

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

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS NERI TO  
NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES  
(NPMHU/USPS-T4-18 AND 20)  
(March 1, 2012)**

The United States Postal Service provides the responses of witness Neri (USPS-T-4) to the above-listed interrogatories of the National Postal Mail Handlers Union, dated February 16, 2012. Each interrogatory is stated verbatim and followed by the response. Interrogatory NPMHU/USPS-T4-19 has been redirected to Postal Service witness Marc Smith (USPS-T-9) for a response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NERI  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES

**NPMHU/USPS-T4-18** Referring to Library Reference 44 associated with your testimony:

(a) In response to NPMHU/USPS-T4-12, you state that “the 27% [idle time reduction] figure refers to the total amount of idle time in the mail processing network as seen in USPS Library Reference USPS-LR-N2012-1/44.” Please provide the Excel sheet name, column number and row letter in which this 27% figure can be found within Library Reference 44.

(b) In the “Data” sheet of the Excel file contained in Library Reference 44, please explain why the % Idle time is calculated as Idle Time divided by Operating Time, whereas the % Utilization is calculated as the Operating Time divided by the Window time, and % Processing is calculated as (Run Time plus Down Time) divided by the Window time.

(c) Please confirm that calculating Idle Time by using Operating Time as the denominator rather than Window time results in large % Idle time calculations. If not confirmed, please explain why this is incorrect.

(d) Please confirm that Percent Utilized on the “Summary Sheet” is equivalent to “Pct Oper” on the “Data” sheet. If not confirmed, please explain the difference between these terms.

(e) Referring to the “Summary Sheet,” please explain why the included formulas run to row 3027, but the rows on the “Data” sheet only run to 3000.

(f) Please explain why there are significant variations in the number of machines from week to week, for instance and solely as one example, why there would be 5 AFCS200 machines on Saturday, 11/20/10; 3 on Saturday 11/27/10; and 6 on Saturday, 12/4/10.

(g) Please confirm that, by averaging productivity numbers over a year’s time from October 2010 to October 2011, the “Summary Sheet” data includes inefficiencies that may have been reduced during this time period, and therefore may overstate the remaining inefficiency. If not confirmed, please explain.

(h) Please confirm that, for instance, the FSS machine averaged 55% utilization and 19% idle time during the first week of October 2010, but 82% utilization and 16% idle time during the last week of September 2011. If not confirmed, please explain why this is incorrect.

**RESPONSE:**

(a) The library reference was identified incorrectly. The 27 percent figure appears in USPS Library Reference USPS-LR-N2012-1/10 – Materials in Support of USPS-T-4, cell reference G 2.

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**RESPONSE to NPMHU/USPS-T4-18 continued:**

(b) % idle – This is the percentage of the Oper Time that is being recorded as Idle Time. It is a calculation using the following formula:  $\text{SumOfIdleTime} / \text{SumOfOper\_Time}$ .

Pct Oper – This is the percentage of the available window that the machines (by type in column B) were in a processing run on the MODS date (in column C). It is a calculation using the following formula:  $\text{SumOfOper\_Time} / \text{SumOfWindow}$ .

Pct Processing – This is the percentage of the available window the machines (by type in column B) were actively processing mail on the MODS date (in column C). This is a calculation using the following formula:  $\text{SumOfProcessing} / \text{SumOfWindow}$ .

(c) Confirmed. The use of the larger window time as the denominator would result in a smaller percentage. However, this calculation would not result in a correct representation of Idle Time.

(d) Confirmed.

(e) The summary formulae were written prior to the final data collection.

Sufficient rows were reserved for the data, but presentation of the data did not require the use of some reserved rows. The appearance of rows 3001-3027 without any data has no effect on the results appearing on the Summary Sheet.

(f) The number of machines varies from week to week depending upon a number of factors, including the volume processed, the number of machines available, and the time allocated for operations.

(g) It is possible that the Summary Sheet data includes inefficiencies that have been reduced or increased over the October 2010 – October 2011 time period, and they might overstate or understate the remaining inefficiency.

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**RESPONSE to NPMHU/USPS-T4-18 continued:**

(h) This is confirmed only if you allow for rounding. During the first 7 days of October 2010, the FSS reflects 55.11 percent utilized and 18.64 percent idle. During the last 7 days of September 2011, the FSS reflects 81.95 percent utilized and 16.09 percent idle.

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**NPMHU/USPS-T4-20** Please confirm that you[r] decision to utilize a 15 percent overall productivity increase, as stated in your response to POIR Request No. 1, Question 7(a), was based solely on your professional judgment and that there are no workpapers associated with your decision to use this figure. If not confirmed, please explain why this is incorrect and provide any workpapers.

**RESPONSE:**

Not confirmed. As stated in my response to POIR Request No. 1, Question 7(a), I began this process by assessing current end-of-run volumes and the current mail processing profiles, which are provided in USPS Library References USPS-LR-N2012-1/49 and 50. These data and workpapers formed the basis for my development of the overall productivity improvement expected through the mail processing network rationalization service changes proposal due to the smoothing of the mail processing profile made possible through the network proposed as part of this docket. My professional judgment led me to recognize that the full 28 percent reduction in staffing across all operations should be applied based on my understanding that not all operations will be perfectly distributed in the future network, as well as my consideration of many simplifications in the end-of-run analysis; therefore, I decided to decrease the estimate to the 15 percent overall productivity increase.