

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

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BANK OF AMERICA CORPORATION

Docket No. MC2007-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS RANEY TO
INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
(APWU/USPS-ST3-1-3(A)-(C) AND (E)-(G), 4 AND 6-8)
(May 23, 2007)**

The United States Postal Service hereby provides the response of witness Raney to the following interrogatories of the American Postal Workers Union, AFL-CIO: APWU/USPS-ST3-1-3(a)-(c) and (e)-(g), 4 and 6-8, filed on May 9, 2007. The interrogatories are stated verbatim and are followed by the response. An objection to interrogatory APWU/USPS-ST3-3(d) was filed on May 21, 2007. A response to interrogatory APWU/USPS-ST3-5 will be forthcoming.

UNITED STATES POSTAL SERVICE

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APWU/USPS-ST3-1.

- a) Please describe the positions you have held with the Postal Service between 1998 and 2007.
- b) Please describe the responsibilities you had in those positions relating to the operation of bar code sorters or programs to improve read and accept rates on sorters.

RESPONSE:

- a) The positions are as follows:

Manager of Technology Development and Applications 2005 to Present

- Direct the development, enhancement and support of letter and flat mail technologies.

Manager of Systems Process Integration 2002 to 2005

- Managed the development of operational methods, ergonomic requirements, and space requirements for new equipment deployments.

Manager of Network Operations 2000 to 2002

- Managed the development, enhancement and support of information technology systems for Network Operations.

Acting Manager of Systems Engineering 1999 to 2000

- Managed the development of future mail processing equipment and operational strategies.

Operations Research Analyst 1992 to 1999

- Program manager for various programs most notably the Integrated Processing Facility. As program manager for IPF I was responsible for coordination among

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the multiple technology design cognizant organizations to ensure full integration of the equipment.

Operations Specialist

1991 to 1992

- Program manager for the Real Time Productivity Management System. RPMS was a facility production control system developed for mail processing.

General Supervisor

1987 to 1991

- Managed various areas of a processing facility on Tours 1 and 3.

Supervisor of Mails

1985 to 1987

- Managed various units of a processing facility on Tours 1 and 3 (including automation).

LSM Clerk

1984 to 1985

- Keyed primary and secondary schemes on a Letter Sorting Machine.

b) As the Program Manager for the Integrated Processing Facility, and as Acting Manager of Systems Engineering, I had to be knowledgeable about the capabilities of the current and future equipment in order to define the forward path for technology development and deployment. A major influence on the design of current and future equipment was the OCR and Barcode read rates.

As Manager of Network Operations I oversaw the development and maintenance of various systems that used data mined from our mail processing equipment. In

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this position I stayed current on the upgrades and data reporting capability of the equipment.

As Manager of Systems Process Integration, I managed the development of the operational methods, ergonomic requirements and space layouts for new equipment deployments. As Manager of SPI, I stayed current on the latest technology that was being deployed to the field including any changes to the barcode sorter platforms.

As Manager of Technology Development and Applications, I have direct responsibility for development and maintenance of our letter and flat sorter technologies.

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APWU/USPS-ST3-2.

- a) Please list any software or hardware upgrades to bar code sorting equipment that took place between 1998 and 2007.
- b) Please list any upgrades that are planned during the period of this proposed agreement between the USPS and Bank of America.
- c) Please list your responsibilities related to any of the upgrades that are listed in section a) or b).
- d) Has the Postal Service initiated any other operational changes that have improved read/accept rates for bar code sorters during this period? If so, please describe them and their results.

RESPONSE:

- a) Identity Code Sort (ICS), Wide Field of View (WFOV), Expanded Capability (EC), DBCS Input Output Subsystem (DIOSS), and Remote Computer Reader (RCR).
- b) No upgrades to barcode sorters currently are planned during the NSA period other than buying more machines.
- c) I have direct responsibility over the groups that manage the ICS and EC programs.
- d) No.

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APWU/USPS-ST3-3. Please examine the Library Reference USPS LR-K-68 "Acceptance Rate Study"

- a) On page 1 of the "study description" the acceptance rate is defined as the "percentage of mail that is finalized (i.e., is not rejected) in a given operation." Please provide your understanding of how this number would be calculated from the data requested.
- b) Could a letter be finalized, as defined in a) by reading information other than the bar code? If so, how? Could a letter be finalized despite an erroneous bar code or a code of less than eleven digits? If so how?
- c) If a letter was finalized as discussed in b) would it be done on the first pass?
- d) Please provide a recent copy of a "Sort Plan Area Summary" End-Of-Run report for a comparable length of time as described on page 2 of LR-K-68. The location and identification of the plant can be redacted but please label and define all the items that show on that report and explain how you would use it to calculate the percentage of mail finalized.
- e) How frequently is a "Sort Plan Area Summary" End-Of-Run report produced?
- f) Are reports produced for each machine in a plant? Is there an overall summary for the plant produced?
- g) For what operational purposes does the Postal Service use the data generated in these End-Of-Run reports?

RESPONSE:

- a) The calculation for the acceptance rate is: $(\text{Pieces Fed} - \text{Rejects}) / \text{Pieces Fed}$.

In other words, any mail piece that is rejected whether it is due to not being read or mechanically rejected would not be counted as accepted.
- b) In response to the first part of the question, on a DBCS or CSBCS (without an OCR), mailpieces with an ID tag and a barcode that cannot be read for any reason can be sorted using the ID tag. However, prebarcoded mail such as that presented by BAC would NOT have gone through the ISS to receive an ID tag barcode so their mail relies solely on the BAC-applied barcode to be read.

In response to the second part of the question, a DBCS or CSBCS (without an OCR) will sort the mail based on the barcode. If the barcode is wrong the

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machine will have no knowledge of the error. A DBCS or CSBCS can finalize mail with less than an 11 digit barcode. For example, Firm holdouts do not require 11 digits.

- c) If a letter was finalized as defined in the question where finalized means not rejected, by reading information other than the barcode, by reading an erroneous barcode or by reading less than an 11 digit barcode, it could be finalized on the first or second pass as defined in this context.
- d) Objection filed on May 21, 2007.
- e) I am not personally familiar with this particular report. It is my understanding, however, that it is produced routinely.
- f) Yes, reports are produced for each machine in a plant. A report can be generated for the plant.
- g) The EOR reports are used for a variety of purposes.
 - 1) Maintenance data
 - a. Jams
 - b. Stops
 - c. Downtime
 - 2) Operational data
 - a. Throughput
 - i. Runtime
 - ii. Operational
 - b. Volume
 - c. GAR (Gross Acceptance Rate)

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The main use of the EOR reports is to make sure that the machines are performing as planned and the operators are utilizing them properly.

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APWU/USPS-ST3-4. Please examine the following table, copied from Library Reference USPS LR-K-68 worksheet LR-K-68_Acceptsum.xls (adjusted volume).

ACCEPTANCE RATE SUMMARY

<u>Operation</u>	(1) <u>AP 11 FY 99 Pieces Fed</u>	(2) <u>AP 11 FY 99 Pieces Accepted</u>	(3) <u>Percent</u>
OSS	2,178,933,500		100.00%
Finalized		1,903,572,299	87.36%
ISS Refeeds		76,532,562	3.51%
OSS Refeeds		72,255,626	3.32%
LMLM		45,705,871	2.10%
Manual		80,867,141	3.71%
Out Prim Auto	1,177,032,600	1,127,172,586	95.76%
Out Sec Auto	1,032,933,700	993,288,566	96.16%
Inc MMP Auto	2,077,881,900	1,994,371,698	95.98%
Inc SCF/Prim Auto	3,437,204,400	3,320,253,420	96.60%
Inc Sec 1 Pass Auto	1,777,746,900	1,708,410,811	96.10%
Inc Sec 2 Pass Auto - Pass	1 4,112,282,600	4,013,996,506	97.61%
Inc Sec 2 Pass Auto - Pass	2 3,512,668,000	3,462,254,150	98.56%

(1) AP 11 FY 99 MODS Mail Volumes

(2) (1) * [(S1 Vol %) * (S1 Accept %) + (S2 Vol %) * (S2 Accept %) + (S3 Vol %) * (S3 Accept %)]

(3) (2) / (1)

For each item in the Operation column, please identify the machine that would be used for the operation and what type of mail would be fed to the machine.

RESPONSE:

OSS	DBCS OSS and MPBCS OSS	Anonymous mail
Out Prim Auto	DBCS, MPBCS	Mostly Anonymous or small mailers
Out Sec Auto	DBCS, MPBCS	Mostly Anonymous or small mailers
Inc MMP Auto	DBCS, MPBCS	Mixed Anonymous and pre-barcode
Inc SCF/Prim	DBCS, MPBCS	Mostly prebarcode

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**Inc Sec 1 Pass
Auto**

DBCS

Mixed

**Inc Sec 2 Pass
Auto – Pass 1**

DBCS, CSBCS

Mixed, mostly
prebarcoded

**Inc Sec 2 Pass
Auto – Pass 2**

DBCS, CSBCS

Mixed, Mostly
prebarcoded

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APWU-USPS-ST3-6. It is our understanding that the Board of Governors require periodic reporting from management on capital projects the Board approves and in such reporting, management must report on progress toward the improvement forecast in the DAR and in particular the ROI.

- a) Were you involved in developing any information for the following capital project proposals and DARs: Decision Analysis Report – Identification Code Sort (May 28, 1998); Decision Analysis Report – Delivery Bar Code Sorter Expanded Capability (May 26, 2000); Decision Analysis Report – Wide Area Bar Code Replacement (June 28, 2001)?
- b) Have you been involved in monitoring the implementation and the actual ROI for the projects listed in a)?
- c) Have you been involved in preparing management updates for the Board of Governors on these projects?
- d) Was there a Decision Analysis Report produced for the purchase of delivery bar code sorters approved by the Board of Governors at its May 2, 2007 meeting? If so, were you involved in preparing that DAR?

RESPONSE:

- a) I was not directly involved in the development of these DARs. However, keep in mind that there have been several management changes in Engineering since 1999 and the original managers are no longer in their positions.
- b) No.
- c) No.
- d) There was a DAR presented to the BOG for the purchase of DBCSs. I was not involved in preparing the DAR.

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APWU/USPS-ST3-7. Has management reported any improvement in bar code read or accepts since 1999 to the Board of Governors? If so, what rates, for what type of mail and mail sorting operations have been reported?

RESPONSE:

The only reports to the BOG that I am aware of are the WFOV (for prebarcoded mail) and ICS (for anonymous mail) DARs that projected an improvement in the barcode read rates.

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APWU/USPS-ST3-8. How does management track read and accept rates? Are there operational goals for read and accept rates? If so, please describe them.

RESPONSE:

In general, EOR is used to track read and accept rates. However, how read and accept rates are tracked will depend on what level and function of management is looking at the data. I am not aware of any national goals for read and accept rates.

CERTIFICATE OF SERVICE

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

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