and potential five-
25 digit splits that you can make on those pieces of

1 equipment.

2 Q Okay. And the APPS machines either have 100

3 or 200 separations? Is that correct?

4 A Or 150.

5 Q But never more than 200?

6 A Not currently.

7 Q Okay. Do you have an estimate of the

8 productivity and throughput for the APPS machines if

9 and when they're used for media mail and BPM at these

10 non-BMC facilities?

11 A I do not.

12 Q Is there any number we could look at that

13 would give us an indication of the range it would be

14 in, anything we could compare it to?

15 A My hesitance on the use of the 403 in

16 Priority Mail is the fact that the media mail and

17 library mail parcels tend to be smaller, so the output

18 chutes would not need to be cleared as much.

19 I don't know if that would be an appropriate

20 estimate, so I'd have to answer that I do not have

21 something that I could point you to that I believe at

22 this point would be reliable.

23 Q The throughput numbers you gave for APPS

24 machines with a single induction point was 5,000 an

25 hour, correct?

1 A Correct.
2 Q And there's no way you can deduce anything
3 based on productivity based on throughput?
4 A Not really. It's a big machine with a
5 number of folks staffed on the feed end and output
6 chute sides, so I don't believe so.
7 Q If the APPS machines have no more than 200
8 bins will it be necessary to make multiple passes on
9 that machine in order to get the kind of separation
10 you can get currently on a parcel sorting machine in
11 one pass?
12 A Yes, if you're specifically asking if you
13 are trying to make an equal number of separations on a
14 piece of equipment that has the capability to make
15 that versus another piece of equipment that has fewer
16 separations, fewer than the number you're trying to
17 make, and you have a single machine, yes, you would
18 need to make a tertiary is what we call sort, a second
19 sort on some of those parcels.
20 Or, if you had multiple APPS machines you
21 may not need to have that if the product is sorted to
22 the various APPS schemes before induction.
23 Q And I take it that might be the main reason
24 that you're not changing over from the parcel sorting
25 machines at BMCs to APPS, for example, because it's

1 more designed to have the greater number of runouts?
2 It may be a little less throughput, a little
3 less productivity, but in the end you have to do
4 multiple sorts, and it would be more costly?
5 A You're correct.
6 Q Last question. Looking at Amazon 4(d) you
7 say -- I think we covered this. I think we can
8 eliminate this, mercifully.
9 Let me just ask this. You've said that APPS
10 has the capability to sort to carrier route, I
11 believe, correct?
12 A It does from what I understand.
13 Q But there are no plans in the Postal Service
14 to parcel to carrier route with the APPS machines,
15 correct?
16 A At this time, no, there are not.
17 Q Let me ask you what happens in this
18 situation if you know this. If you have a queue of
19 small bundles and parcels and they're to be processed
20 on say an APPS machine, is there priority given to the
21 bundles to sort?
22 A Versus parcels? I would not say so.
23 Q There's no uniform rule you know of that
24 would give priority to the bundles over the parcels?
25 That wouldn't happen in real life?

1 A On the APPS machine?

2 Q Yes.

3 A Well, right now if it shares responsibility

4 say with Priority Mail parcels processed in their

5 windows they would tend to have priority over the

6 bundle mail, for example, standard and periodicals.

7 Q And for parcels that were not Priority Mail?

8 A I would not in that case say that the

9 bundles have priority over say, for example, media

10 mail or standard mail parcels. They would not have

11 priority, in my opinion, over the bundles.

12 Q Even if the bundled mail had a higher

13 service standard?

14 A For example, a weekly or more frequent

15 periodical?

16 Q Could be.

17 A Well, in that case they may, but they tend

18 to either if they're processed in a separate window

19 those windows are pretty established. If they

20 conflict in some way it's possible in that particular

21 instance it may.

22 Q Okay.

23 A Generally speaking, I would not say it would

24 generally have priority.

25 MR. OLSON: Thank you so much, Mr. McCrery.

1 Thank you, Mr. Chairman.

2 CHAIRMAN OMAS: Thank you, Mr. Olson.

3 Mr. Anderson, American Postal Workers Union?

4 Mr. Volner, I'm sorry.

5 MR. ANDERSON: Thank you, Mr. Chairman.

6 CROSS-EXAMINATION

7 BY MR. ANDERSON:

8 Q Good morning, Mr. McCrery.

9 A Good morning.

10 Q I'm Darryl Anderson. I represent the

11 American Postal Workers Union.

12 Mr. McCrery, in your testimony you discussed

13 this morning --

14 CHAIRMAN OMAS: Excuse me, Mr. Anderson. Is

15 your mic on, sir?

16 MR. ANDERSON: It seems to be.

17 CHAIRMAN OMAS: Okay.

18 MR. ANDERSON: I guess it's pointing in the

19 wrong direction. Perhaps that will help. Is that

20 better?

21 CHAIRMAN OMAS. That's better.

22 MR. ANDERSON: There's a new sign here

23 saying stay at least 10 inches from the microphone. I

24 was trying to lean back.

25 CHAIRMAN OMAS: Well, it works for some, and

1 for others it doesn't.

2 MR. ANDERSON: I don't suspect any

3 conspiracy.

4 CHAIRMAN OMAS: None whatsoever.

5 BY MR. ANDERSON:

6 Q Mr. McCrery, you've testified about the high

7 importance of the Postal Service of barcoding and

8 tagging as much letter mail as possible.

9 Would you just reiterate for us now what

10 pieces of equipment the Postal Service uses to apply

11 barcodes, Postal Service applied barcodes, to the

12 letter mail?

13 A Our DBCS equipment, which has a variety of

14 range of configurations, our MLOCR equipment.

15 Did you ask specifically about tagging as

16 well as barcoding?

17 Q Yes.

18 A Well, then the ID tag is also applied by the

19 advanced facer canceller, and we now have ID tag

20 technology on our AFSM 100, and now we also have

21 barcode application technology on our primary parcel

22 sorters. I don't think I'm missing anything there.

23 Q Thank you. The multi-line optical character

24 readers are being phased out as I understand it?

25 A Yes, correct.

1 Q Is that because the new machinery is more
2 effective, or is it just that they're aging and need
3 to be replaced one way or the other?
4 A I would characterize it as a combination of
5 end of useful life, as well as better technology.
6 Q The DBCS is a superior type of technology?
7 A In the configurations that are replacing it,
8 and it's in the testimony, but the DIOSS technology
9 and the various configurations of the delivery barcode
10 sorters that will be replacing the MLOCRs, yes.
11 Q And the DIOSS technology is not on the
12 MLOCRs? Is that correct?
13 A Is has similar features. The MLOCR has what
14 we call ISS capabilities in many cases, which it can
15 scan an OCR, retrieve and send images, but again in
16 terms of useful life and other factors it's been
17 decided to replace those with newer technology.
18 Q Okay.
19 A Or separations. I apologize. I didn't mean
20 to interrupt you.
21 Q Thank you. It's my understanding that the
22 Postal Service barcoding machines automatically check
23 for readability of the barcodes they're applying. Is
24 that correct?
25 A That they apply or that have been --

1 Q Yes.

2 A -- previously applied? Yes, there is some

3 technology.

4 My level of knowledge on this will be

5 admittedly surface knowledge, but there are some

6 devices on there that after a barcode has been applied

7 that they check that barcode for certain levels of

8 quality using the check digits and other things to

9 make sure that it's adequate.

10 Q Are you familiar with the level of quality

11 of the barcodes applied by the Postal Service?

12 A Not in any great detail.

13 Q It's my understanding that you can get about

14 a 98 percent read rate. Are you familiar with that?

15 A That doesn't sound outside the realm of my

16 understanding, but I can't confirm that. I don't know

17 that for sure.

18 Q Do you know is there another witness in this

19 proceeding who has that responsibility for that

20 information?

21 A I would say no other witness. I just don't

22 have the information off the top of my head.

23 Q Could you provide it for us?

24 A Sure.

25 Q Okay. Thank you.

1 A Just specifically to reiterate the question,
2 I wasn't sure exactly what the question really was.
3 Q The question was for Postal Service applied
4 barcodes what is the readability percentage of Postal
5 Service applied barcodes? It's my understanding that
6 it's very high.
7 Taken across all machines, all Postal
8 Service machines that apply barcodes or separating
9 them out if there's a significant difference between
10 them, what's the readability percentage of the Postal
11 Service applied barcodes?
12 Presumably there are some that are not
13 readable for whatever reason -- a malfunctioning
14 machine or perhaps a problem applying the barcode to
15 that particular kind of mail, but for whatever reason
16 some of them aren't.
17 If the Postal Service has a percentage of
18 readability for its own applied barcodes would you
19 please provide that?
20 A Now I understand the question. I will say
21 though that once the barcode has been applied it will
22 move to a downstream operation where it will be
23 combined with barcodes placed on by customers and
24 preapplied barcodes, so my suspicion is that it's not
25 going to be able to be isolated in any further

1 downstream operation.

2 When you say readable, that will be readable

3 after we try to read it again. At that point again it

4 will be mixed with other customers' mail, some

5 preapplied, and it will be quite difficult, if not

6 impossible, to isolate out our readability simply

7 specifically on our barcodes, but I will see.

8 Q Thank you. You use a process called MERLIN,

9 as I understand it, M-E-R-L-I-N.

10 CHAIRMAN OMAS: Just a minute. Are you

11 going to provide that to us or not, Ms. Portonovo?

12 MS. PORTONOVO: The Postal Service will look

13 to see if we have that information.

14 CHAIRMAN OMAS: And could you get back to us

15 and let us know whether or not you can? If so, we'd

16 like it in seven days, please.

17 MS. PORTONOVO: Yes, the Postal Service will

18 do that.

19 MR. ANDERSON: Thank you, Mr. Chairman.

20 BY MR. ANDERSON:

21 Q Mr. McCrery, it's my understanding you use a

22 process called MERLIN, M-E-R-L-I-N, to evaluate

23 barcodes submitted by mailers or on mail submitted by

24 mailers. Is that correct?

25 A That is correct.

1 Q Are you familiar with the output from that
2 system?
3 A No, I'm not.
4 Q You've testified that it's necessary to
5 barcode non-automated presort mail. Where in the mail
6 processing process is that mail barcoded?
7 A Non-automation presort mail is barcoded
8 depending on the level of presort in terms of where in
9 the system it is barcoded.
10 Q How many different levels of presort might
11 there be then?
12 A There's four basic levels of presort,
13 non-auto presort, currently today, and that's five-
14 digit, three-digit, AADC or ADC and mixed.
15 Q All right. Not wanting to take the entire
16 morning on this subject, but still wanting to find out
17 more about this, can you tell me where, for example,
18 five-digit versus three-digit non-automated presort
19 mail would be barcoded by the Postal Service?
20 A On an MLOCP ISS operation or a DIOSS ISS
21 operation.
22 Q Is there a difference between the two as to
23 three-digit or five digit presort?
24 A Oftentimes there's not.
25 Q You testified that the extra sort bins on

1 the DBCS make it possible to process a significant
2 portion of the letters to the five-digit zip code on a
3 DBCS. Is that correct?
4 A There's more to that response, I believe,
5 but it does sound familiar.
6 Q This is on page 11 of your testimony if
7 you'd like to take a look.
8 A Sure.
9 Q Do you see the passage?
10 A Yes. On an incoming primary distribution
11 sort.
12 Q Right. Now, would that be an example of
13 where barcodes are being applied at the same time?
14 A Yes. You could have an incoming primary
15 type operation where it is an ISS where you are in
16 fact trying to apply a barcode, lift an image if
17 necessary, or an incoming primary could be, and then
18 again an operation where only barcoded mail,
19 previously barcoded either by customers or an upstream
20 plant is processed, but those are the two general
21 categories of incoming primary that I'm referring to
22 in that case.
23 Q I'm curious about the statement. You say in
24 that same passage on page 11, "Therefore, a pure
25 three-digit letter tray versus a multiple three-digit

1 letter tray can have similar value in terms of the
2 reduction in pieces handlings."
3 Would you elaborate on that for me? I'm not
4 sure what you mean by that.
5 A Absolutely. Now, with the ever-growing
6 number of separations that our machine equipment can
7 have compared to our previous generation of technology
8 mail processing barcode sorters and the like, the
9 schemes on incoming primary, and if you note there's
10 what we call incoming primary or maybe even a managed
11 mail program which would be equivalent to something
12 that would process that AADC level of sort that I
13 mentioned as one of the four levels.
14 Those levels of sorting can sometimes
15 perform equal -- not exactly equal, but equal levels
16 of separation -- on a good chunk of the mail because
17 there's more separations into which the pieces can be
18 sorted.
19 For example, on an AADC sort plan there is
20 capabilities now to hold out a good deal of the five-
21 digit separations within that AADC for a lot of the
22 high volume five-digit because of the number of
23 separations ranging roughly typically between 190 and
24 220.
25 If that is sorted into a three-digit tray

1 you can move it to an incoming primary operation, hold
2 out more five-digits again, but then you're starting
3 to hold out more of the smaller five-digits.
4 In the AADC you're still separating out and
5 doing an equivalent sort on a good deal of that mail
6 so that AADC and three-digit tray have similar, though
7 do not have diverging value as much as they did in the
8 past.
9 I mean, they certainly do have differences
10 in value, but not as much in the past as we have more
11 separations on our equipment to perform separations
12 when you have an AADC tray.
13 Q As I understand it, the DBCS equipment is
14 being retrofitted to have as many as 300 separations?
15 A In some cases, yes. In some limited cases.
16 Q You're using terminology that I'm not
17 familiar with, so you'll pardon me if I seem to be
18 belaboring the point.
19 As I understand it, trying to put it the
20 other way, you're saying that the presorting to three-
21 digit, in that situation that you just described the
22 three-digit presort is really not helping, is not
23 advancing the cause?
24 It's not avoiding any sortation because you
25 can go directly using the DBCS machine to a five-digit

1 sort?

2 A I wouldn't characterize it that

3 dramatically. As I said just previously, it does have

4 value over the AADC in most cases, almost all cases,

5 but just the difference than it did in the past

6 between the AADC level, for example, is shrinking.

7 If you know also now, three-digit trays can

8 be schemed. There's a scheme out there that can be

9 combined where you don't prepare a single three-digit

10 and so in some cases we are having customers prepare

11 their three-digits together into multiple three-digit

12 trays in lieu of individual three-digit trays to take

13 into consideration the fact that I just mentioned.

14 It's also important to point out that in

15 certain locations of the country there are plants that

16 are underneath within the network of an AADC. My old

17 plant in Burlington is an example where the AADC is

18 White River Junction, and Burlington is an SCF within

19 the service area of the AADC.

20 In that case, a three-digit tray will allow

21 the mail to go straight to Burlington for an

22 appropriate final sort of all the mail to the five-

23 digits that need to be handled in Burlington.

24 Now, if that mail was in an AADC tray, White

25 River Junction does perform some sorts for some of the

1 high volume zips in Burlington, but not all of them.
2 It does not in that case produce an equivalent level
3 of distribution.
4 Generally speaking, as I mentioned, with the
5 increased number of separations the difference in the
6 three-digit sort versus an AADC sort are not as
7 dramatic as it once was.
8 Q So as the DBCS DIOSS equipment replaces the
9 multi-line optical character readers, this will in the
10 larger plants at least begin to wash out some of the
11 value of the three-digit presort as I understand your
12 testimony?
13 A If in fact a plant is using an MLOCR ISS to
14 process their incoming primary, in those cases even
15 that will further solidify the point I'm trying to
16 make.
17 Q Can you explain why the proposed system does
18 away with the non-machinable surcharge for a non-
19 automated presort letter? Do you understand the
20 question?
21 A You're asking specifically a classification.
22 Q Not within the scope of your testimony?
23 A It's really not, you know, within the scope.
24 From what I understand, there's another rate and that
25 is the flat rate, but that is deemed to be by the

1 folks that have that decision to be the appropriate
2 rate a different rate.
3 Q I understand. I meant to ask you an
4 operational question really.
5 You're not aware of any operational reason
6 why it would be appropriate to do away with the non-
7 machinability surcharge in terms of the ease of
8 operations or the effectiveness?
9 A No. There's nothing that's happened of late
10 that we would now no longer want to financially
11 disincentivize the preparation of non-machinable mail.
12 Q What is an operating plan clearance time,
13 and what's the significance of the operating plan
14 clearance time in mail processing?
15 A The operating plan is the template, so to
16 speak, of the plan and how they operate.
17 The clearance time is the time that it's
18 planned that the operations, the specific operations,
19 should have their volume cleared out of that operation
20 and then be moved to the next appropriate dispatch
21 operation to meet the dispatches of value, as we call
22 those, or move to another operation, a subsequent
23 downstream operation.
24 Q You testified about separating non-
25 machinable mail at the point of origin and also

1 testified about separating out non-machinable mail at
2 destination.
3 I found that confusing testimony because if
4 it's separated at origin why would additional non-
5 machinable mail need to be separated out at point of
6 destination?
7 A Could you point me to something?
8 Q Yes. Would you look at your testimony at
9 page 3?
10 A Line?
11 Q Lines 11 through 15.
12 A Early in the testimony when we were
13 discussing the 010 operation we're talking about the
14 separation in that case of primarily collection mail,
15 but also metered mail and other types of originating
16 volumes into the various categories, the three I just
17 mentioned, and then they are processed accordingly and
18 then moved to destination.
19 When I say that they are then separated,
20 they're not necessarily separated to the same degree.
21 They don't need to be divided and broken out in an 010
22 fashion. It's just saying that they've already
23 essentially been isolated at origin. You just need to
24 keep those flows separately and move them distinctly
25 throughout the incoming operation.

1 Q Okay. Thank you. You testified later on in
2 your testimony about staffing manual operations to
3 meet dispatch times in order to meet service
4 commitments.
5 Do you know whether the Postal Service
6 captures the proportion of manual time that's used for
7 that purpose; that is, used to meet dispatch time?
8 A I'm not aware of any way or anything that's
9 been attempted to isolate specifically the manual
10 portion just to meet those dispatch times, no.
11 Q Can you give us any insight into the
12 significance of using manual sort time to meet the
13 dispatch time, manual sortation to meet the dispatch
14 time?
15 What I'm driving at is I'm wondering whether
16 if it were not done that way whether there would be
17 service plan failure, or would it mean that mail that
18 is committed to be delivered in three days would be
19 delivered one day later or two days later if the
20 manual sortation were not done and it were instead
21 held back and then run through the machine?
22 A It's possible. I guess you're alluding to
23 that last question that the pieces are processed
24 manually in lieu of automation to try to help get that
25 volume through and meet the clearance time of the

1 operations and then on to the dispatch of value.
2 Generally when we discuss the use of manual
3 you may have some rejects that end up in manual for
4 manual distribution towards the latter part of a
5 distribution tour and then they'll have to staff that
6 accordingly to make sure that they get all of that
7 volume processed to meet the clearance time.
8 To your question, if in fact they do not
9 appropriately staff the manual unit to handle the
10 level of rejected volumes or non-machinable mail and
11 it is held back and worked either later on in the tour
12 manually and misses a dispatch of value, yes, it's
13 possible that it could then have a service
14 consequence. Not necessarily.
15 Sometimes volume that misses a dispatch of
16 value can still meet service commitments and
17 requirements, so it's not a certainty that the volume
18 will then have a service consequence. The processing
19 of mail manually to meet service commitments in lieu
20 of having that volume stay in automation is not common
21 practice. It's not an economic alternative at the
22 speeds of our automation right now.
23 Q I had the impression that it was a common
24 practice. Can you quantify it?
25 A I don't believe it to be common that we'll

1 take automation compatible mail late in the tour and
2 start working those trays manually at that much
3 decreased productivity level. You're not going to
4 gain a whole lot there with our extensive fleet of
5 automation, no.
6 There is manual volume that has to remain in
7 manual and then is staffed accordingly, particularly
8 late in the tour, to ensure we have a dispatch of
9 value, but not as a way to complement automation
10 equipment to meet dispatches of value.
11 Q Do you know whether the IOCS system
12 specifies the reason letters are in manual operation?
13 A Not in the categories I believe you're
14 looking for as far as to meet dispatches of value and
15 things like that, no.
16 Q Okay. Thank you. You testified on page 12
17 that enhanced carrier route letters are I believe you
18 used the term often captured at or backhauled to the
19 plant for DPS processing. Do you recall that
20 testimony?
21 A Yes, I do.
22 Q Can you quantify that for us? What do you
23 mean by often?
24 A By standard, by SOP, if the volume can be
25 moved back to the plant, if in fact it has to be moved

1 back to the plant if it was drop shipped, for example,
2 by a customer straight into the delivery unit and then
3 it meets automation compatibility requirements and can
4 be moved back and meet service expectations, if there
5 in fact are those service expectations, it's required
6 to be moved back and integrated into DPS.
7 I don't know. I don't have any basis on
8 which to provide an estimate of just how often that
9 happens, but it does certainly happen frequently as
10 the policy, the standard operating procedures,
11 dictate.
12 Q How long has that been the standard
13 operating procedure?
14 A I recall within the last five or six years.
15 I don't remember specifically, but there are some
16 policy directives out to the field about the moving of
17 enhanced carrier route auto compatible letters back to
18 DPS.
19 Q Do you know what the cost is of backhauling
20 that mail as compared to the amount of the presort
21 discount?
22 A I do not.
23 Q Is registered mail handled through the
24 automation mail stream?
25 A No. It has its own separate flow of

1 countable flow.

2 Q So it would never be DPS'd with the other

3 mail?

4 A No.

5 Q What about certified mail?

6 A Certified mail is processed through

7 automation. It is held out on the first pass of

8 automation if it in fact is for a zone that is

9 automated and DPS'd so that it can be then held

10 accountable, accountable mail at the delivery unit.

11 Q Do you know what percentage of certified or

12 registered mail is letter-shaped mail?

13 A I do not.

14 Q You may not be the right witness for this

15 question, but let me ask you anyway. Do you know what

16 percentage of certified or registered mail is metered

17 either by the sender or by a clerk who accepts the

18 piece at a post office?

19 A No, I do not know that information.

20 Q Is there another witness who would have that

21 information for us, to your knowledge?

22 A I can't say for sure. I don't know.

23 Q It's my understanding that the CSBCS

24 equipment is only in the smaller branches. Is that

25 correct?

1 A For the most part. Well, smaller branches?
2 No. I apologize.
3 Q Smaller offices.
4 A No, that's not fair to say. Certain larger
5 delivery units could certainly have CSBCSs as well.
6 Q CSBCS equipment requires that a barcode be
7 on the piece to sort it. Is that correct?
8 A Correct. They have ISS ID code sort
9 capabilities as well to be able to use the result if
10 in fact there is not a barcode placed on the front or
11 the barcode happens to be unreadable, an ID code sort
12 technology described in the testimony.
13 Q But they're not using the CSBCS machine at
14 plants for processing mail, are they, other than if
15 there happens to be a delivery unit there?
16 A Correct. There's no use of that equipment
17 for say another type of purpose for incoming primary
18 or outgoing, no.
19 Q Of the various kinds of machines that have
20 OCR capability, can you tell us which of them have a
21 gray scale camera?
22 A I can't tell you for sure. I do recall the
23 gray scale technology in the past. I don't know for
24 sure which ones have that.
25 Q Do you know the purpose of the gray scale

1 camera?

2 A Not well enough to feel confident to

3 articulate any response to that engineering level of

4 question.

5 Q I had the same question about the wide field

6 of view camera. Are you familiar with that one?

7 A Yes. I'm a little more familiar with that,

8 yes.

9 Q And which machines have that?

10 A I believe most of the actual technology now

11 in the letter sorting arena, if not all, has a wide

12 field of view to encapture and view for the most part

13 the entire image of the letter or the surface of the

14 letter.

15 Q I see. That's different from the wide area

16 barcode reader? You're comparing the OCR to a barcode

17 reader I guess?

18 A There's a WABCR we used to call it that had

19 the ability to try to scan and find barcodes in a

20 wider area as well, so I believe that you're talking

21 about something different there.

22 Q Right. With a wide area barcode reader it's

23 my understanding that it looks first for a barcode in

24 the place where the Postal Service applies the

25 barcodes and then searches elsewhere on the letter for

1 a barcode. Is that correct?

2 A I don't know if it's appropriate to

3 characterize it in exactly that manner.

4 I know that there is -- based on my

5 understanding of it is that when they do find those

6 they have a hierarchy on what they use, if they find

7 one in a lower right location typical of where we

8 would place that versus one in the address block.

9 Q What equipment is used to read the ID tags

10 on the letters?

11 A Right now from what I understand, and it

12 should be in the testimony, most of the equipment, if

13 not all, has been retrofitted to be able to read the

14 ID tag.

15 Q Is that a separate reader?

16 A Yes. Well, the ID tag reader reads in the

17 opposite spot on the back side of the envelope, so

18 yes, it is a separate reader.

19 Q Is it a different technology as well? Do

20 you know?

21 A I don't know for sure about the technology.

22 Q Do one of these readers read the PLANET

23 codes for Confirm, or is that yet a different kind of

24 reader? Do you know?

25 A Well, there is other technology. There's

1 technology in the image capture and scan and barcode.
2 How that all gets parsed out in terms of
3 different technology or similar technology I don't
4 know how to characterize it for sure, but obviously
5 there's another piece of element of technology or an
6 expansion of the existing technology to also read the
7 Confirm codes or PLANET code.
8 Q Do you know how soon the PAR system is going
9 to be fully functional?
10 A It is listed in the testimony. If you'd
11 like I could refresh my memory by finding that.
12 Q I'll refer back to it. No need. Do you
13 know once it is fully functional is every addressed
14 piece of mail going to get checked through the PARs
15 database? Is that the plan?
16 A I believe so. There's different levels.
17 There's the ability to isolate or move to update
18 candidate mail, and then there's SIOSS machines that
19 actually will perform the function of moving that on
20 to the next step, you know, either labeling it and
21 returning it.
22 That technology won't be at every plant, but
23 from what I understand there will be readers and an
24 ability to isolate in most plants.
25 Q Do you know whether they intend to put the

1 SIOSS machines?

2 A Yes. Not off the top of my head, but

3 there's certainly a plan in place -- it may even have

4 been provided -- that would have the deployment of

5 that equipment.

6 Q It is my understanding that the PARs check

7 is being made the very first time the mail is read by

8 a machine. Is that accurate?

9 A Well, yes, on the first delivery barcode

10 piece distribution sort. Yes, that's my

11 understanding.

12 Q The question is whether the PARs check is

13 being done at primary or secondary level of sortation.

14 A The first time it would be on the primary

15 level.

16 Q I gather that technology though has to be

17 used at other points in mail processing for mail that

18 enters the mail stream at a later time and --

19 A Yes. I'm sorry. I didn't mean to

20 interrupt.

21 Q Go ahead.

22 A Yes. If in fact it's presorted volume it

23 would go straight to an incoming secondary. The

24 technology would identify that piece on a secondary

25 operation as well.

1 Q But from then on I assume the diversion of
2 that piece of mail would be functionally the same or
3 very similar?
4 A It moves to that either carrier identified
5 or machine identified SIOSS type operation for further
6 handling and movement of the UAA mail as appropriate.
7 Q In your response to APWU/USPS-T42-6 you
8 state that while there are 19,300 zip codes that are
9 not DPS'd, but that for some of those DPS is not
10 required.
11 I just wanted to ask you how much more
12 detail you could give us about some of those.
13 A T42-6?
14 Q Yes.
15 A Now that I'm there could you please repeat
16 the question?
17 Q Yes. You state that while there are some
18 19,300 zip codes that are not DPS'd, but for some of
19 those DPS is not required.
20 You mention a zip code that is specific to a
21 company as an example. Do you know how many zip codes
22 fall into that category?
23 A I don't have that information on the top of
24 my head, no.
25 Q And the same question for P.O. boxes?

1 A No. I don't know that off the top of my
2 head, no.
3 Q Is that something that you could provide for
4 us?
5 A From my understanding, that is available
6 information that could be provided.
7 MR. ANDERSON: May I ask, Mr. Chairman, that
8 the Postal Service be asked to provide that
9 information to us?
10 CHAIRMAN OMAS: Ms. Portonovo?
11 MS. PORTONOVO: The Postal Service would
12 like to ask why counsel did not pose such questions
13 during written discovery periods?
14 CHAIRMAN OMAS: Well, I think if the witness
15 can produce the evidence we can go ahead. We'd like
16 you to provide that in seven days if you please.
17 MS. PORTONOVO: Okay.
18 MR. ANDERSON: Thank you, Mr. Chairman.
19 THE WITNESS: So P.O. box and firms?
20 MR. ANDERSON: Yes. Thank you.
21 BY MR. ANDERSON:
22 Q In the same answer, Mr. McCrery, you stated
23 that there are zip codes that could never receive DPS
24 sort due to distance and minimal volume.
25 I would infer that these would be relatively

1 sparsely populated rural areas. Would that be
2 correct? Do you know?
3 A That's a safe assumption.
4 Q Do you know whether distance plays a part in
5 determining if an area will be DPS'd?
6 Putting it another way, is DPSing sometimes
7 deferred because of a need to make a dispatch time to
8 a distant area?
9 A It is possible.
10 Q That would be appropriate mail processing
11 practice, I would assume?
12 A If you have a single truck going to a
13 distant location, if it's not feasible to delay that
14 vehicle, yes, you'd want to move particularly first
15 class mail on out to that destination.
16 However, you do need to be fully considerate
17 of the fact that there's no tremendous capability of
18 delivery units in many cases to manually handle that
19 volume so you do need to be considerate of that as
20 well.
21 Sometimes trucks are delayed or held back
22 just to get all of that volume through DPS for
23 appropriate reasons.
24 Q In last year's rate proceeding, Mr. McCrery,
25 as I recall, you indicated that you were not aware of

1 any shortage of flat sorting machinery. We were
2 inquiring about the apparent increase in manual
3 sorting of flats.
4 Do you have any other additional information
5 at this time about any shortages in flat sorting
6 machinery in any place in the mail processing system?
7 A I do not.
8 Q If you have a letter-shaped piece of mail
9 which is within weight limits for a DPS machine with a
10 typewritten address and not accountable mail so
11 there's no problem with accountability interfering
12 with its DPSing, the Postal Service would always try
13 to DPS that mail, wouldn't it?
14 That's your goal is to be able to DPS all
15 mail, but in particular clean, typewritten letter mail
16 should be DPSable?
17 A That is the goal for a piece that's
18 addressed to a zone within a zone that's a DPS zone.
19 Q And do you know what the success rate is the
20 Postal Service has with mail of that sort?
21 A No, I do not.
22 Q You testified that detached address labels
23 are transported back to the plant for DPS processing.
24 Do you recall that?
25 A I recall on certain occasions that does

1 happen, yes.

2 Q Can you compare the cost of tray handling

3 and piece handling costs for letters in presort

4 destination trays?

5 A No.

6 Q I was confused about your testimony. Would

7 you look at page 13 of your testimony, please? Look

8 at lines 10 through 15, please.

9 Do you see what passage I'm referring to?

10 You say that when letters are prepared in presort

11 destination trays by customers piece handlings are

12 saved, but an additional tray handling cost will

13 likely be incurred.

14 Then you add, "With more productive piece

15 distribution operations, a reevaluation of the

16 requirements for the preparation of carrier route

17 letter trays and overflow letter trays containing very

18 few pieces is needed."

19 My question is whether the entire presort

20 destination tray issue should be reevaluated, or did

21 you mean only that that applies to partially full

22 trays?

23 A I was speaking specifically to partially

24 full or less than full trays on some level.

25 Q And you're not advocating reevaluation of

1 the entire presort destination tray?

2 A No.

3 Q With regard to the automatic tray handling

4 system for the FSM 100, you've testified that it will

5 reduce the staffing on that machinery from five to

6 four by eliminating one sweeper.

7 If you'd like to look at your testimony,

8 that's on page 17 to 19 you were discussing that

9 equipment.

10 A I'm there.

11 Q Do you know what the effect on throughput is

12 -- I don't think that's in your testimony -- when you

13 reconfigure it that way using an automatic tray

14 handling system and reduce the staff?

15 A From my understanding, it does not have a

16 significant impact on the pieces that can be processed

17 through the equipment in the feed stations.

18 Q Do you have any data reports on how well the

19 automatic tray handling system is functioning?

20 A I do not.

21 Q For pieces that are not read by an OCR,

22 you've testified either they're keyed on-line or

23 they're sent to a UFSM 1000 or they're sent to manual

24 operations.

25 Do you know which of those is the most

1 likely outcome based upon how the mail is usually
2 handled?
3 A To clarify or rephrase your question, I
4 believe you asked what is the most likely path of a
5 piece that's flat?
6 Q Yes.
7 A That is not read by the OCR?
8 Q Correct.
9 A The most likely path would be that piece
10 would be sent and an image sent to a remote coding
11 center for resolution.
12 Q Can you say what proportion of them would be
13 resolved that way?
14 A I do not know for sure, but a good deal of
15 them are resolved. Unresolvable OCR images are then
16 resolved at the remote coding center.
17 Q A big majority of them would be done that
18 way?
19 A I would say so, yes.
20 Q I know that REC sites are being closed down.
21 When they're closed down is the function of that REC
22 site then transferred, the remaining functionality of
23 that REC site then transferred to a more REC site?
24 Is that what happens? I mean, you don't
25 just stop remote coding the mail, I assume.

1 A No. The images are then sent to another REC
2 site. That's not necessarily more remote, but just a
3 different REC cite.
4 Q It doesn't really matter how far away it is?
5 A Not anymore, no. It doesn't really have any
6 relation on the distance anymore or maybe really ever
7 transmitting those images.
8 Q We talk about what might cause letter mail
9 to be manually processed, and you've testified that on
10 occasion this happens in order to meet the sort plan
11 or to make dispatches, but that it shouldn't happen
12 very often as I recall your testimony.
13 What about flat mail? Is it done any more
14 frequently with flats in order to meet dispatches that
15 flat mail is processed manually?
16 A To clarify my testimony, the procedures
17 obviously are to in fact process the majority, if not
18 all, of the machinable mail through the technology,
19 and this is not a cost efficient or even a capable
20 means in most cases to shove pieces to manual based on
21 the limited staffing on that.
22 Now, for flat mail there are different
23 circumstances since most of the flat mail we're
24 talking about would be standard and periodical flats.
25 We do have automated zones for flat mail for which the

1 volume is processed on automation AFSM 100s to the
2 carrier route level -- that sequence, but carrier
3 route level -- and that window allows for the
4 processing of standard mail, in some cases
5 periodicals, weeklies even, in some cases maybe first
6 class mail.
7 Depending on when that window occurs, when
8 that window is established for the processing of the
9 incoming secondary flat distribution, will dictate
10 just what volume can make it in there for carrier
11 route sequencing opposed to volume that may be sent
12 directly to a delivery unit for incoming secondary.
13 Q So the answer was yes?
14 A Well, there are some pieces, yes, that are
15 for service reasons first class mail.
16 For example, if the window of opportunity on
17 an AFSM 100 is on towards daylight, the volume for
18 incoming secondary and the first class mail stream
19 that likely will not be available until after
20 midnight, for example, yes, it would be then processed
21 manually to the incoming secondary level.
22 Q So that would be something they actually
23 plan on doing?
24 A Yes. Exactly.
25 Q It's my understanding that within the last

1 five years manual incoming secondary distribution of
2 flats has been decentralized and moved to delivery
3 units for all types of mail.
4 A Generally speaking, yes.
5 Q But you also testified that very few
6 delivery units have a flat sorting machine, so that
7 would seem to be a commitment to do the DPSing
8 manually.
9 A Well, to be clear, the sequencing of the
10 pieces is done by the carrier. The sorting of the
11 five-digit level volume to the carrier route level is
12 the incoming secondary distribution that we're
13 discussing.
14 The fact that we've decentralized volume to
15 the delivery unit level isn't a commitment that we'll
16 be using manual means at the delivery unit to perform
17 the incoming secondary. It's to say that the volume
18 that is not processed through the available automated
19 windows in a plant or the zones that are not on
20 automation, those are the volumes that have been
21 decentralized out to the delivery unit.
22 I wouldn't characterize that is a commitment
23 that we are to do that manually. It's just to the
24 extent that we do it for certain zones, that volume,
25 the decision is made to decentralize that.

1 Q Was that manual secondary sortation
2 previously being done at the plant level?
3 A In some cases it was.
4 Q In some cases was it being done by machine
5 at the plant level and then a decision was made to go
6 ahead and move it out to the area?
7 A No. That helps clear up the question. No.
8 There wasn't examples, at least that I'm aware of, to
9 move the volume out to the delivery units and it was
10 taken off a machine.
11 In the examples I was trying to make clear
12 that when it was not on a machine those are the
13 volumes or the portions that we discussed earlier --
14 for example, first class mail or things that cannot
15 meet the service. That is what went out to the
16 delivery units. It wasn't removed off of the
17 machines.
18 Q Okay. Thank you. That clarified what I
19 wanted to know.
20 Okay. Let me ask you a question, a best
21 practice kind of question. It's my understanding that
22 sometimes the Tour 3 is still operating when Tour 1
23 begins, and a decision has to be made as to machine
24 availability between doing the outgoing operation on
25 Tour 3 and beginning the secondary operation on Tour

1 1.

2 Do you know? Can you tell us what the best

3 practice is there as to the priorities between Tour

4 operations and Tour 1 operations when there is that

5 overlap?

6 A From my understanding, the priority is to

7 finish the Tour 3 operations before you start the Tour

8 1 operation.

9 Q Do you know whether that then will cause a

10 problem at the other end with the completion of the

11 DPS operation on Tour 1?

12 A I can't say for certain. It's important to

13 keep in mind that the fleet of our letter sorting

14 equipment is oftentimes sized, so to speak, for the

15 incoming secondary operation.

16 The schemes and sort plans can be moved

17 around to different pieces of equipment with quite

18 relative ease and so if you had an outgoing secondary

19 or primary operation still running say if it was a

20 heavy night on Tour 3 on a machine that typically

21 starts an incoming secondary operation at a certain

22 time, that very well could be moved to a different

23 available machine to be started at the normal time to

24 prevent any kind of delays downstream.

25 Q So it could happen, depending upon

1 availability of machinery, but you're not aware of a
2 pattern is what you're telling me?
3 A No. There's always heavy nights near
4 Christmas. You know, you always have your expanded
5 windows, but for the most part you can manage the
6 processing and the sort plans to prevent those types
7 of things from happening on a heavy night, for
8 example.
9 Q In the event of a very heavy workload that
10 requires choices to be made, it's my understanding
11 that the choice would be made to process first class
12 mail in preference to standard mail if that kind of
13 policy choice had to be made at the time. Is that
14 correct?
15 A It is correct.
16 MR. ANDERSON: That's all I have. Thank
17 you, Mr. McCrery.
18 CHAIRMAN OMAS: Thank you, Mr. Anderson.
19 MR. ANDERSON: Thank you, Mr. Chairman.
20 CHAIRMAN OMAS: Mr. Volner, if it's all
21 right with you I think we'll take a little morning
22 break for about 10 minutes and come back at 20 after?
23 MR. VOLNER: Thank you, Mr. Chairman.
24 CHAIRMAN OMAS: Thank you, Mr. Volner.
25 (Whereupon, a short recess was taken.)

1 CHAIRMAN OMAS: Mr. Volner?

2 MR. VOLNER: Thank you, Mr. Chairman.

3 MS. DREIFUSS: Mr. Chairman, may I jump

4 ahead just for a second? I don't know whether anyone

5 informed you, but someone came to me during the break

6 and asked me to introduce an interrogatory response on

7 behalf of McGraw-Hill, and I think it was brought to

8 Mr. Sharfman's attention. I don't know if anyone

9 brought it to your attention.

10 CHAIRMAN OMAS: No one brought it to my

11 attention.

12 MS. DREIFUSS: Okay. I don't see Mr.

13 Sharfman in the room. Anyway Tim Bergin, who is

14 counsel for McGraw-Hill, asked that I try to get an

15 answer into the record today that was given to their

16 Interrogatory No. 6 to Mr. McCrery. Would you like me

17 to go ahead now or would you like me to do this later

18 on this morning?

19 CHAIRMAN OMAS: Why don't you wait and let's

20 do it later on.

21 MS. DREIFUSS: Okay.

22 CHAIRMAN OMAS: Thank you.

23 MS. DREIFUSS: Sure.

24 CHAIRMAN OMAS: I say that only because I'd

25 like to talk to counsel before we do it. Thank you.

1 Mr. Volner?

2 MR. VOLNER: Thank you, Mr. Chairman.

3 CROSS-EXAMINATION

4 BY MR. VOLNER:

5 Q Mr. McCrery, my name is Ian Volner and I'll
6 be discussing with you some matters that are of
7 interest to the Association for Postal Commerce and
8 MFSA. Many years ago when I went to work at the FCC
9 there was an incoming chairman who adopted a rule: no
10 more than one new acronym a week.

11 I'm going to try to avoid acronyms, but I
12 noticed you have done a very good job and if I fail --

13 A Of using them?

14 Q Yes. Well, of explaining what the words
15 mean or what the letters mean.

16 CHAIRMAN OMAS: I'll always appreciate it
17 from everyone.

18 BY MR. VOLNER:

19 Q What I'd like to start with is not really an
20 acronym, but a category that has come into existence
21 in recent years. If I were to ask you whether you
22 knew what a heavy letter was for rate purposes would
23 that cause you a problem?

24 A No.

25 Q So basically it is a piece of mail that

1 meets the external dimensions of the definition of a
2 letter, but is between 3.3 and 3.5 ounces?
3 A That is correct.
4 Q Let's not get too complicated about this.
5 It does not pay the letter rate. Is that correct?
6 A In standard mail it pays I believe a letter
7 rate plus some additional piece pound postage.
8 Q In first-class mail?
9 A Right now it's maxed out at 3.3, so it would
10 pay a nonauto rate.
11 Q Nonauto rate. What about what used to be
12 the ECR automation? How is that one rated? Do you
13 know?
14 A You're going to test my BMM knowledge, and I
15 believe in those circumstances it may be maxed out at
16 3.3. You may have a better recollection.
17 Q It isn't. It's basically the same formula
18 as we have for --
19 A The piece pound?
20 Q Right. I just wanted to make sure we
21 understood the scope of what a heavy letter is. Would
22 you please turn to Post Com-3 for a moment? We asked
23 you whether any studies -- well, first let me ask
24 this. Do you know when the heavy letter category of
25 standard mail and ECR came into being?

1 A I believe it was around either R2000 or
2 R2001.
3 Q 2001 will do fine. We asked you whether
4 there were any studies after June 2002 to measure the
5 affects of weight of automation letters on the
6 operation and performance of letter automation
7 equipment and your answer was that there were no such
8 studies.
9 A Correct.
10 Q We weren't entirely clear about that. I'm
11 not talking necessarily about engineering studies, I
12 was talking about studies more broadly. For example
13 did somebody go out on the field and see what was
14 going on after the new heavy letter category came into
15 being?
16 A I'm not aware of any specific that you could
17 elevate to the level of a study or even for sure if
18 individuals tried to go out and isolate, which is not
19 easy to do because there's not a lot of them, to see
20 if they could find pieces that are heavy letters to
21 experience that, so I don't know for sure if that did
22 take place.
23 Q Okay. Would you please turn to Post Com-2?
24 We asked you to list the equipment by acronym that the
25 Postal Service uses to process standard mail

1 automation letters and you listed the DBCS, the
2 enhanced capability DBCS and the CFBC that you were
3 talking about with Mr. Anderson earlier this morning.
4 Do you know whether information exists as to
5 the percentage of automation letters that are
6 processed on any of these machines leaving aside the
7 manual?
8 A I do not.
9 Q Do you think that such information would be
10 available?
11 A Please restate the question.
12 Q Would such information be available from the
13 Postal Service? Would the Postal Service have a means
14 of knowing the percentage of automation letters that
15 is processed on each of these kinds of machines?
16 A Specific automation letters versus presorted
17 or single piece, no.
18 Q No. Okay. Now, there was wasn't there a
19 study that was done just before the new category took
20 effect. Could you turn to your answer to Major
21 Mailers 5?
22 A I'm there.
23 Q The question that was asked of you was
24 please describe the experiment that took place a few
25 years ago where standard mail letters weighing up to

1 four ounces were processed on automated letter
2 processing equipment and you attached the study
3 itself. I've got a couple of questions about the
4 study itself.
5 First there were some recommendations.
6 Could you turn to the third page of that study? There
7 were some recommendations that the study made. Did
8 you participate in the preparation of this study?
9 A The preparation, yes, the actual study
10 itself, no.
11 Q The study was performed where?
12 A It was performed by engineering at as you
13 can see several sites.
14 Q Using DECs rather than live mail?
15 A Yes. There was DECs. I believe that is a
16 DEC or not fused into live mail, but I believe that's
17 a DEC.
18 Q Now, one of the first recommendations is
19 that the maximum mail piece thickness should not
20 exceed 2.55 inches. Is that thicker than the maximum
21 dimension of automation letter at the present time?
22 A Yes, it is.
23 Q So that recommendation was not accepted?
24 A It was accepted. It didn't go over 2.55.
25 Q No. It didn't go over 2.55, but it also

1 didn't go over 2.5 did it?

2 A Or 2.55.

3 Q Right.

4 A We overcome that by not allowing it to go --

5 yes.

6 Q Okay. That's a way of reading the document.

7 Well, we'll come back to that in a moment. I want to

8 go for a moment to the discussion at the very first

9 page. There's an introduction and then there's a set

10 of bullets. If you look at the last bullet it says to

11 do preemptive testing on 3.7 ounce mail for future

12 reference. The word preemptive has me kind of

13 interested.

14 It sort of sounds like military justice.

15 Bring the failed mail in so that we can convict it.

16 What did you understand that word to mean?

17 A I'll be honest. I have not thought about it

18 at that level, so I really can't comment other than to

19 say that they were trying to get out in front of --

20 Q Possible requests to go further than 3.5

21 ounces?

22 A Yeah. Which have been made obviously over

23 the years and to try to understand not necessarily

24 between -- I mean, just it's not always automation

25 rated mail or other mail to try to get a better

1 understanding of what processing capabilities are on
2 the heavier letters because you have single piece
3 first-class mail we're talking about as well in here.
4 They're just to get a better understanding of what the
5 characteristics and machine ability criteria are on
6 there.
7 Obviously this was specific around the
8 potential consideration for an expansion of the
9 weight, but that would be the best I could say what
10 the preemptive was meant to indicate at that point.
11 Q Okay You've just put your finger on the
12 core of my problem. Let me ask the question directly.
13 Is the problem with heavy letters the weight or is it
14 the thickness?
15 A From what I understand it's the weight
16 primarily, but there are combinations of both at work,
17 at play on an automation piece of equipment. Weight,
18 the heavier the piece is the more difficult it is to
19 bring the piece up to transport speed, and so it takes
20 longer if you've witnessed heavier letters in the
21 induction process, so that slows things down.
22 Then there's obviously rigidity issues with
23 heavier letters that can tend to be more rigid as they
24 get thicker and that can cause problems within the
25 transport belt, but then again thickness can have some

1 concerns along those same lines, but also on the
2 output shoots where you may have a jam.
3 I will say as a general means our incentive
4 during this test was to try to make sure that our
5 dimensions were fully appropriate for letters because
6 and for many reasons as we all know here if we can get
7 more of these pieces in letters opposed to flats for
8 example that's a benefit to both Postal Service and
9 our customers.
10 So, you know, the purpose of this test was
11 to try to understand what the most complete range of
12 letter characteristics could be without going too far
13 so we could get more letters into the letter
14 automation mail stream because then obviously they can
15 take advantage of a higher productive equipment and
16 then delivery point sequencing.
17 Q So that if hypothetically a piece weighing
18 3.8 ounces had thickness characteristics and rigidity
19 characteristics indistinguishable from a piece
20 weighing 3.5 ounces it would not adversely affect the
21 ambition to treat letters as letters?
22 A Well, as I mentioned the heavier the piece
23 the slower it takes to move that to transport speed,
24 so a 3.8 ounce piece is certain to lower the
25 throughput of the machine versus a 3.5 ounce piece.

1 Q Three-tenths of an ounce will lower the
2 transport speed?
3 A Well, on some small level.
4 Q On some small level.
5 A Yeah. I mean, in relation to the actual
6 what it is. Exactly what it is I'm not sure, but it
7 will affect the productivity of the equipment.
8 Q Let's go to your response to Major Mailers
9 1, please, for a moment? The question had to do with
10 the advanced facer canceler or AFCS. Did it right
11 that time. Your response says the AFCS does not
12 measure weight, only thickness and stiffness. Does
13 standard regular mail go through the AFCS?
14 A Only to the extent that it may be returned
15 or something like that, return to sender or something
16 that made it into the collection mail stream, but
17 generally speaking standard regular presorted mail
18 would not go through the AFCS.
19 Q So that it goes directly into the induction
20 on whatever automation equipment it's being put on?
21 A Correct.
22 Q If I have a tray of pieces weighing 3.84
23 ounces there is no cull so that the operators of the
24 machine would know, the DBCS for example, would know
25 this one's too heavy? What they might observe is that

1 the coming up to speed was slower or that it was too
2 rigid?
3 A Correct. There isn't a weight detector or
4 something to either reject the pieces or refuse those
5 big pieces on the machine. Those decisions are made
6 through experience. Obviously, too, though a 3.8
7 ounce piece would be labeled in a different manner
8 then a decision could be made to move that to a
9 different type of piece of equipment, either an
10 expanded capability machine or possibly to manual by
11 virtue of the fact that it's not an automation letter.
12 Q By virtue of the fact that it is currently
13 not an automation letter. I mean, it would be labeled
14 that way because of the limitation under the current
15 DMM?
16 A Yes. To be consistent with what experience
17 has told us over time, that if it was improperly
18 labeled to automation it's going to cause more
19 problems than it would otherwise cause. You cannot
20 have without serious consequence to an automated
21 efficient mail stream pieces entering that mail stream
22 that cause problems, slow the machine, cause jams,
23 result in downtime.
24 There's a significant consequence to that
25 now on automated mail stream that could be quite

1 detrimental, so obviously our goal is to get as much
2 through automation as possible as I said, but not to
3 the point where it can be a detriment to the overall
4 efficiency of automation.
5 Q Could you turn to Valpak 10 for a moment?
6 Let us assume, but continue to use that 3.8 ounce
7 piece that otherwise meets the dimensions of an
8 automation letter.
9 A Can you let me get there?
10 Q Sure. Sorry.
11 A Thanks. I'm there.
12 Q You say that in general letter mail is not
13 processed on the AFSM-100. Now, we're talking about a
14 flat sorting machine. Is that correct?
15 A Correct.
16 Q Occasionally you say first-class,
17 periodicals and standard letter mail that does not
18 process well on the letter automation equipment, too
19 rigid, is redirected to flats automation for
20 processing on the AFSM-100. So now we have a piece
21 that meets the dimensions of a letter. Does it
22 process well on a machine which has somewhat different
23 criteria?
24 A As it states sometimes it's redirected to
25 the 100 and there is an overlap in the characteristics

1 of the 100 versus letters, and so in those cases where
2 the letter also meets AFSM-100 compatibility criteria
3 for example, at least five by six dimensions, on that
4 case it could be put on the 100.
5 Something smaller than that that's a letter
6 then it would not be able to efficiently process that
7 on the 100.
8 Q Where would it be processed?
9 A If it's not capable of the 100, maybe on the
10 1,000 which has even wider range of characteristics,
11 but more likely manually.
12 Q More likely manually. So you've got a piece
13 that will run on some of the letter sorting equipment.
14 A Meaning the expanded capability equipment?
15 Q Well, we're going to get to that in a
16 moment. Before we take the expanded capability let's
17 take the DBCS without expanded capability.
18 A Okay.
19 Q You say that it will be processed manually
20 because it doesn't run well on the 100, doesn't really
21 fit the 100 --
22 A The fit. Yes.
23 Q -- and it will cause some deterioration of
24 throughput if you will on the DBCS machine?
25 A Very likely it could.

1 Q Where are those decisions made?
2 A Between the operator and the supervisors.
3 Q Okay. So it's really going to depend upon
4 local decisionmaking?
5 A Yes, and guided by the labels as well.
6 Q Understood. Guided by the labels. If the
7 piece runs without material degradation on the DBCS
8 before the enhanced capability is it likely in your
9 judgment that a supervisor is going to say no, I want
10 you to sort it manually?
11 A Found for some reason that a piece through
12 experience, that one that you described, that seems to
13 be inconsistent with the results of our engineering
14 study for whatever reason, you know, and in my
15 experience in mailing standards in preparation you
16 have so many unique combinations that you may have
17 some oddball piece that for some reason does not
18 comport or consistent with the average, but if you do
19 have a piece that is through experience completely
20 counter to the result of the study is not a problem,
21 yeah, I would say in that case you may have some of
22 that run on automation.
23 Clearly consistent with the engineering
24 study that's not the case in very many cases that
25 you're going to get pieces that are not going to be

1 problematic when it meets those characteristics.

2 Q Would you turn to Advo-12 for a moment? We

3 now have come to where we need to talk about enhanced

4 capability.

5 A Point me more specifically.

6 Q Advo Response 12. I'm sorry. Did I give

7 you the wrong one? I'm sorry. Advo-2. I did give

8 you the wrong one.

9 A I'm there.

10 Q Here you say that -- now we're talking about

11 flats -- high-density and saturation flats that have a

12 length and width within the range of letter

13 dimensions, but exceed the maximum thickness -- we're

14 talking now about a piece which is heavier. I'm

15 sorry. It's thicker, so it's not necessarily heavier,

16 it could be 3.3, 3.5 ounces -- results in the piece

17 being categorized as flats, but it may nonetheless be

18 processed on DBCS equipment with expanded

19 capabilities. Is that right?

20 A The question is asking about the potential

21 instances where these pieces may end up beyond the

22 delivery barcodes or, and though in my opinion quite

23 rare, that is potentially an instance.

24 Q Because it runs well on that piece of

25 equipment?

1 A It could run with an expanded capability.
2 It does the have the ability to be run on that
3 equipment.
4 Q Let's take a look at Advo-10 for a moment
5 and understand what the consequences of the expanded
6 capability is.
7 A Got it.
8 Q If you look at your Response C it says the
9 weight is six ounces maximum and I notice that the
10 thickness is nearly twice that of the DBCS without the
11 expanded capability, it's a half inch, but the weight
12 is six ounces. The stiffness test appears to be more
13 generous. Am I right about that?
14 A Correct.
15 Q Now, are the DBCSs with expanded
16 capability -- question before that. Let's go back to
17 the DBCS without the expanded capability, the response
18 to A. You say 3.5 ounces with restrictions. Could
19 you tell us what the with restrictions means?
20 A There are some heavy letter criteria that I
21 believe you're aware of that you do have to have
22 certain additional criteria for heavy letters over
23 3.3.
24 Q So it's the criteria that for example says
25 that it has to be in an enclosed envelope, can't have

1 a window. I notice that the engineering test
2 suggested a maximum paper weight and that does not
3 seem to have gotten into it. Was that a deliberate
4 decision?
5 A I don't recall, but it must have been a
6 deliberate decision.
7 Q So the restrictions are the DMM
8 restrictions, they're not an operational restriction?
9 A That's what it was referring to.
10 Q Okay. Now, in response to a number of
11 interrogatories you said that the deployment of the
12 DBCS with expanded capability is a matter that is not
13 determined at the national level, it's determined
14 locally at the regional level I assume?
15 A The machines and where they'll go?
16 Q Yes.
17 A Well, yeah. There's the deployment
18 schedules and deployment calls that are for a number
19 of reasons have area and local input, but I wouldn't
20 say that it's completely the discretion of a
21 particular plant to say if they will get one or not.
22 It's all involved between engineering, headquarters,
23 area and field in how they are deployed.
24 Q It's not likely that an expanded capability
25 is going to be put in a location where there is little

1 or no volume of automation mail is there?

2 A They're put in plants which all have a good

3 deal of automation mail.

4 Q Are they likely to be put in plants which

5 have a good deal of letter mail?

6 A I would say that they are put in plants with

7 a great deal of letter mail primarily to process the

8 single piece outgoing mail that tends to come through

9 collection mail to keep it out of manual as well as

10 move it through on the incoming side to get it at

11 least to the five digit level.

12 The fleet is not designed to fully replace

13 our existing fleet to be able to make sure our entire

14 letter range of characteristics has been able to

15 accommodate and comport with the standards of the

16 expanded capabilities. Most of our equipment still

17 does not have these capabilities, so we certainly

18 cannot have mail pieces that need to eventually be

19 DPSed consistent with standards around that.

20 It's mostly designed around the possibility

21 that customers will stick in 10 sheets of paper into a

22 single letter size envelope and instead of getting

23 those pieces now currently manually can now be at

24 least gotten out of the building and outgoing, and

25 then in incoming at least down to the five digit level

1 in automation versus manual.

2 Q So that if I come in with a mailing of

3 letters, letter shaped, meets the dimensions, is not

4 even more than a quarter of an inch thick, but weighs

5 3.9 ounces you're not going to put it on the EC,

6 you're going to sort that manually?

7 A I didn't say that. I said that was the

8 primary purpose of the deployment of that equipment.

9 Relatively and likely the characteristics and the

10 discounts drive the behavior of that mail, you know,

11 when you have essentially flats that are 3.9 ounces

12 without a financial incentive to make it a letter

13 unless you can get it down below 3.5.

14 Let's be honest that there's not as much of

15 that volume. If in fact they do prepare a

16 nonautomation letter and it still is prepared I'm not

17 saying that they wouldn't avail the use of that piece

18 of equipment in those circumstances if they may have

19 one, but that's not what it was designed for and we

20 certainly didn't deploy those machines in the

21 quantities to accommodate that mail.

22 Q In the quantities to accommodate that mail.

23 So that the hypothesis of the engineering study or the

24 hypothesis of the current vision more accurately was

25 that if you did have a machine that was capable as

1 this one is of handling pieces up to six ounces by
2 weight you would be able to deal with mail that is
3 otherwise manually sorted, but you were concerned that
4 there would be a sudden explosion of volume of
5 automation compatible mail weighing say 3.9 ounces?
6 Is that the concern? That flats would be
7 converted to automation letters?
8 A Well, it's possible.
9 Q You didn't do any studies to see what's
10 happening in the field today. We started with that
11 didn't we?
12 A In what regard?
13 Q In terms of what is actually being processed
14 on the DBCS or the DBCS with expanded capability?
15 A Well, we certainly know what's getting
16 processed on some level on those pieces of equipment.
17 I'm not sure -- whether a 3.9 ounce piece is getting
18 on that piece of equipment right now, is that what
19 you're asking? You know, there aren't very many of
20 them, but in an effort to go out and find the rare
21 piece and see if it gets on the equipment? Is that
22 what you're asking? Was that done?
23 Q Well, when you designed the purpose of the
24 deployment -- well, let's turn to Post Com-4. Maybe I
25 can get at it a slightly different way.

1 A Okay.

2 Q You attach a specification and you say that

3 the purpose of the DIOSS, D-I-O-S-S, DNC, what are

4 those in relation that is distinct from the expanded

5 capability?

6 A You're pointing specifically to Post Com-4?

7 Q Yes. The summary. I'm sorry. You gave us

8 an eight page document.

9 A The DIOSS machine is the modified DBCS

10 machine with an input and output system where you can

11 ISF, meaning you can lift images and OCR pieces as

12 well as read ID codes and then apply barcodes from the

13 results of that recognition. Then some of those also

14 have expanded capabilities that we've been discussing

15 that can go beyond the current dimensions and criteria

16 of a letter up to as you just pointed out six ounces

17 and a half inch thick.

18 Q Well, when I look at the dimensions here I

19 don't see a weight limitation. Am I missing it? I

20 see for height, I see for length, and I see for

21 thickness and then there's the aspect ratio.

22 A You see on page 2 of 8 the machine shall be

23 capable of reading, transporting stacking mail of a

24 maximum weight of six ounces.

25 Q So that means that it's identical to the

1 expanded capability isn't it basically?
2 A Yeah. It's the same technology.
3 Q Okay. This essentially is a retrofit to
4 DBCSs?
5 A Both retrofits as well as new equipment.
6 Q New equipment meaning the DBCS expanded
7 capability?
8 A Yeah. It's not a retrofit of an existing
9 piece, it's just a brand new piece that's deployed
10 with these capabilities.
11 Q So that both the expanded capability
12 machines without the DIOSS and DBCSs with it will be
13 able to handle up to six ounces?
14 A Correct.
15 Q Good. Let's go to another topic for a
16 little bit. This one no less confusing than the
17 other. When Witness Loetscher was here he was the
18 witness who did the study of what the composition and
19 characteristics of nonflat mail is. Are you familiar
20 with his testimony?
21 A I am.
22 Q He said that, well, I asked him where he got
23 the categories that he was looking for in his survey
24 and he said he got them from you. Is that accurate?
25 A Yes.

1 Q I have some questions about the specific
2 definitions, but let's start at a more fundamental
3 level. Where did you get the definitions from? I
4 mean, did you sit down and do them yourself or did you
5 put together a team?
6 A I want to be more specific that it was
7 myself personally as well as members of my staff.
8 Q Okay.
9 A Yeah. It was based on a collection of
10 experience and through a team obviously using delivery
11 knowledge and individuals from delivery, engineering
12 and processing operations to develop that criteria.
13 Q Well, he characterized certain aspects of it
14 as subjective estimates. Did you do any studies in
15 the field to develop the categories that you've
16 created here?
17 A The actual criteria that you're talking
18 about is a combination of not just studies, it's also
19 a combination of the capabilities of our existing flat
20 equipment as well as our experience of knowledgeable
21 people about the delivery function.
22 Q Well, the definitions that were used almost
23 by definition did not simply take the DMM
24 specifications did they?
25 A DMM specifications of what?

1 Q Well, here. Let me make this easier. Let
2 me give you a copy of this.
3 MR. VOLNER: Mr. Chairman, I have additional
4 copies if the Commission would like to follow along,
5 and I certainly have one for counsel.
6 CHAIRMAN OMAS: Yes. If you please.
7 MR. VOLNER: I should note for the record
8 this is a couple of pages from Library Reference 33,
9 and I don't think I need to have it put into the
10 record because Library Reference 33 itself is already
11 a part of the record when Mr. Loetscher testified.
12 BY MR. VOLNER:
13 Q What I was asking about was whether you just
14 followed the definitions of the DMM and you said in
15 what respect? Let's start with the definition of an
16 automation flat. The very second sentence says to be
17 AFSM compatible the piece must meet the requirements
18 of the DMM except for the deflection and the final
19 fold tests.
20 You go on to say the maximum rigidity
21 requirement will replace the current deflection test.
22 So the AFSM-100 flat or automation flat as redefined
23 is not the current DMM definition?
24 A Correct. I apologize. The DMM definition
25 of an ASFM-100 automation flat which is, there's

1 another definition that we were aware about as well.
2 Q Right. Now, the definition of hybrid flat
3 and hybrid parcels, again, almost by definition are
4 not DMM because there is nothing in the DMM at the
5 present time. Now, counsel is getting nervous. Don't
6 be nervous. I am not going to try to ask about
7 implementing regulations. I just want to understand
8 how these were developed.
9 I must say in fairness to the witness that
10 the Postal Service has been very cooperative and the
11 witness in particular in talking with Mailers about
12 how these are going to ultimately be rolled out, but
13 for present purposes it is correct to say that this
14 was experiential and that there were no studies done
15 in the field to decide for example that you no longer
16 needed the deflection test for the AFSM-100?
17 A What I would say is that as you can see from
18 this the big difference in what is an automation flat
19 compared to today's standards is the element of
20 rigidity and that the pieces that are fully rigid
21 boxed items that are currently flats, and there are a
22 good deal of them, are the pieces that are well-
23 decided for many reasons, and years of experience and
24 testimony that goes back now for a number of years
25 were the pieces that were primarily affected in this

1 categorization of hybrids.

2 Q Could you turn to Post Com-5 for a moment?

3 We asked you whether the 1,000 would be used in this

4 new world that we're entering into or envisioning.

5 Your answer was yes, the USFM-1,000 will be used to

6 the same extent that it is today. Is that meant to

7 signify that the definition of a USFM-1,000 automation

8 eligible flat will not change in the new environment

9 or that the operational criteria for the 1,000 will

10 not change?

11 A No. It's not saying that.

12 Q What does it say?

13 A You're saying does it say that the

14 operational or the criteria of a USFM-1,000 will not

15 change? It's not trying to say that if that was your

16 question.

17 Q So that the operational criteria will

18 change?

19 A There's two different criteria. There's the

20 DMM around an auto flat and then there's what the

21 actual machine has a capability of -- that's not going

22 to change. There's no plans to change the

23 capabilities of the equipment as a result of any of

24 this. That's not saying that there may not be a

25 recategorization and a redefinition of what is an auto

1 flat.

2 Q Okay. Let's just make sure because that

3 really is an important distinction and is one that my

4 question didn't get out adequately. What you are

5 saying is that you may change the DMM definition of an

6 automationable flat, but the operational

7 characteristics of the USFM-1,000 will not change? I

8 mean, you're not going to make it more generous or

9 more restrictive than it is today?

10 A Yeah. I would say that is correct. We are

11 trying to actually potentially change the definition

12 of a flat to more consistently match up with the

13 realities of what actually gets processed on that

14 equipment which in many cases as I've made it quite

15 clear so far that the rigid pieces do not, but that

16 doesn't necessarily mean that we're changing the

17 definition of what, or the characteristics, or

18 criteria of what the machines can handle.

19 Q Could you turn to page 19 of your testimony,

20 lines 9 through 12?

21 A Okay. Nineteen? Nine?

22 Q I'm sorry. Page 19, lines 9 through 12.

23 A Yeah. I'm there.

24 Q You say, "a portion of the flats that are

25 nonmachineable on the AFSM-100 are diverted to the

1 USFM-1,000." Would the Postal Service have data that
2 could define what that portion of it was or why it is
3 diverted?
4 A I would not say that it would be easy to
5 come up with data that says of exactly the portion of
6 the mail that's diverted and why.
7 Q Is it essentially a decision that has to be
8 made at the local level by the supervisor and the
9 operator?
10 A Yeah. I mean, for example pieces that
11 exceed the maximum weight, thickness of the 100. For
12 example a catalog or a magazine that exceeds 20
13 ounces.
14 Q Would go to the 1,000?
15 A That's a candidate piece that could go to
16 the 1,000.
17 Q Is there something that the facer canceler
18 of either of these machines? I mean, is there a way
19 of culling in advance what the weight is?
20 A There's not. On the 100?
21 Q Yes.
22 A No. Once it's inducted it's either going to
23 successfully be inducted or it's going to jam, but
24 there isn't anything that diverts a piece out after
25 induction for any particular criteria like as you

1 mentioned on the 100 or the advanced facer canceler
2 system which has for rigidity and other things that
3 can be diverted out.
4 Q When Mr. Loetscher was here he described a
5 machine that the Postal Service apparently supplied to
6 his tally takers which enables you to test for certain
7 characteristics. I've got two questions about that
8 machine. Did it test for weight?
9 A I have to ask you to be a little more
10 specific. Are you talking about a flat mail device?
11 Q Yes.
12 A That particular device does not actually
13 measure weight. They used a scale for that.
14 Q The survey people used a scale for that?
15 A Yes.
16 Q Do the people in the field weigh pieces
17 before they decide which machine to put it on?
18 A No. They don't often do that. They use
19 experience to know. One thing to keep in mind is that
20 the attendants see pieces over again and you develop a
21 level of experience about what process as well, but
22 there's not in very many cases that I'm aware of a
23 scale where they use that to determine.
24 It's normally experience that will dictate
25 what gets on the 100.

1 Q Or the 1,000?

2 A Yeah. For the most part. Yeah.

3 Q Could you turn to your response to Amazon-4,

4 please? The response Part B. You say, "the current

5 vision is that all machinable parcels will be

6 processed at the RDCs." Now, whether it's the RDC or

7 the BMC is not what has me interested in here. What

8 has me interested in here is when you say machinable

9 parcels are you including hybrid parcels?

10 A Yes.

11 Q What about hybrid flats?

12 A Very likely. Yes. The pieces are going to

13 be prepared for processing primarily on SPBS and APPS

14 equipment and primarily that function will be used,

15 transported or transferred to the RDCs.

16 Q So that a hybrid flat will be processed on

17 an SPBS?

18 A If it has the capabilities and it has the --

19 SPBS or APPS machine.

20 Q SPBS or APPS?

21 A Most likely an APPS machine because that is

22 where heading from a small parcel bundle sorting --

23 our fleet is, I mean, centralized to more likely use

24 the APPS equipment in the future. So that's more the

25 piece of equipment that you would be thinking about if

1 you're talking about what will be sorting those pieces
2 in the future.
3 Q Well, Mr. Olson went through this with you
4 this morning and I thought I understood what was going
5 on, but now I'm confused again. Would you turn to
6 Amazon-6, please?
7 A Yes. I'm there.
8 Q You said in the last sentence the APPS will
9 be sized and deployed in BMC facilities primarily for
10 the processing of bundles. So you're assuming that
11 hybrid flats will be presented in bundles. Is that
12 correct?
13 A When I say that the APPS will be used
14 primarily for bundles the machinable parcels that we
15 discuss -- bound printed matter, media mail, as well
16 as package services, priority and anything over six
17 ounces or other pieces in first-class mail -- those
18 are the parcels the machinable criteria would
19 potentially go on the parcel sorting machine.
20 Now, anything that's below that for example
21 a hybrid flat or a hybrid parcel that's too light for
22 example, though, would in most cases uses the APPS
23 technology in those cases. The questions earlier this
24 morning spoke specifically of machinable parcels and
25 media mail primarily.

1 Q I understand that.

2 A That is the PSM. Now, there are certainly

3 potentials for hybrid pieces, for flats and parcels to

4 be machinable and go on to PSM and our mail

5 preparation requirements could very well dictate that

6 in processing flow, but as you know a lot of these

7 could very well be under six cunces, and so primarily

8 designed for bundles does not mean that in those cases

9 that those hybrid pieces could not also be used or

10 processed on the APPS equipment in these facilities.

11 Q They could be under six ounces. They could

12 also be between six and 16 ounces couldn't they?

13 A Yes.

14 Q When you were putting together these

15 definitions did you have a notion of the average

16 weight of those pieces?

17 A No. In bringing together the study?

18 Q Yes.

19 A I did not really have a good feeling other

20 than I would imagine a good deal of them are over six

21 ounces.

22 Q Let's go on with this. When you put

23 together these definitions did you have a vision as to

24 the sortation requirements for hybrid parcels or for

25 hybrid flats? Either?

1 A To the extent that operational reality today
2 on these pieces, and so consequently reality in the
3 future will direct as many of these pieces as we can
4 possibly get onto SPBS and then in future APPS
5 equipment.
6 Q The SPBS sortation standards are not the
7 same as for example the 1,000 are they? I mean, what
8 good does a three digit sort do you on the SPBS? Let
9 me try it that way.
10 A Well, three digit sort on an SPBS will allow
11 the piece to go to an incoming primary sortation on an
12 SPBS no matter where that equipment is located whether
13 it be an ADC or an SCF location.
14 Q A five digit sort on an SPBS?
15 A The SPBSs sort to five digit, so a five
16 digit sort would allow the pieces to bypass that
17 distribution all together and --
18 Q All together?
19 A Yes.
20 Q And go to the delivery unit directly?
21 A Yes.
22 Q Well, now we have two categories with the
23 same rate structure here. Are you aware of the fact
24 that the NFM, nonflat machinable rate structure, does
25 not distinguish between hybrid parcels and hybrid

1 flats?

2 A I am aware of that.

3 Q Okay. So the sortation is the same?

4 There's a discount for sortation of the same?

5 A Well, the requirements for mail preparation

6 have yet to be decided or be determined. You'll know

7 that those will be published soon, but the fact that

8 there's a single rate structure doesn't mean all of

9 them will be prepared the same if that was your

10 question.

11 Q So your contemplation is that there will be

12 different preparation requirements to receive the same

13 discount for hybrid parcels than there would be for

14 hybrid flats?

15 A There could be different preparation

16 requirements for hybrids in general based on certain

17 physical characteristics. Yes.

18 Q That's very interesting. Now, are the

19 preparation requirements for hybrid parcels more

20 likely to look more like parcel preparation

21 requirements?

22 A If the pieces meet machinable parcel

23 characteristics --

24 Q Let's assume for purposes of this discussion

25 that all of the hybrid parcels are machinable, and

1 that they have the barcode and that they meet the
2 otherwise machinable criteria.
3 A Then I would agree.
4 Q Okay. So that the preparation requirements
5 for hybrid parcels are more likely to be like other
6 kinds of parcels and what about hybrid flats? Is that
7 also likely to be like parcels?
8 A Again, it hasn't been decided, but to the
9 extent that they may be machinable, but likely to be
10 less likely to be machinable in those cases they could
11 have some preparation more compatible with parcels,
12 but then if not then you're looking back at your three
13 digit, and ADC, and SPBS and APPS type sortations that
14 can accommodate the smaller, thinner, rigid pieces.
15 Samples, things like that that we're talking about
16 here.
17 Q Let me make sure that we're clear about
18 this. The rate structure that has been proposed does
19 not differentiate between these two types?
20 A Yes.
21 Q The presort discounts very closely resemble
22 the presort discounts that exist for automation flats?
23 That is to say there's a five digit sortation level,
24 there's a three digit sortation level discount?
25 A Correct.

1 Q There's an ADC and then there's a mixed ADC
2 which is kind of the boy, we've got nothing to do with
3 this stuff. Am I right?
4 A Yes. It's the single origin stuff.
5 Q Okay. That's very, very helpful. One last
6 line on this current vision. What was at the time
7 that you came up with these pieces -- and I understand
8 that may change when the rules come in -- the vision
9 with respect to commingling? Let me take it
10 specifically by category.
11 Was it the vision that hybrid parcels and
12 hybrid flats would be able to be commingled together.
13 A You asked specifically about when we started
14 this whole effort? We've since started to of course
15 think about it as we have come closer to the
16 implementation of this, some commingling decisions,
17 but I don't recall thinking a lot about commingling at
18 that time as we moved into the development of the
19 characteristic studies that you are aware of that Mr.
20 Loetscher testified to.
21 Q What about commingling across classes or
22 across categories? For example could I take a hybrid
23 parcel and commingle it with a standard mail parcel?
24 A Well, certainly at the five digit level when
25 they all go out to a delivery unit in my opinion there

1 is value for any parcel type shaped item that needs a
2 single parcel distribution, for example an SPBS, APPS
3 or PSM, that if you can combine those together across
4 various similar service type levels of NFM or standard
5 that has value.
6 Q What about out of subclass?
7 A Yeah. For example standard versus bound
8 printed matter?
9 Q Yes.
10 A Still has value. Yeah.
11 Q Okay. What about standard versus media
12 services?
13 A Again, yes.
14 Q What about hybrid parcels in that context?
15 A Yeah.
16 Q Hybrid flats as well?
17 A Yes.
18 MR. VOLNER: Good. We are one last line,
19 Mr. Chairman, and I will get out of your hair.
20 BY MR. VOLNER:
21 Q Let's go back to Library Reference 33 for a
22 moment. These are some questions that I asked Mr.
23 Loetscher and we have actually asked him to follow-up
24 interrogatories and the answer to which is not due
25 yet, but I have a few more questions for you since you

1 were in charge of the development of the categories.
2 If we look at the definition of a hybrid
3 flat which appears on page 4 of Library Reference 33
4 you say that it must be caseable, but is not AFSM-
5 1,000 compatible. Well, let me start in a slightly
6 different way. The definitions of a hybrid parcel,
7 and a hybrid flat and standard mail parcel were meant
8 to be mutually exclusive weren't they?
9 A Yes.
10 Q You did not need to have overlaps?
11 A Yes.
12 Q Okay. Then let's go to the hybrid flat
13 definition. Am I correct that in order to be
14 qualified as a hybrid flat it must meet two criteria:
15 It must be caseable as defined -- there's a test for
16 it -- and it must be compatible with the 1,000 machine
17 definition, but be equal to or less than three-
18 quarters of an inch in thickness, in length?
19 A Yeah. Generally you're talking about pieces
20 that fail the maximum rigidity requirements that are
21 under three-fourths inches in thickness and have one
22 dimension under six which is caseable.
23 Q The word used in the library reference is
24 length. You meant thickness didn't you really?
25 A Three-fourths?

1 Q Yes.

2 A If it said length it should be --

3 Q Yes. Certainly. I think everybody

4 understood it that way.

5 A Yeah. Okay.

6 Q I suspect even the tally takers understood

7 that --

8 A Mr. Loetscher's testimony?

9 Q Yes. All right. Well, let's talk about

10 there are two tests for caseability here. The first

11 is that it must have one dimension that is less than

12 or equal to six inches. There's an alternative test

13 which is the maximum rigidity and the turning ability

14 requirements.

15 Now, the maximum rigidity and turning

16 ability requirements, those are derived aren't they

17 from the criteria for the 100?

18 A The turning ability, correct.

19 Q What about the maximum rigidity?

20 A The maximum rigidity was a new test that --

21 Q That will be applied to the 100 won't it?

22 A Will be applied to the -- yes, and saying

23 that you have to have a certain amount of flexibility

24 on your piece. It cannot be a fully rigid boxed item.

25 Q So we have a casing definition that is

1 derived from an automation definition. Is that
2 correct?
3 A The casing definition piece of it is the
4 under three-fourths and one dimension under six, not
5 the maximum rigidity.
6 Q Well, but the way the definition reads it
7 says to be cased the piece must either have one
8 dimension -- either, which suggests that there's going
9 to be an alternative here -- less than or equal to six
10 inches and then or in bold -- meaning something else
11 -- the piece must meet the maximum rigidity
12 requirement and the turning ability requirement.
13 So that doesn't the automation test apply to
14 casing?
15 A Well, what that is trying to reflect is the
16 pieces that are flexible that are primarily what
17 you're going to find in there are those automation
18 pieces that are currently automation today that are
19 under five by six or greater than 12 by 15 that are in
20 fact flexible. They are caseable in that regard.
21 Those are the hybrid flats. So if you had a
22 flat that was four by four or a flat that was 12 by 15
23 and three-quarters that was bendable and flexible
24 could be cased, but yet is beyond the capabilities and
25 range of criteria on a 100 for example and also too

1 small or too large and they present problems for the
2 carrier, those are the other pieces that are in the
3 hybrid flat category.
4 Q Okay. We'll parse that out later. That I
5 think is very helpful. Let me go to the converse of
6 this. To be a hybrid parcel it says that the piece
7 must be USFM-1,000 compatible, but cannot be cased.
8 So, again, you have a two part test. If it can be
9 cased it is not by definition a hybrid parcel, right?
10 A If it meets the definition of caseable and
11 by virtue of what it's specified there.
12 Q Okay. If it is not caseable, but it is less
13 than .75 inches thick what is it?
14 A That would be a hybrid flat.
15 Q That's also a hybrid flat. Okay.
16 A I have some examples of these if you think
17 that would be helpful.
18 MR. VOLNER: I think that we need to wait
19 until you come up with the implementing regulations,
20 and I think that explanation resolves the question
21 that I had with Mr. Loetscher, but I still want an
22 answer when it's due, but it also concludes my cross-
23 examination. Thank you very much, Mr. McCrery.
24 CHAIRMAN OMAS: Thank you very much, Mr.
25 Volner. I think we're at a good point of breaking for

1 lunch. I think we'll break and we'll come back at
2 1:30. Thank you. We'll start off with Mr. Horwood.
3 (Witness excused.)
4 (Whereupon, at 12:30 p.m., the hearing in
5 the above-entitled matter was recessed, to reconvene
6 at 1:30 p.m. this same day, Wednesday, August 17,
7 2006.)
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1 A F T E R N O O N S E S S I O N

2 (1:31 p.m.)

3 CHAIRMAN OMAS: Ms. Dreifuss, I think you

4 had some additional written cross-examination you

5 wanted to enter into the record?

6 MS. DREIFUSS: Yes, Mr. Chairman. I

7 understand that McGraw-Hill received an answer

8 yesterday so it was too late to designate it, and they

9 asked and I was happy to accommodate them, that we try

10 to enter Mr. McCrery's answer to McGraw-Hill USPS-T-

11 42-6 into the record today, and I assume the Postal

12 Service will not have a problem with that.

13 CHAIRMAN OMAS: Is there any objection?

14 (No response).

15 CHAIRMAN OMAS: Without objection, Mr.

16 McCrery, if you were asked to respond orally to these

17 questions here today would your answer be the same as

18 those you provided to us in writing?

19 WITNESS McCRERY: Yes, they would.

20 CHAIRMAN OMAS: With that, I would ask that

21 they be admitted into evidence and direct that they be

22 transcribed.

23 //

24 //

25 //

1 (The document referred to was
2 marked for identification as
3 Exhibit No. MH/USPS-T42-6,
4 and was received in
5 evidence.)
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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY OF THE McGRAW-HILL COMPANIES, INC.**

**MH/USPS-T42-6.** Please refer to your response to MH/USPS-T42-4, and to the publicly-accessible reports at http://www.redtag.org/redtag/usps/init.asp. Please confirm the following. If you are unable to confirm, please explain fully and specifically and provide your alternative calculations.

(a) The Delivery Breakdown Reports by Origin Entry Point reported the following percentages of 4-plus days late delivery for 53 weekly publications ("totals" for all entry points):

- August 2005 report: 9%
- September 2005 report: 11%
- October 2005 report: 12%
- November 2005 report: 14%
- December 2005 report: 12%
- January 2006 report: 15%
- February 2006 report: 12%
- March 2006 report: 10%
- April 2006 report: 11%
- May 2006 report: 10%
- June 2006 report: 11%
- July 2006 report: 13%

(b) The average percentage of 4-plus days late delivery for the 53 weekly publications that is reflected in the above reports taken as a whole is 11.66%.

(c) The Delivery Breakdown Reports by Destination Zip Code District, by Destination 3-Digit Zip Code, and by Destination 5-Digit Zip Code, respectively, each report the same percentages of 4-plus days late delivery for the 53 weekly publications over the same time period.

(d) The Percentage On Time Reports by Origin Entry Point report the following "on time" delivery percentages (each corresponding to a particular week or day(s)) for 53 weekly publications ("totals" for all entry points):

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS McCRERY TO INTERROGATORY OF THE McGRAW-HILL COMPANIES, INC.**

- August 2005 report: 66%, 59%, 59%, 61%, 57% (average: 60.4%)
- September 2005 report: 62%, 46%, 55%, 58%, 61% (average: 56.4%)
- October 2005 report: 53%, 57%, 57%, 53%, 58%, 57% (ave. 55.6%)
- November 2005 report: 63%, 57%, 51%, 51%, 53% (average: 55%)
- December 2005 report: 35%, 50%, 56%, 59%, 50% (average: 50.8%)
- January 2006 report: 36%, 50%, 53%, 55%, 56% (average: 50%)
- February 2006 report: 60%, 54%, 54%, 52%, 52% (average: 54.4%)
- March 2006 report: 61%, 54%, 55%, 59%, 57% (average: 57.2%)
- April 2006 report: 49%, 57%, 56%, 55%, 55% (average: 54.4%)
- May 2006 report: 56%, 58%, 56%, 58%, 54% (average: 56.4%)
- June 2006 report: 58%, 57%, 56%, 58%, 57% (average: 57.2%)
- July 2006 report: 51%, 52%, 45%, 52%, 56%, 64% (ave 62%)

(e) The average percentage of on time delivery for the 53 weekly publications that is reflected in the above reports taken as a whole is 55.73%

(f) The Percentage On Time Reports by Destination Zip Code District, and by Destination 3-Digit Zip Code, respectively, each report essentially the same on time delivery percentages for the 53 weekly publications over the same time period.

**Response:**

a – f. A cursory review of the data on the Red Tag web site appears to approximately match the data presented above; however, I have no opinion as to the accuracy of the source data, nor do I have any real knowledge of it. While the math appears to be correct, I believe that the averages need to be weighted based on the total number of instances they reflect in order to provide a meaningful result. For example, if one month's average represents a universe of 100 mail pieces while

another month's average represents 1000 mail pieces, they should not be treated as equal.

1 CHAIRMAN OMAS: Mr. Horwood, would you like
2 to begin?
3 MR. HORWOOD: I'm going to be extremely
4 brief.
5 CROSS-EXAMINATION
6 BY MR. HORWOOD:
7 Q Mr. McCrery, James Horwood representing the
8 Greeting Card Association.
9 In Interrogatory 5 we asked you to describe
10 the markings that would be applied by the Postal
11 Service, that would be found on a stamped, single
12 page, first class letter at the time it's received by
13 the addressed under three different assumptions and
14 you answered.
15 My question is, what would be the
16 significance in terms of mail flow if a piece of first
17 class, single piece letter received no indication of
18 having been canceled?
19 A If I understand you correctly, you're asking
20 what is the likely mail flow if you found a piece
21 received by a recipient, a customer, that was not
22 canceled?
23 Q That's correct.
24 A I would surmise that you're looking at a
25 piece that was, it could have been rejected off of our

1 advanced facer (ph) canceler out of the collection
2 mail stream and bypassed for some reason through
3 manual, or other means of canceling, somehow it was
4 missed in the plug or the canceling device, whatever,
5 it malfunctioned somehow or another and made it
6 through the canceling equipment, and it was then also
7 not manually canceled if it had to be, and made it
8 over to an automation distribution operation without a
9 canceled stamp. The procedures are that even for
10 carriers to intercept and see a piece that happens to
11 be non-canceled, to cancel it, but that may not
12 happen. That would be my guess as to why you would
13 find a piece, a stamped piece -- And we're not talking
14 about a pre-canceled stamp or a metered piece, but a
15 single stamped item that needs cancellation, why you
16 may find that piece delivered without a cancellation
17 mark.
18 MR. HORWOOD: Thank you. That's all I have.
19 CHAIRMAN OMAS: Thank you, Mr. Horwood.
20 Mr. Hall, would you introduce yourself?
21 For the reporter, Mr. Horwood represented
22 the Greeting Card Association of America.
23 MR. HALL: Good afternoon, Mr. McCrery. My
24 name is Mike Hall and I'm representing the Major
25 Mailers Association. I have a few questions I'd like

1 to ask you.

2 CROSS-EXAMINATION

3 BY MR. HALL:

4 Q First, I believe in your qualifications you

5 indicated that you have responsibility for --

6 CHAIRMAN OMAS: Mr. Hall, is your mike on?

7 MR. HALL: Sorry.

8 CHAIRMAN OMAS: Thank you.

9 BY MR. HALL:

10 Q In your testimony you indicate that you had

11 responsibility for what's known as the Mail Separation

12 Total Quality Management Program. Could you tell us

13 generally what the goal of that program is?

14 A The goal of MPTQM, and I did have

15 responsibility, managerial responsibility over the

16 function that administered the MPTQM program for a

17 short amount of time back in 2003 and 2004 for about

18 seven months. But the goal of that program is to

19 provide a close look at the operations of primarily

20 letter shops and pre-sort bureaus in the letter arena

21 to look at their operations to see that they're

22 engaged in methods and procedures that meet high

23 levels of quality that ultimately result in a high

24 level quality of mail that is inducted into the Postal

25 Service.

1 Q In other words you're trying to make sure
2 that the letter mail that these mailers end up giving
3 the Postal Service are of the highest quality so that
4 processing costs will be reduced or minimized?
5 A Yeah, I would say that's a fair
6 characterization. The goal of this is to try to
7 ensure that the practices have the most likely outcome
8 of good quality mail that ultimately gets inducted
9 into the Postal Service for a variety of different
10 reasons. Address quality, the mail piece design
11 characteristics, the pre-sort. There's a lot of
12 different aspects of quality, but generally speaking,
13 yes, the quality of the mail that obviously has a
14 better chance of being processed efficiently.
15 Q When companies get certified under this
16 program my understanding is that it's done on a
17 facility by facility basis?
18 A That is correct. Again, customer facility
19 mail preparation facility by facility basis.
20 Q When you had responsibility over
21 administration of the program did you have occasion to
22 go out to mailer facilities as part of your
23 responsibilities?
24 A I did, both as a tour perspective and for
25 other reasons, and I also visited the mail facilities

1 during the process of an MPTQM certification as well.
2 Q Okay. Perhaps you could run us through, I
3 don't want to take an awful long time, but run us
4 through the process, and in doing so please give us an
5 idea of how long it takes for a mailer to become
6 certified under the program.
7 A You're taxing my memory a little bit on
8 this since I've been away from that for some time.
9 But there is a significant amount of work that needs
10 to be done prior to the first visit to a facility by a
11 team of our analysts and specialists to do the actual
12 audit. This is ensuring that you have a base level of
13 quality through documents and other things before
14 they'll come out and even perform a certification
15 process. This is a series of actions that could take
16 anywhere from I believe six months to a year before
17 there would even be an audit performed for
18 certification.
19 Then when there is say for the first time,
20 the MPTQM review could take up to a full day, 12 hours
21 of intense investigation of various aspects of the
22 operation. Then there's recertifications that
23 continue over time, six months, every year type of
24 recertifications to assure that those practices are
25 continuing.

1 Q In light of the effort involved, is it fair
2 to say that probably only the highest volume mailers
3 go through that process?
4 A That's a qualitative term, highest volume,
5 so I don't know if I can fairly characterize it as
6 that. What I would say is that there is a certain
7 amount of expense associated with becoming MPTQM
8 certified versus just simply assuring that the
9 practices are of high quality, but also administering
10 the program and maintaining documents to the extent
11 that you sometimes have a person that's not only full
12 time dedicated, but somebody that a good deal of their
13 duties is to ensure the MPTQM certifications
14 requirements are upheld.
15 So yeah, generally speaking you have to be
16 of a decent size to engage in the MPTQM program as a
17 general matter. Now whether I would characterize that
18 as high volume, we have some smaller pre-cert bureaus,
19 but yeah, even the smaller pre-cert bureaus put out
20 quite a bit of mail typically.
21 Q Do you know how many facilities have become
22 MPTQM certified?
23 A The last I recall, and I could be off on my
24 memory here, it was around 40 to 45 pre-cert bureaus
25 and maybe about a dozen or eight to a dozen letter

1 shops, something like that. I may be off,b ut there is
2 an MPTQM web site, publicly accessible web site on our
3 USPS external internet that you can find the list if
4 you're interested in finding out the exact current
5 list of facilities, both pre-cert bureaus and letter
6 shops that are certified.
7 Q And is it listed by facility? I don't want
8 us to be ships passing in the night here. My
9 understanding was it was on a facility by facility
10 basis, but your answer, I take it, referred to just
11 entities.
12 A No, actually, if you look in there it will
13 have a listing of say, for example, a common large
14 pre-cert bureau with multiple locations, it will list
15 each location that has been certified.
16 Q So we can get from that web site the total
17 number that now have been certified?
18 A Correct.
19 Q When you visited mail shops in the process
20 of doing or administrating the certification process,
21 did you observe how mail was prepared and sent out by
22 the mailers?
23 A Correct.
24 Q Would it be fair to say that the mailers
25 after, let's say we're talking about bills. After the

1 bills are prepared they're trayed by the mailer?
2 A Correct.
3 Q Does the mailer then sleeve the trays?
4 A Yes. In most cases, yes.
5 Q After that trays get banded? Is that the
6 process?
7 A Correct. In most cases, yes.
8 Q And is it necessary to provide certain tags
9 to the particular trays?
10 A Yes, it is.
11 Q What are those? DNR tags? Can you tell me
12 what those --
13 A They're slide labels that describe the
14 contents of the tray. The destination of that tray,
15 where it's going, the content of that tray, the class
16 and shape and pre-sort level, as well as the origin of
17 the mailer of that tray. That's the slide label.
18 There's also a definition and routing as you
19 mentioned that will be placed in most cases on the top
20 of that tray that will provide the information about
21 how that mail gets routed through our air network, for
22 example, possibly through a HAS, that type of label
23 and moves it through our transportation network.
24 Q And these sliding tags that you talk about,
25 first the trays are provided to the mailer by the

1 Postal Service, right?

2 A Correct.

3 Q If there are old tags in there from a

4 pervious mailer then the mailer needs to produce his

5 new tag and take out the old one and put in the new

6 one?

7 A If it so happens that an old label --

8 MS. PORTONOVO: Excuse me, Mr.Chairman?

9 CHAIRMAN OMAS: Yes.

10 MS. PORTONOVO: The Postal Service is

11 wondering how long this line of questioning is going

12 to continue because it's clearly straying beyond the

13 scope of Mr. McCrery's testimony.

14 MR. HALL: I can relate it to a couple of

15 things. I've already related it to his Direct

16 testimony. It's one of his responsibilities.

17 He talks about how mail is processed, and

18 that's what I'm talking about. High volume mailer

19 mail that is specially prepared so that it will be

20 sufficiently processed once it gets to --

21 CHAIRMAN OMAS: Mr. McCrery, can you answer

22 the questions?

23 WITNESS McCRERY: So far.

24 CHAIRMAN OMAS: Please do so.

25 Continue, Mr. Hall.

1 MS. PORTONOVO: We just wanted to clarify
2 that Mr. McCrery's testimony is really on the scope of
3 the postal operations, not mailer operations in order
4 to prepare it for postal operations.
5 MR. HALL: We'll be getting there. We'll be
6 getting to you quite soon.
7 CHAIRMAN OMAS: Thank you.
8 BY MR. HALL:
9 Q Do mailers also weigh the trays?
10 A In some cases, but not all.
11 Q When you visited the shops was POSTAL ONE in
12 existence of in operation?
13 A Yes.
14 Q So was postage verification done with either
15 POSTAL ONE or for example MERLIN?
16 A MERLIN, yes. To the extent the POSTAL ONE
17 output data is used in the verification process I
18 can't speak to.
19 Q Okay but it is or it can be used in terms of
20 the routing?
21 A Yeah. That's a difference in acceptance
22 criteria that you referred to for --
23 Q I'm sorry. I didn't mean to jump around
24 there.
25 But since we're on that topic, one of the

1 things you want to do in terms of processing the mail
2 and getting it where it has to go is using the most
3 efficient transportation mode. I guess by most
4 efficient I mean the least expensive from the Postal
5 Service's perspective that is consistent with meeting
6 service standards. Would that be a fair statement?
7 A I would say that would be a fair statement.
8 Q Now did you see in these shops that you
9 visited trays that had been sleeved and banded then
10 put on pallets?
11 A I did.
12 Q Was shrink wrapping applied?
13 A My recollection is yes, the palletized trays
14 were shrink wrapped, ultimately shrink wrapped.
15 Q And the purpose of that is to hold them
16 together while they're being transported by the Postal
17 Service?
18 A That is correct. Or potentially even by the
19 pre-cert bureau if they take those to a particular
20 plant. Whether it's your transportation or our
21 transportation, obviously, it's to the benefit of the
22 integrity of the pallets.
23 Q Did any of the MPTQM project, did any of
24 them have plant load agreements?
25 A Yes.

1 Q Could you tell the Commission what your
2 understanding of a plant load agreement is and why the
3 Postal Service has these with mailers?
4 A A plant load agreement is an agreement
5 between the Postal Service and the, for example in
6 this case the pre-cert bureau where we will provide
7 the transportation from the location, in this case
8 again the pre-cert bureau, to one or more of our
9 facilities in lieu of that volume being deposited at
10 the local plant, business mail entry unit, by the
11 customer. The volume is accepted and verified on-site
12 at the mailer's plant and we will assume the
13 transportation to one or more of our processing
14 facilities and then there's analysis, and that
15 obviously is our transportation but there are reasons
16 for that, to prevent volume going through a smaller
17 facility or an acceptance unit and then ultimately
18 transported on our trucks elsewhere. We kind of
19 bypass the middle man in some cases and get that mail
20 through a plant load agreement to where it needs to
21 be.
22 Q Now we'll get to the actual BMEUs, Business
23 Mail Entry Unit, which I believe is what that acronym
24 is, and you did that one so I hope Mr. Volner won't be
25 angry with me for only having one in addition to his.

1 If the mailer instead of doing as the mailer
2 under the MPTQM program that we've discussed, if
3 instead the mailer brings trays of mail to the BMEU
4 would it be fair to say that they go through the same
5 processing steps that we've been describing? The
6 Postal Service employees perform these steps?
7 A Can you be more specific on the steps we're
8 talking about?
9 Q Yes. We started off I think with mail being
10 put in trays. Now we're saying the mailer brings
11 trays, one or more trays, to the Business Mail Entry
12 Unit and gives it to a Postal Service employee, who I
13 guess goes through the verification process first?
14 A Yes. Just to make clear. Placing the
15 pieces in the tray, sleeving and strapping, whether
16 it's an MPTQM, whether it's not an MPTQM, whether it's
17 a plant load, or whether it's brought to a BMEU, it
18 still happens by the customer. But to answer your
19 question, the pieces are turned over to a Business
20 Mail Entry Unit employee for verification.
21 Q Okay. Do you know if that's a requirement
22 that they be sleeved and banded?
23 A Yes. There are minor exceptions for local
24 volumes and things like that and a few exceptions
25 potentially by plant managers, but generally the

1 requirement is yes, the trays have to be sleeved and
2 banded. Those are spelled out within the Domestic
3 Mail Manual.
4 Q And so how does it work in terms of postage
5 verification at that point? Doesn't the person
6 accepting the mail verify that what the mailer says is
7 there is there?
8 A Yes, they'll do a verification, whether it
9 be a weigh verification. There are all kinds of
10 different agreements and procedures and combined
11 mailing agreements and various ways the mail is
12 accepted. But if you ask about MERLIN, they may have
13 to remove a strap and remove a sleeve and actually
14 verify those pieces on MERLIN.
15 Q That was sort of my understanding.
16 A Yes.
17 Q And then after all of that is done and the
18 postage has been accepted, by the way, is that a paper
19 transaction?
20 A Can you be more specific on what that is
21 Q In terms of acceptance of the mail. In
22 other words does the mailer show up with a statement
23 that is on a prescribed form?
24 A To my understanding correct, yes.
25 Q Then that form goes up whatever channels it

1 goes up to and gets recorded by the Postal Service?
2 A Correct.
3 Q Then it gets keyed in?
4 A It depends. It depends on if it's paper,
5 there are electronic transmissions of documents now
6 through another type of POSTAL ONE. I don't want to
7 speak too elaborately on this because it's outside of
8 my scope, but yes. That information one way or the
9 other, electronically or otherwise, will we get credit
10 for that and the postage is paid.
11 Q So now we have the trays either still banded
12 and sleeved or rebanded and resleeved. Then Postal
13 Service employees sort them onto pallets?
14 A It's important that this be specific on the
15 type of trays. If you're talking about first class
16 mail --
17 Q I'm sorry, all my questions are dealing
18 with, I started off saying they were bills, but --
19 A There are other pallet requirements imposed
20 upon mailers and certain other classes, but for first
21 class mail where the trays are generally entered on
22 rolling stock or some other container, yes. One of
23 the first steps after business mail acceptance and
24 entry at a plant would then be to sort those trays
25 into breakup units for various destinations.

1 Q When you use the term rolling stock, is that
2 meant to signify cages that roll and mail is put in
3 there by postal clerks?
4 A I would say that in this case mail would be
5 often inducted into a Business Mail Entry Unit, first
6 class letters by mailer. It's not uncommon that they
7 would use equipment that we give them, our own rolling
8 stock on loan for them to insert and place their trays
9 for induction into our system. Then we would take
10 those trays off of that container and sort those
11 likely into other pieces of rolling stock for
12 destinations.
13 Q So you might not palletize those?
14 A Yeah, they're likely not.
15 Q And when a customer has the need to use
16 rolling stock or you give them rolling stock, it's
17 like giving them a shopping cart, right?
18 A Good analogy.
19 Q They're not supposed to walk away with it or
20 put their clothes in it, right?
21 A Uh huh.
22 Q So you don't just give these carts or
23 rolling stock to every mailer, do you?
24 A There is some base criteria about volumes
25 and what not that will verify, you'd say, the need for

1 that mailer to request and then very well get rolling
2 stock from the Postal Service. So yeah, I guess to
3 answer your question, no, we don't just give it to
4 anybody.
5 Q In that case the Postal Service delivers the
6 rolling stock or the mailer picks it up or --
7 A To my recollection the mailer would pick it
8 up. We would provide that either clasped or ready to
9 go for the mailer to pick up. It could be dropped off
10 too. From a plant load, for example, if we had a
11 truck, as I mentioned before, going to a pre-cert
12 bureau to pick up their volumes to move to a facility,
13 they may drop off rolling stock on the way out, for
14 example, but then it also is picked up as well.
15 Q Okay.
16 On low volume mail, do you happen to know
17 what the typical or average size of a mailing is?
18 A Low volume? Average?
19 Q Average of all.
20 A Average of all first class mailings? I do
21 not know what the average first class mailing would be
22 in terms of size.
23 Q If it's maybe 1,000, 1,500 pieces, that
24 would be what? Somewhere two, three, four trays or
25 something?

1 A Yes.

2 Q In that case the customer probably wouldn't

3 be using rolling stock, right?

4 A I wouldn't think so.

5 Q And what would happen if the customer

6 brought the mail to the BMEU and there was no tag on

7 the mail?

8 A Likely it would be returned to the customer

9 immediately for insertion of the tag.

10 Q In other words the clerk wouldn't say okay,

11 I'll print it out here?

12 A No. That wouldn't likely be the case. If

13 there are three or four trays, as you mentioned, and

14 one didn't have a tag, it would likely be brought to

15 the attention of the customer pretty quickly.

16 Q But the DNR tag that goes on top, that would

17 be applied by the Postal Service?

18 A That's correct.

19 MR. HALL: Those are all the questions I

20 have. Thank you for your patience.

21 CHAIRMAN OMAS: Thank you, Mr. Hall.

22 Ms. Rush? National Newspaper Association.

23 MS. RUSH: Thank you, Mr. Chairman.

24 Good afternoon, Mr. McCrery. I'm Tonda Rush

25 with National Newspaper Association.

1 I won't keep you here very long, I don't
2 have very many questions for you, but I have a couple
3 of things I'd like you to clarify for us if you don't
4 mind.
5 CROSS-EXAMINATION
6 BY MS. RUSH:
7 Q You mentioned in your testimony and you've
8 mentioned it several other places also, the Postal
9 Service's aggressive effort to eliminate sacks as much
10 as possible.
11 You said in response to NNA's Question 3
12 that the Postal Service had begun to allow for
13 unsacked bundles at destination delivery units. Is
14 that correct?
15 A That's correct.
16 Q That began in 2004, as I recall from your
17 statement?
18 A Correct.
19 Q Can you just explain briefly, and not
20 necessarily in quantifiable numbers, what these
21 bundles say? What benefit they have to the Postal
22 Service as opposed to bringing that same amount of
23 mail into a delivery office in a sack?
24 A I'll first describe the differences and that
25 may lead into benefit over. Either you have those

1 carrier bundles and carrier route sacks in multiple
2 bundles where those sacks are then moved and then the
3 pieces or the bundles then prepped for the carriers,
4 the bundles would then be able to be dropped
5 individually at the delivery unit by the customer.
6 Similar to if it was a pallet without having actually
7 having the pallet. Then those bundles would be able
8 to be moved into the delivery unit for then
9 distribution to the carriers to be cased up and
10 delivered.
11 The sack itself doesn't provide tremendous
12 additional value in that regard where you may have one
13 or two carrier route bundles. They may end up doing
14 more damage than good in that regard because you may
15 only have a few bundles for an individual carrier
16 route and they could easily be distributed and moved
17 to the carrier without having the sack individually is
18 plating those bundles for an individual carrier.
19 So to provide the flexibility for a customer
20 not to deal with the sacks and in recognition of the
21 limited value that they really have, we wanted to
22 provide that option, in large part for newspapers, to
23 give them flexibility to enter without that sack,
24 those carrier --
25 Q Is it fair to say that in those situations

1 the sack doesn't help and it might hurt?
2 A Yeah. That's a safe assumption.
3 Q Do you have any sense that within the scope
4 of periodicals class in general that large volumes of
5 mail have gone to that option?
6 A I haven't been able to get a sense from any
7 kind of analysis or a field visits in that respect. I
8 do know from conversations with folks within NNA and
9 customers that they are availing themselves of that
10 option, so I know it's being used by people that we
11 intended it to be used for on some level.
12 It seems like it's catching on, so how I
13 quantify it or qualify it in terms of lot or large,
14 it's hard to know right now, but people are using it.
15 Q Would you say that within the periodicals
16 class generally it's a small fraction of mail that's
17 being actually dealt with in this way?
18 A Yes. And when you ask it like that and you
19 think about the entire sub-class or class of
20 periodicals that we're talking about, when you know
21 that destination delivery unit entry volumes are small
22 to start with in comparison to the grand scheme of
23 periodicals, the portion that then would be entered
24 unsacked is of course also going to be a small portion
25 of the mail in the grand scheme of things. Yes.

1 Q Is there also the ability for publishers to
2 enter that mail loose and not bundled in some cases?
3 A At the delivery unit level, typically not,
4 because you're going to have for the most part carrier
5 routes. Having that somehow not banded or contained
6 with any carrier route, generally speaking, no.
7 Q So if that were happening it would be not
8 with any official sanction from your office?
9 A Yes.
10 Q We won't discuss it with you any further if
11 we know about it then, Mr. McCrery.
12 (Laughter).
13 Q I would like, if you don't mind, to show you
14 a picture of a tub.
15 MS. RUSH: May I approach the bench?
16 CHAIRMAN OMAS: Absolutely.
17 BY MS. RUSH:
18 Q Mr. McCrery, is that a tub?
19 A It appears to be.
20 Q What you would call a flats tub?
21 A Yes, a flats tub.
22 Q I'm showing this to you only because I have
23 noticed, along with our unfortunate use of acronyms,
24 we sometimes call these trays and sometimes we call
25 them tubs. I'm not sure they're always the same thing

1 and I thought you might recognize that photograph.
2 A Yes, it seems to be something that maybe I
3 was involved with in publishing in some way, shape or
4 form that you clipped out and used.
5 Q Actually I plagiarized that from one of your
6 PowerPoints, if you don't mind my saying so.
7 A It looked familiar.
8 MS. RUSH: Mr. Chairman, since the witness
9 has identified it I'd like to move it into the record,
10 if you don't mind and the Postal Service doesn't
11 object.
12 CHAIRMAN OMAS: Without objection.
13 (The document referred to was
14 marked for identification as
15 Exhibit No. NNA L-1 and was
16 received in evidence.)
17 BY MS. RUSH:
18 Q Within the past year to 18 months the Postal
19 Service has also allowed newspapers to prepare their
20 mail in these tubs as opposed to sacks, is that
21 correct?
22 A That is correct.
23 Q It's permitted only in certain sortation
24 levels, if I am right about that, ADC and mixed ADC.
25 What else?

1 A Or Genixed ADC.
2 Q Only those three?
3 A Correct.
4 Q Not in five digit or three digit?
5 A There's no official standards for
6 preparation of flat mail in five digit and three digit
7 tubs, correct.
8 Q Is there a reason why those two sortations
9 haven't been included?
10 A Yes.
11 Q Would you say what it is?
12 A Yes. We did some -- Two reasons. One, some
13 analysis that was performed gave us a better sense of
14 the tradeoffs of tubs, because when you do tub mail
15 you are in most cases removing straps and smaller
16 bundles and providing those pieces loose, and in some
17 cases you may actually affect the pre-sort level
18 meaning that we may end up moving mail back in pre-
19 sort. But the tradeoff is that those pieces can move
20 straight to piece distribution and bypass any what we
21 call 035 distribution which is the operation in which
22 we remove the straps and bundling and get the pieces
23 ready, so there's a tradeoff there. From some
24 analysis we proved that from those three levels we
25 knew provided benefit for sure and the other ones were

1 more in question.

2 That combined with the fact that tubs can

3 be, as you probably know, can be in shortage at times.

4 So to go too far with how we provide that we wanted to

5 be sure that when we do provide the options for at

6 least these three levels we're going to be able to

7 meet the desire and the supply that customers will

8 want to prepare their mail in tubs. We didn't want to

9 over-promise and under-deliver.

10 So for those two reasons we limited it to

11 those three levels.

12 Q My understanding is the Postal Service

13 stores a lot of those tubs at off-site postal

14 facilities, like under our secretaries' desks and

15 college dorm rooms and the like. Unintentionally.

16 A Yes, there are instances where we have to

17 round them up where they end up falling outside of

18 postal use improperly, and that's a problem.

19 Q So the lack of equipment is one factor that

20 has limited the use in three and five digit, but not

21 the only one, is that correct?

22 A That's fair to say.

23 Q So in those two sortations for publications,

24 periodicals that don't have the pallet option, either

25 through numbers or weight, the sack is really still

1 their only alternative?

2 A Yes. Correct.

3 Q Are you aware of any actions that may occur

4 between now and the test year that the Postal Service

5 may take to further encourage the elimination of

6 sacks?

7 A There may be other considerations to go

8 beyond those three levels if we in fact can get an

9 adequate supply of tubs and we can feel more confident

10 of the return of having those pieces in tubs, as well

11 as there may be some opportunities to expand the

12 ability to enter bundles outside of sacks, the

13 unsacked option, possibly at plants.

14 We're talking small mailings. We're not

15 talking about large volumes of otherwise containerized

16 bundles that would be bed loaded. We're talking about

17 smaller customers that would be able to then

18 potentially enter their bundles in a piece of rolling

19 stock or container, off-load them off their trucks

20 similar to what they're doing at the delivery unit,

21 possibly having that managed in small volume, also

22 being able to do that at a plant potentially. Those

23 are two ways that we could expand the ability to get

24 customers out of sacks possibly by the test year. But

25 no promises. We still have to do some work on that.

1 Q You just alluded to one factor in this new
2 processing that I was curious about. Explain how the
3 tubs are actually moved through a plant. Are they
4 rolled through in rolling stock usually?
5 A Correct. They're placed on a piece of
6 rolling stock almost exclusively to be moved
7 throughout the plant.
8 Q As the Postal Service moves into its SFS
9 sortations, and I know you aren't quite to the point
10 where you can explain exactly how that will work, but
11 would you anticipate that some of these new options
12 will continue to remain available for periodicals?
13 A The ones we've spoken of I see no reason why
14 they would not still be a potential option or even an
15 SFS scenario.
16 Q So if you were trying to urge the industry
17 to make that shift it would be a shift that you would
18 foresee having some lasting benefit?
19 A I would.
20 Q And you think there's still room for growth
21 in that area?
22 A Yes, I certainly don't believe everybody's
23 availing themselves to it, though I know certainly
24 some are.
25 So I would say it's fair to say there is

1 growth certainly with both the tub option and the
2 unsacked option.
3 Q Can I just ask you my last question here, to
4 go back to some comments you were making I believe to
5 APWU counsel, and I just wanted to make sure I
6 understand what you actually were saying there.
7 You were discussing with him the moving of
8 sortation, the flats from plants to delivery units of
9 manual sortation. Tell me again exactly which volumes
10 you were alluding to in that statement?
11 A I was discussing the manual distribution,
12 incoming, secondary. And just to be clear that is
13 generally speaking the distribution where five digit
14 mail for a particular zone, post office, is sorted
15 from that level of distribution down to the carrier
16 route level or box section. So it's taking the five
17 digit all for a particular city or zone and then
18 getting it out to the various carrier routes or box
19 sections. That's the distribution we're referring to.
20 That happens on automation equipment and it
21 happens manually, it happens as a combination of the
22 two. The portion that was manual in a plant, that is
23 the portion I was saying has been transferred to the
24 delivery unit. The manual distribution that was
25 taking place in the plant has been moved to a manual

1 distribution on delivery units. I wasn't referring to
2 any automation distribution that was occurring being
3 moved. That still remains at the plant.
4 Q Understood, but the volume that's shifting
5 is this volume of breaking down the five digit to the
6 carrier routes? Or is it both that and the
7 sequencing?
8 A It's just breaking down from five digit to
9 carrier route. The sequencing of flat mail still
10 occurs at the carriers case.
11 Q In all cases?
12 A Right now we don't have --
13 Q You don't have any other way to do it yet.
14 A We don't have any other sequencing going on
15 right now.
16 Q I just wanted to be clear that's what you
17 were talking about.
18 MS. RUSH: Mr. Chairman, I have nothing
19 further.
20 CHAIRMAN OMAS: Thank you, Ms. Rush.
21 ValPak Direct Marketing Systems,
22 Incorporated and ValPak Dealers Association
23 Incorporated. Please introduce yourself.
24 MR. MORGAN: Mr. Chairman, Jeremiah Morgan
25 for ValPak.

1 Good afternoon, Mr. McCrery.

2 WITNESS McCRERY: Good afternoon.

3 CROSS-EXAMINATION

4 BY MR. MORGAN:

5 Q I wanted to clarify something you were

6 talking about earlier regarding the DBCS machines and

7 the DBCS-EC.

8 A Yes.

9 Q There's also the DIOSS and the DIOSS-EC.

10 On pages six and seven of your testimony you

11 said that the two EC machines, they have a lot of

12 processing of a wider range of mail characteristics.

13 In your response to ADVO-T-42-10, do you

14 have that handy?

15 A I will get it.

16 (Pause).

17 A I do have it.

18 Q You were asked about the range of mail

19 characteristics for DBCS and then the DIOSS-EC. Could

20 you tell us if the capability of the DBCS-EC, what

21 that is, or if it's the same as the DIOSS-EC?

22 A They have similar capabilities.

23 Q Okay. Thank you. I just wanted to clarify

24 that for the record.

25 Could you now turn to ValPak Question 5?

1 A I'm there.

2 Q In your response you say that the FY2005 mod

3 productivity for DBCS was 8,349 pieces per hour. Is

4 that correct?

5 A I see that. Yes, it's correct.

6 Q When letter mail is DPS, that process

7 involves or requires a two-pass operation, is that

8 correct?

9 A That's correct.

10 Q If the wage rate, well, if the wage rate in

11 the test here is $36 per hour and a DBCS machine can

12 do one pass at 8,349 pieces per hour; and the labor

13 cost of the first pass is equal to $36 divided by

14 8,349, is that a fair statement?

15 A That seems to be correct in simple math,

16 yes.

17 Q Would you accept subject to check that 36

18 divided by 8,349 is equal to $.00431? That is .431

19 cents per piece? Subject to check?

20 A Yeah, you're saying you've done the math and

21 divided those out and that's your result?

22 Q Yes.

23 A Yes.

24 Q So for two passes the labor cost would be

25 double that amount? Is that a fair statement?

1 A Yes, the second pass is going to roughly
2 double. You have other factors that need to be
3 considered on two passes, the additional rejects and
4 things like that, but yes, the second pass will have a
5 cost comparable to the first pass.
6 Q So that would be around .826 cents per
7 piece.
8 A Yes, generally.
9 Q And then to get the full unit cost of DPS,
10 the appropriate piggyback factor would need to be
11 applied to the direct labor cost.
12 A I don't really want to get too far down into
13 the costing methodology. It's beyond my scope.
14 Q Okay.
15 A I am familiar with additional costs and the
16 fact that they're called piggyback factors.
17 Q Okay. Thank you.
18 I want to now refer you to, you were asked
19 earlier about APWU USPS-T-42-6.
20 A Say that again, I'm sorry?
21 Q The APWU Interrogatory 6.
22 A Okay.
23 Q You were asked about, or you were discussing
24 the 19,300 zip codes that are non-DPS. I was
25 wondering if you could give us some general idea about

1 how many zip codes that do not and will not, the ones
2 that are never, will never receive a DPS sort due to
3 distance and minimal volume. Do you have some idea
4 about how many are city versus rural?
5 A I don't know for sure. The smaller ones
6 tend to be rural, but I don't know for sure.
7 Q Okay. For those zip codes that do not
8 receive a DPS and that are served by city or rural
9 carriers, for saturation mail that is pre-sorted to
10 carrier's delivery sequence, would that mailer pre-
11 sortation continue to have value?
12 A Specifically for zones that are not DPS?
13 Q That would never be DPS you say.
14 A Oh. Well, in that case if it's not DPS
15 point sequence, it does in that case still have value
16 if in fact our base sort is carrier route, no better.
17 What we do then, the mailer sortation of that then has
18 some value in most cases.
19 Q Okay.
20 If you can refer to page 12 of your
21 testimony. Right near the bottom, lines 27 and 28 and
22 continuing to the next page.
23 You say that "DALs are also often
24 transported back to the plant for DPS processing in
25 order to eliminate the need to manually case the cards

1 and delivering."

2 I remember in the last case Witness Lewis

3 said something similar to that.

4 DALs obviously must be printed on machinable

5 stock in order to be run on automation equipment

6 without jamming. Assuming that the thickness of the

7 card stock is not a problem, what kind of an

8 impediment, if any, would the lack of a bar code

9 present?

10 A The impediment, I don't know if that would

11 be a way to characterize it, but if the DAL did not

12 have a bar code it would need to go through an ISS

13 operation, some operation where a bar code could be

14 applied. That would in most cases result in

15 additional handling of those cards in automation.

16 Q Can the Postal Service OCRs read 99 to 100

17 percent of printed addresses such as those on DALs?

18 A I don't know.

19 Q Do you know if many mailers from the DALs

20 with bar codes pre-printed on them?

21 A Many? I don't know for sure, to be honest

22 with you, how many do. I know some do and I know some

23 don't.

24 Q Those that do provide some flexibility as

25 far as handling options, I assume.

1 A If they do meet those characteristics of
2 machinability, paper stock, and bar coding? Yeah. It
3 does provide some flexibility on handling, yes.
4 Q Do you know how often the Postal Service
5 takes advantage of those flexibility of options?
6 A I have no basis on which to know for sure,
7 or even provide an estimate of how often it does
8 happen, how often they are sent back for DPS. I know,
9 from the response I know it does happen, and on
10 occasion it does not happen so I don't know for sure
11 how to quantify how often it happens.
12 Q Okay.
13 Could you turn to your response to ValPak
14 Question 28?
15 A Okay.
16 Q There you state that for letters manual
17 sorting is approximately 13 times more expensive than
18 automated sorting. Right?
19 A Yes.
20 Q In this comparison of the cost of manual
21 versus automated sorting is your ratio based on one
22 DPS pass?
23 A It's based on one pass of an automation
24 versus the sort on a manual.
25 Q Now referring to your testimony on page 19,

1 you say that manual flats are considerably more costly
2 to operations, approximately three times more labor
3 cost per handling the process than machinable flats.
4 Now we're jumping to flats.
5 A Okay.
6 Q If letters cost 13 times more to sort
7 manually than on automated equipment, why do flats
8 cost only three times more to sort manually than on
9 automated equipment like an AFSM100?
10 A It has to do with the productivity of the
11 equipment, the staffing indexes and all the other
12 factors that determine the costs associated with
13 processing a flat.
14 The simplest way to think about it is the
15 machines don't operate as fast for a flat mail piece
16 as they do on a letter mail piece and the
17 productivities are different. So it results in that
18 ratio.
19 Q When the Postal Service sorted everything
20 manually the standard for letters was twice the
21 standard for flats. Is that correct?
22 A I'm aware of the standards in delivery, the
23 standards for manual sortation by carriers. Is that
24 what you're referring to?
25 Q No, referring to the old R90 standard of 18

1 letters per minute versus 18 flats per mite.

2 A Eight you mean.

3 Q That's what I meant, 18 versus eight. Is

4 that --

5 A That's generally always been, at least in my

6 time in the Postal Service, it's really been focused

7 on the carrier functions. I don't recall, at least in

8 my time since 1990, being really focused as much on

9 the processing for the plant side, but more on the

10 carrier side, standards for carriers and how the

11 productivities for sequencing their letters and flats

12 in the carrier case.

13 Q Is the productivity for flats orders then, I

14 think you've already answered this, but so much worse

15 than letter sorters like the DB?

16 Is productivity for flat sorters like

17 AFSM100 so much worse than letter sorters like the

18 DBCS? You just mentioned the different reactors.

19 A The productivity?

20 Q Uh huh.

21 A It is less. I don't know if I would go so

22 far as to say so much worse, but the productivity does

23 differ as far as number of pieces a flat sorter can

24 handle per work hour versus letters. It's lower, but

25 I can say that, and the productivities have been

1 provided.

2 Q Okay.

3 You were asked earlier about, Time Warner

4 Question 9, this is redirected from Winns Miller, TW

5 USPS-T-20-9.

6 A Okay.

7 Q You discussed earlier in an interrogatory

8 response, you discussed mailings entered after the

9 automation incoming secondary processing window had

10 expired. Does the window for mail processing stay

11 open longer or later than it does for automated

12 equipment?

13 A As we've been discussing pretty extensively

14 so far today, the manual processing window now has

15 been decentralized for the delivery units, so the

16 window that exists out there for manual incoming

17 secondary tends to be starting in the early morning

18 throughout the day time when there are clerks on hand

19 to sort that volume. So I think it's a distinction

20 worth noting. There really isn't that window in the

21 plant any more that I think you're referring to.

22 Q Okay.

23 In that same response you say that a class

24 of significantly higher volume, e.g. standard mail,

25 could be given processing precedence over mail first

1 class with lower volume if the classes are processed
2 to maintain a separation and the equipment cannot be
3 used to finalize bulk mail classes within the
4 processing window.
5 How often do you have a situation where the
6 equipment cannot finalize both mail classes within the
7 processing windows? I guess you just said that.
8 A Well, I would say that the window, if you
9 have a potential processing window for flat mail where
10 it must get out that day I don't think there are many
11 cases where you're going to exhaust that potential
12 capacity to be able to in fact sort those within the
13 window. But to answer your question I really don't
14 know. I can't speak to the number or the percentage
15 of instances where that does occur.
16 Q Is it relatively rare or --
17 A That you would have so many flats you could
18 not fit within the window?
19 Q Uh huh.
20 A When you're looking at say fall mailing
21 season when you have a lot of flat mail it could
22 happen from time to time, but I wouldn't -- Usually
23 there is a window of opportunity on flat sorting
24 equipment. You have it all prepped up and ready to
25 go, in my experience. Beyond some of the extreme

1 cases of high volume periods of the year where you
2 could get it through.
3 Q Obviously part of the reason you can't
4 process all automation flats on automation equipment
5 is that you don't have sufficient number of AFSM100s
6 and --
7 A Or that the zone is not processed. When
8 we're saying processed I'm speaking, and we'll make it
9 clear, on the incoming secondary, when you're sorting
10 it from five digit to carrier route level. The other
11 reasons obviously why it would not be is that the zone
12 is not on automation. The zone that is designed or
13 always intended to be processed manually at a delivery
14 unit. That's another reason.
15 Q Okay.
16 Of all the places that it could, all the
17 zones that it could, it just doesn't have enough
18 equipment. Is that fair?
19 A As I say, I think for the most part there is
20 processing capacity to get most of the volume, with
21 the exception of extreme cases and periods of the year
22 where you just have so many flats. There may be an
23 example where you exhaust your window, but for the
24 most part I believe we have adequate capacity to work
25 most of the volume. There can be processed on

1 automation within the delivery standard. We talked
2 earlier about first class mail sometimes can't make
3 the window and meet certain expectations, but the
4 volume that can be or can be curtailed and saved for
5 the next day, standard mail, they can, I believe in
6 most cases there is adequate capacity to run the
7 volume that's intended to be run.
8 Part of the number and selection of zones to
9 be run on automation is considerate of the fact that
10 how many machines you have. You're not going to run,
11 you're not going to plan to run zones beyond the
12 capabilities of your machines. If your plant only has
13 three machines you're going to design your schemes and
14 your selection of zones for automation around your
15 capacity on that.
16 So back to the discussion that sometimes
17 during extreme parts of the year of high volume you
18 may have an issue, but for the most part you should be
19 okay.
20 Q When a shortage of flat sorting capacity
21 exists as you described, will the mail in the low
22 class volume always be shifted to manual then? Is
23 that how it would be processed?
24 A Low class meaning say standard compared to
25 periodicals?

1 Q No, I'm sorry, the lower volume class.
2 A No, not necessarily. That's just an
3 example. The class, standard, they may be curtailed
4 for the next day. That could be the method, that is
5 the likely method to try to accommodate potentially a
6 day early in the week when you have a good deal of
7 mail coming through over the weekend, for example.
8 You may curtail something for the next day in standard
9 mail to get it all through on automation. As opposed
10 to shunting something off to manual, curtailing
11 standards to get it on automation would be the first
12 course of action.
13 Q Then manual is the other option.
14 Q At some point that's the next avenue if all
15 other options are exhausted in terms of automation
16 processing. Yes, the other option could be manual
17 sorting.
18 Q If a class of mail does get sent to manual
19 for processing, that's the one that obviously gets
20 stuck with the high cost of manual. Higher cost.
21 A Yeah. You're asking about the differences
22 in cost. Yes, it's spelled out in testimony. Three
23 times higher cost for those pieces that are processed
24 manually.
25 Q If I take a representative sample, that's

1 what it would conclude?

2 A Generally speaking, yes.

3 Q If flats from a class of mail are sent to

4 manual, are they usually going to be the one then with

5 relatively low volume?

6 A There are so many other factors to consider.

7 As I mentioned earlier, all volume for a particular

8 zone that's not on automation, a scheme or zone or

9 city that's not on automation will all be sent out

10 there. If you're asking about a zone that is on

11 automation and they have competing classes, for the

12 most part you'll try to expedite and give preference

13 to the higher class in terms of service. But then

14 again you're going to try to lower the cost, lowest

15 combined cost. So if you have an opportunity to set

16 up and take down a machine once and you have a lot of

17 mail for a particular class, the standard may be the

18 one you choose or it may be periodicals, if you have a

19 lot of periodicals and you're not going to combine

20 those based on the preferences of the downstream

21 operation. Logically if you're going to have the

22 fixed costs around setting up and taking down, you'll

23 probably pick the one that has more mail. That's what

24 that was trying to get at.

25 There's a lot of variables at play, so it's

1 not easy to definitively say it's always going to be
2 the one with higher volumes.
3 Q I see.
4 Let me ask you now about your response to
5 Post Com Question 6(b).
6 A Okay.
7 Q In the last sentence of your response, you
8 state that "When hybrid pieces are identified and
9 tracked through IOCS, we will have a reliable guide to
10 their cost."
11 I'd now like to hand you a chart, which we
12 have prepared showing the cost of first class parcels
13 by weight increments. I will mark this chart VP-CX-1.
14 (The document referred to was
15 marked for identification as
16 VP-CX-1.)
17 BY MR. MORGAN:
18 Q As you can see, the data from the
19 institutional response to OCA-USPS-25, it is my
20 understanding that the cost for first class parcels
21 shown in the second column here are based on IOCS. Do
22 you consider these costs for pre-sort parcels to be
23 reliable, the second pre-sort, do you consider those
24 costs to be reliable?
25 A I have no real expertise in this area or

1 basis on which to comment on the reliability. It's
2 outside the scope of my testimony.
3 Q From your experience do you really think
4 that four to 13 ounce pre-sort parcels are $13 or $14?
5 A I'd have to look into the data a little bit
6 more to get a better sense of what this is telling me.
7 If you're trying to say do I think a four to eight
8 once pre-sorted piece is $13 in terms of cost? Is
9 that what you're saying?
10 Q Yeah. Do you think that's reasonable,
11 reliable?
12 A I don't know exactly -- It's hard to comment
13 and not know exactly what this is, if this is a
14 container cost or something like that for multiple
15 parcels. But a single parcel costing $13.29, I
16 wouldn't necessarily think it would be that much, to
17 be honest with you. I don't know enough about what
18 this information is telling me, or this data, to
19 really adequately comment.
20 Q In your experience do you think the first
21 class parcels, pre-sort parcels, are seven to eight
22 times the cost of a single piece?
23 MS. PORTONOVO: Mr. Chairman, the witness
24 has already said that this is outside the scope of his
25 testimony.

1 CHAIRMAN OMAS: Would you proceed, please?
2 MR. MORGAN: Yes.
3 BY MR. MORGAN:
4 Q Are you familiar with Library Reference 135?
5 The standard mail unit cost by shape.
6 A No.
7 Q Okay.
8 Would you accept subject to check that the
9 numbers there are similar to these for standard versus
10 ECR? In that Library Reference it says that standard
11 regular parcels are 99 cents, and ECR parcels are
12 $24.90. Would you accept that that's what that says
13 subject to check?
14 MS. PORTONOVO: Mr. Chairman, again, this is
15 outside the scope of his testimony. He's also said
16 he's not familiar with this library reference.
17 MR. MORGAN: I'm not asking him to --
18 CHAIRMAN OMAS: Mr. McCrery, can you answer
19 the question?
20 WITNESS McCRERY: I'm not real sure what --
21 MR. MORGAN: Subject to check, would you
22 accept those numbers?
23 WITNESS McCRERY: I can accept the numbers,
24 I guess. The Chairman's question was whether I can
25 answer. I don't know what you're getting at. If it

1 has to do with --

2 MR. MORGAN: I'm getting to another

3 question. Just based upon the idea of the, I'm just

4 asking you to accept this subject to check. Not --

5 CHAIRMAN OMAS: What exactly is your

6 question? Would you repeat the question?

7 MR. MORGAN: My question is, would you

8 accept subject to check that standard regular parcels,

9 the unit cost is 99 cents; and that ECR parcels have a

10 unit cost of $24.90, nearly $25? Subject to check.

11 WITNESS McCRERY: Okay.

12 BY MR. MORGAN:

13 Q With those numbers in mind do you think that

14 -- Your response to Post Com 6(b) says that, "When

15 hybrid pieces are identified and tracked through IOCS

16 we will have a reliable guide to their cost."

17 Just taking these numbers into

18 consideration, do you really think that IOCS is going

19 to provide a reliable guide to the cost of hybrid

20 pieces when it's showing these type of things, 24

21 times --

22 MS. PORTONOVO: Mr. Chairman, the Postal

23 Service objects to this question. He's not an IOCS

24 witness. I don't see how he could answer this

25 question.

1 MR. MORGAN: Mr. Chairman, he stated that
2 IOCS would provide a reliable guide. I'm just asking
3 him to rethink that.
4 CHAIRMAN OMAS: Mr. McCrery, would you give
5 us your opinion?
6 WITNESS McCRERY: In my opinion IOCS does
7 provide reliable cost data. In my experience, though
8 limited, IOCS is the tool we use to provide cost data,
9 and I have no reason to believe that it will not
10 provide a reliable cost in the case that I mentioned.
11 MR. MORGAN: Mr. Chairman, I ask that the
12 cross-examination exhibit which is designated VP-CX-1
13 be transcribed into the record.
14 CHAIRMAN OMAS: Without objection.
15 (The document referred to,
16 previously identified as
17 Exhibit No. VP-CX-1, was
18 received into evidence.)
19 //
20 //
21 //
22 //
23 //
24 //
25 //

**VP-CX No. 1 — Witness McCrery**

**Cost of First-Class Parcels, by Weight Increment**

| Weight (Oz) | Single Piece | Presort |
|---|---|---|
| **0-4** | $1.45 | $1.72 |
| **4-8** | $1.60 | $13.29 |
| **8-12** | $1.94 | $14.42 |
| **12-13** | $1.92 | $14.14 |

Source: Response to OCA/USPS-25

1 MR. MORGAN: Thank you, I have no further
2 questions.
3 CHAIRMAN OMAS: Ms. Portonovo, did you have
4 something to say?
5 MS. PORTONOVO: No, I did not, Mr. Chairman.
6 CHAIRMAN OMAS: Thank you.
7 Is there any other participant who would
8 like to cross-examine Witness McCrery?
9 Mr. Anderson?
10 MR. ANDERSON: I have a follow-up question.
11 FURTHER CROSS-EXAMINATION
12 BY MR. ANDERSON:
13 Q Mr. McCrery, counsel for ValPak was asking
14 you about APWU Number 6. Would you please turn to
15 that again?
16 A APWU-6?
17 Q Yes.
18 A I'm there.
19 Q You had a dialogue with him with regard to
20 urban versus rural areas that are not DPS. Would you
21 agree with me that it's really sort of sparseness of
22 DPS-able mail rather than rural versus urban that
23 determines whether the mail will be DPS for a
24 particular zip code?
25 A I would agree with that assessment. It just

1 so happens that that sparseness tends to end up being
2 in rural areas often served by rural carriers, but to
3 take your general characterization of what drives the
4 decisions around DPS is a correct statement.
5 Q If there were inner city areas, for example,
6 where for reasons of economics large mailers didn't
7 tend to send their DPS mail that might also be a zip
8 code or zip codes in their cities where, for example,
9 there wouldn't be any DPS for a zip code or zip codes,
10 isn't that correct?
11 A I guess it's possible, but normally in urban
12 areas where there's a large plant in close proximity
13 to a plant even in those examples where maybe a zone
14 did not receive typically much mail, they still are
15 DPSed because they can, and meet all of, with the
16 windows on the machines and the plant as well as
17 dispatched out to those units timely. To answer your
18 question yes, it's possible, but specifically those
19 inner city zones regardless of volume are DPSed.
20 Q Does the Postal Service publish some place
21 to your knowledge a list of the zip codes that are not
22 DPSed so we could verify where they are?
23 A You can access that information in a
24 product, a publicly available product called the City
25 State Product. Within that, there's also another

1 variation of that that provides volume about what is
2 DPSed and what level of DPSing it has, so that is
3 available.
4 Q From the Postal Service?
5 A Yes.
6 Q Let me ask you to look specifically at APWU-
7 6 now, and I want to ask you to change one word. I
8 don't think it changes the meaning.
9 The very last line, the last sentence says,
10 "There will be zip codes which could never receive a
11 DPS sort due to distance and minimal volume."
12 Could I get you to change the "and" to "or"?
13 A To "and/or"?
14 Q No, strike the "and" and insert "or". I
15 don't think it changes the meaning.
16 A That actually may be a more appropriate way
17 to even say that. Or. distance "or" minimal volume.
18 Q I take that as a compliment. Thank you.
19 (Laughter).
20 MR. ANDERSON: No other questions.
21 CHAIRMAN OMAS: Thank you, Mr. Anderson.
22 Is there anyone else who wishes to cross-
23 examine?
24 (No audible response).
25 Are there any questions from the bench?

1 Commissioner Goldway?

2 COMMISSIONER TISDALE: I have one question.

3 CHAIRMAN OMAS: Okay.

4 COMMISSIONER TISDALE: If you'll clear up

5 one thing that I thought I heard you say.

6 What I thought I heard you say was that the

7 manual distribution of letters and flats was being

8 moved from the plants to the BDUs, is that accurate?

9 WITNESS McCRERY: There has been an effort

10 to decentralize the portion of the mail, though small

11 in most cases, from, and that's what I said, manual

12 distribution, we're speaking specifically about

13 incoming secondary. That is that distribution again

14 where we take letters grouped in five digits and

15 divide those up into the various carriers. That

16 function has been decentralized to the extent that the

17 portion of it is manual out to the delivery units,

18 where plants will not have the responsibility for

19 incoming secondary type manual distribution for the

20 offices that they serve.

21 There are a number of reasons for that.

22 Those operations require scheme qualifications.

23 Clerks have to understand and know them by scheme,

24 what pieces and what addresses go to what routes.

25 It's much earlier to manage. They need to have scheme

1 qualified clerks at delivery units for throw-back mail
2 as we call it, so it's much easier to manage that
3 function and make sure we have appropriate amounts of
4 scheme qualified people when they're at the delivery
5 units.
6 So there's good reason to do it, but that is
7 the portion of the mail, that incoming secondary,
8 that's been decentralized out to the delivery units
9 from plants.
10 COMMISSIONER TISDALE: Thank you.
11 CHAIRMAN OMAS: Commissioner Goldway?
12 COMMISSIONER GOLDWAY: Bear with me. I want
13 to read you a report that -- (Off Mike.)
14 VOICE: Can you turn your mike on?
15 COMMISSIONER GOLDWAY: I want to read
16 something that is a report that came in on my e-mail
17 this morning, if you'll bear with me.
18 "Jodi Heflin, Middletown Postmaster, met
19 with 40 people at the village of South Farms to
20 discuss problems with the mail including arrival times
21 and prioritizing what people should get mail first.
22 Many of the people who were present at the meeting are
23 business owners who are having problems receiving
24 their mail. They noted that mail is now being
25 delivered at 2:00 p.m. or 3:00 p.m. instead of in the

1 morning, which they were used to. Some also
2 complained of long lines." That's not your area.
3 "Middlesex Chamber of Commerce President
4 Larry McHugh pointed out another problem with the post
5 office. According to McHugh, first class mail has
6 been taking up to three or four days to get from one
7 Middletown address to another. Most people believe
8 first class mail takes a day to deliver. He also said
9 that some people have had to wait as long as ten days.
10 McHugh also noted that mail is no longer sorted right
11 in Middletown. Now the mail goes from Middletown to
12 Wallingford and sometimes from Middletown to
13 Wallingford to Hartford before it's returned.
14 "Postmaster Heflin did agree that the mail
15 was being sorted at a slower pace and she said
16 starting Monday all businesses will receive their mail
17 by 1:30 p.m. However, one business owner said that's
18 still not acceptable."
19 I'm reading this because it is the most
20 current of a series of complaints in various regions
21 of the country that I have heard about where mail is
22 being received much later than it had been in prior
23 years; and mail within a city which used to take one
24 day to deliver is now, and still has standards
25 announced by the Postal Service, service standards of

1 one day, is now often taking three or four or even ten
2 days to deliver. This memo could refer to complaints
3 that we've heard in Los Angeles or Pasadena or
4 Philadelphia or New York or Santa Fe or Scottsdale,
5 many many places in the country. And I am wondering
6 in the discussion of mail processing that we've been
7 having today whether there is any recognition in the
8 sort system to highlight mail that is within a region
9 that should get overnight service so that it is sorted
10 and sent out and back into the community more quickly,
11 or is it simply thrown into the UPS system, into
12 primary and secondary source as this suggests from
13 Wallingford to Hartford back to Wallingford and back
14 to Middletown again.
15 WITNESS McCRERY: There isn't, if I
16 understand the question correctly, there isn't a
17 special recognition in a collection process or an
18 outgoing/incoming distribution that isolates or
19 specifically designates overnight mail in an attempt
20 to handle that differently, per se. On the advanced
21 space or canceler system now we do have the ability as
22 described in the testimony to isolate volume local
23 mail for example, in this case, as it goes to
24 Wallingford, this would be an example of a piece
25 that's local and it's held out and directed to a

1 scheme immediately for incoming type distribution to
2 expedite it. Whereas before all of the collection
3 mail, whether it was coming in and turning right
4 around for Wallingford or going to California, would
5 be canceled and moved on to an outgoing. Now that
6 line can be resolved by technology and separated so we
7 can move the overnight more quickly on the ACSF --
8 COMMISSIONER GOLDWAY: Then why are we
9 having all these problems?
10 WITNESS McCRERY: I will say that our
11 service levels for overnight two and three day are
12 still at levels that we've never achieved before in
13 the history of the Postal Service. We're still doing,
14 there are always going to be exceptions to those
15 situations. Obviously you never want what we call
16 those tail pieces of four, five, six, ten days that
17 you mentioned, but overall absent those exceptions,
18 our service levels for overnight mail are still
19 achieving very very commendable levels. In my
20 opinion, overall, levels that again we have not
21 achieved since I've been in the Postal Service.
22 COMMISSIONER GOLDWAY: Does EXFC score
23 measure tail?
24 WITNESS McCRERY: It does have ability to
25 measure the volume that goes out beyond the actual

1 service commitment.

2 COMMISSIONER GOLDWAY: Do you ever announce

3 what that is?

4 WITNESS McCRERY: I am not in the area of

5 service measurement or publishing those so I don't

6 know exactly what is available and what is beyond the

7 overnight and two or three day service commitments.

8 My guess is some of that information that in some ways

9 may be statistically inconclusive may not be

10 announced. I don't know, to be honest with you,

11 exactly what is available or is publicly made

12 available beyond the actual service scores, to be

13 honest with you.

14 COMMISSIONER GOLDWAY: Have you been

15 involved at all in consulting with these particular

16 cities or regions that I've mentioned in terms of how

17 they might solve their problems?

18 WITNESS McCRERY: The ones you've listed

19 including the California --

20 COMMISSIONER GOLDWAY: California,

21 Connecticut, Philadelphia, Scottsdale, Arizona, Santa

22 Fe, Albuquerque, New Mexico.

23 WITNESS McCRERY: My responsibilities at the

24 Post-l Service as listed in my sketch are in the area

25 of mail preparation and working with the Commission on

1 classification. Those area for day to day management
2 and resolving issues at the headquarters level,
3 certainly these issues are more appropriate at the
4 local level, who have a better understanding of the
5 situation as they're handled at the local level with
6 plants and districts. But at the headquarters level,
7 those responsibilities are more in the area of
8 processing operations and Mr. David Williams, who has
9 been here in an appearance, he tends to be area
10 focused more on the area of trying to resolve these
11 issues as opposed to me, so I don't typically get
12 involved at that level.
13 COMMISSIONER GOLDWAY: I have one other much
14 more general question.
15 I've been informed that the U.S. Patent
16 Office published this morning a Postal Service
17 application for a patent for a method and system for a
18 single pass letter and flat processing. Do you know
19 what -- current flats are done on two passes usually.
20 This is a patent for one pass.
21 Do you know what this new machine is?
22 WITNESS McCRERY: I do not. It sounds
23 interesting, but I do not know about that machine.
24 You've piqued my interest.
25 COMMISSIONER GOLDWAY: That concludes my

1 questions. Thank you.

2 CHAIRMAN OMAS: Thank you.

3 Ms. Portonovo, would you like some time with

4 your witness?

5 MS. PORTONOVO: Yes, ten minutes please.

6 CHAIRMAN OMAS: Thank you.

7 We will come back at five after 3:00.

8 (Whereupon, a recess was taken from 2:58 to

9 3:10 p.m.)

10 CHAIRMAN OMAS: Ms. Portonovo?

11 MS. PORTONOVO: Thank you, Mr. Chairman.

12 The Postal Service does have some redirect.

13 CHAIRMAN OMAS: Please continue.

14 MS. PORTONOVO: Thank you.

15 REDIRECT EXAMINATION

16 BY MS. PORTONOVO:

17 Q Mr. McCrery, earlier this morning in your

18 conversation with Mr. Volner you had mentioned that a

19 piece that is non-caseable but less than .75 inches

20 thick is a hybrid flat. Is that what you intended to

21 say, or were you confused?

22 (Laughter).

23 A In fact I was not confused by it, and when

24 Mr. Volner was describing the piece I had specific

25 examples in mind of exactly what he was describing.

1 That piece is in fact correctly a hybrid parcel and
2 not a hybrid flat. I really did have one thing in mind
3 and thought of one thing and said another.
4 But no, as was already discussed pretty much
5 previously in our discussions with Mr. Volner, that
6 piece, that non-caseable piece under .75 is a hybrid
7 parcel.
8 Q Do you have any examples of a hybrid parcel
9 you can show us?
10 A I do actually have some examples that might
11 have been helpful earlier.
12 When we're on the subject of hybrid parcels,
13 an example that was just discussed, here is an example
14 of a piece now that is a flat today and pays flat
15 rates, auto flat rates even, that is non-caseable over
16 no dimension under 6. It happens to be under .75
17 inches in thickness, that we are categorizing as a
18 hybrid parcel. It is again, as I said, a rigid item,
19 cardboard box. Thinner, under .75 in thickness with
20 no dimension under six inches preventing caseability.
21 Then I have other items that are also
22 categorized currently as flat today and prepared as
23 flats, which in itself is problematic as it's bundled
24 and labeled as flats.
25 Here's another example of a "flat" today

1 that is a hybrid parcel. Thicker than .75, and is an
2 actual hybrid parcel in our current new definition.
3 Then you have other examples, very common
4 examples, of samples, diaper samples and AOL CDs that
5 are under .75 in thickness and under six inches in at
6 least one dimension allowing caseability. So these
7 are examples of hybrid flats.
8 Q I have one more question for you, Mr.
9 McCrery.
10 CHAIRMAN OMAS: I would appreciate to have
11 those marked as evidence, please.
12 MS. PORTONOVO: We can mark it as -- The
13 Postal Service would mark it Exhibits 1 through 4.
14 CHAIRMAN OMAS: Okay.
15 MR. HALL: Perhaps it could be made a
16 library reference so it could be available to people.
17 They're going to have problems transcribing it in the
18 record.
19 (Laughter).
20 CHAIRMAN OMAS: They can be available if
21 you'd like. We'll make them available.
22 WITNESS McCRERY: Yes, I have plenty of
23 examples of those in the back of the office so those
24 can be made available to the Commission.
25 CHAIRMAN OMAS: Thank you, Mr. McCrery.

1 Ms. Portonovo, would you like to continue?
2 And Mr. Hall, they will be available at our
3 docket center for review.
4 MR. HALL: Thank you.
5 CHAIRMAN OMAS: You're welcome.
6 WITNESS McCRERY: This is USPS-RD-1, and
7 approximately in description, this is a piece under
8 3/4 inches in thickness. It's rigid. These all are
9 rigid. In a box, with one dimension less than six.
10 Again, that would be the hybrid flat caseable piece.
11 (The document referred to was
12 marked for identification as
13 Exhibit No. USPS-RD-1.)
14 WITNESS McCRERY: Next is USPS-RD-2. Again,
15 a piece, rigid, item in a box, thinner, under .75
16 inches in thickness with one dimensions under six
17 inches. It happens to be a diaper sample. And then
18 again, a hybrid flat. Based on our proposed
19 categorization of what was used at LR-33.
20 (The document referred to was
21 marked for identification as
22 Exhibit No. USPS-RD-2.)
23 Then we have USPS-RD-3 which is a
24 merchandise sample in a box thicker than 3/4,
25 preventing caseability. A smaller piece, it appears

1 to be about 3x5 or 3x6, but again, thicker than 3/4
2 inches and rigid.
3 (The document referred to was
4 marked for identification as
5 Exhibit No. USPS-RD-3.)
6 Finally, the piece that was described by Mr.
7 Volner, an example of that, a thinner piece, under
8 .75. Again, rigid, in a box, with no dimension less
9 than six preventing the caseability. Again,
10 categorized as a hybrid parcel. That was USPS-RD-4.
11 (The document referred to was
12 marked for identification as
13 Exhibit No. USPS-RD-4.)
14 BY MS. PORTONOVO:
15 Q Mr. McCrery, could you restate what number
16 three was?
17 CHAIRMAN OMAS: The green box.
18 WITNESS McCRERY: The green merchandise
19 sample that's thicker than 3/4, a smaller box. It
20 appears to be about 3x6 or so. A rigid box, thicker.
21 Thicker than 3/4. That's USPS-RD-3.
22 BY MS. PORTONOVO:
23 Q How has that been categorized?
24 A I apologize. That would be also a hybrid
25 parcel thicker than 3/4ths.

1 Q You mentioned POSTAL ONE here today.

2 A Yes.

3 Q Is there more than one POSTAL ONE system?

4 A Yes. There are two, both referred to

5 earlier. The POSTAL ONE transportation management

6 system that we were discussing is a system that's used

7 to assign transportation, first class, typically

8 letter trays. Then there's the global POSTAL ONE

9 system that's used to basically pass information from

10 customers electronically, of mailing information. It

11 has a lot of different aspects to it, but generally

12 it's a system that replaced permit, and there were a

13 lot more features that were used to pay postage and do

14 a number of other things during the accepted,

15 verification and payment aspect of major mailings.

16 That's the other POSTAL ONE system.

17 Q Thank you, Mr. McCrery.

18 MS. PORTONOVO: Mr. Chairman, we would like

19 to move the exhibits that we've marked into evidence.

20 CHAIRMAN OMAS: Without objection, so

21 ordered.

22 //

23 //

24 //

25 //

1 (The documents referred to,
2 previously identified as
3 Exhibit Nos. USPS-RD-1 to
4 USPS-RD-4, were received in
5 evidence.)
6 CHAIRMAN OMAS: is there anyone else who
7 wishes to recross?
8 (No response.)
9 CHAIRMAN OMAS: There being none, Mr.
10 McCrery, I'd like to -- that completes your testimony
11 here today. I personally, and I speak for myself and
12 all the Commissioners, we thank you for your
13 outstanding testimony here today and your candor. We
14 do appreciate your contribution to the record.
15 You're now excused.
16 WITNESS McCRERY: Thank you, Chairman. I
17 appreciate that.
18 (Whereupon, the witness was excused)
19 CHAIRMAN OMAS: This concludes today's
20 hearings. We will reconvene tomorrow morning at 9:30
21 a.m. when we will receive testimony from Postal
22 Service Witness Kelly.
23 Thank you, and have a good evening.
24 //
25 //

1 (Whereupon, at 3:20 p.m., the hearing in the
2 above-entitled matter was recessed, to reconvene at
3 9:30 a.m. on Friday, August 18, 2006.)
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REPORTER'S CERTIFICATE

DOCKET NO.: R2006-1

CASE TITLE: Postal Rate and Fee Changes

HEARING DATE: 8/17/06

LOCATION: Washington DC

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Postal Rate Commission

Date: 8/17/06

Bernadette J. McCoy

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