

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

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MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

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Docket No. N2012-1

**RESPONSE OF AMERICAN POSTAL WORKERS UNION, AFL-CIO, WITNESS  
PIERRE KACHA TO UNITED STATES POSTAL SERVICE INTERROGATORIES  
USPS/APWU-RT3-1-27**

(May 29, 2012)

The American Postal Workers Union, AFL-CIO, hereby files the responses of witness Pierre Kacha (APWU-RT-3) to the interrogatories of the United States Postal Service USPS/APWU-RT3-1-25, dated May 14, 2012, and interrogatories USPS/APWU-RT3-26-27, dated May 22, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

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## RESPONSE OF AMERICAN POSTAL WORKERS UNION, AFL-CIO WITNESS KACHA TO UNITED STATES POSTAL SERVICE INTERROGATORY

**USPS/APWU-RT3-1.** Page 31 of APWU/USPS-RT-3 states: “Whereas USPS’s Area Mail Processing (AMP) consolidation process may selectively reassign the outgoing or the incoming mail processing functions for a ZIP3 to a gaining facility, . . . [my] network configuration approach is more naïve in that it reassigns both outgoing and incoming processing for a ZIP3 to a gaining facility. More precisely, it reassigns in unison all ZIP3s that were formerly assigned to a losing facility to a single gaining facility.” Please discuss your understanding of the benefits and advantages of a consolidation process that is sufficiently flexible to assign different product shapes and ZIP Code responsibilities from a consolidation candidate (losing) site to different future network processing (gaining) facilities vs. an approach that only assigns all product shapes (letters, flats, parcels) and ZIP Codes from a losing facility to a single gaining facility.

### **RESPONSE:**

A ‘selective’ re-assignment by product shape (letter, flat, parcels) is a desired approach.

By ‘selective’ we mean an assignment of product shapes (from a losing facility to a gaining facility) that accounts for the capacity requirements and service performance resulting from the reassignment of these product shapes (capacity requirements depend also on service standards).

However, for the purposes of a system-wide evaluation of varying network topologies (where topology means: number of plants in the network; their location; and their processing capacity by product shape), a ‘selective’ assignment may not necessarily yield different directional insight about the effect of varying topologies on service performance ( the word ‘directional’ is emphasized to highlight the business objectives that were intended by this model; which were to develop a notional understanding of the impact of topology on service).

Nonetheless, the model could also be used for a targeted regional/local analysis; in which case a selective assignment of product shapes to gaining facilities may yield more insight on how to ‘optimize’ locally (i.e., adhere to service standards, maintain/reduce operating costs).

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**USPS/APWU-RT3-2.** In table 6 and include footnote 12, referencing alternative standard operating windows found in USPS-T-4. Did you rerun your model with any alternative operating windows? If so, please describe this analysis, provide the results and the conclusions you draw from those results.

**RESPONSE:**

No, the model was not rerun with alternative operating windows.

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**USPS/APWU-RT3-3.** Page 12 of APWU/USPS-RT-3 states: "Manual operations are not modeled. Consequently, mail processing facilities that do not have automated processing equipment in the baseline FY2010 conditions have been assigned a single machine." Please provide a list of the postal mail processing facilities were not modeled as part of your analysis and identify those facilities without automated processing equipment in the baseline FY2010 conditions that have been assigned a single machine.

**RESPONSE:**

Please refer to Library Reference 'APWU-LR-N2012-1/NP1 Input Data Set' provided April 24, 2012; filename: 'ConsolidatedInputData.xlsx'; worksheet 'BaselineFacilities'.

The facility set represented in the 'baseline' model is included in Library Reference APWU-LR-N2012-1/NP1. Section 9.1 of my testimony justifies the selection of that set.

Any single machine assigned to a facility lacking automated processing equipment is identified by the numeral 1 in RED within the MACHINE COUNTS section of Library Reference APWU-LR-N2012-1/NP1 (cells K12 to R489).

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**USPS/APWU-RT3-4.**

- (a) In your analysis, was the footprint (square footage) of each gaining (remaining) mail processing facility considered before assigning machines to it, to ensure that the facility could accommodate the assigned equipment?
- (b) If the response to part (a) was affirmative, please identify the data source and the facility-specific data relied upon for this undertaking.
- (c) Did this result in the model projecting a need for more automated mail processing equipment than currently exists in the USPS equipment inventory?

**RESPONSE:**

- (a) No new/additional equipment was assigned to a gaining facility. The model used FY2010 equipment quantities (refer to Response to USPS/APWU-RT3-3 for source of machine counts used in model). The equipment count remains unchanged across scenarios.
- (b) Not applicable.
- (c) Not applicable.

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**USPS/APWU-RT3-5.**

(a) Was your model run using different sets of service standards or only with the current standards? If the former, please provide and describe all model results that used other than the current service standards, and provide your analysis of those results.

(b) Are there any transportation savings from any alternate scenarios that you modeled? If so, describe the basis for those savings.

**RESPONSE:**

(a) The model was not run using alternative service standards. The service standards used are included in Library Reference APWU-LR-N2012-1/NP1 'Input Data Set' filed on April 24, 2012; folder: 'Common Model Input'; filename: 'serviceStandards.csv'. (Derived from [https://ribbs.usps.gov/modernservicestandards/documents/tech\\_guides/ORIGIN\\_ENTRY\\_SERVICE\\_STANDARDS.TXT](https://ribbs.usps.gov/modernservicestandards/documents/tech_guides/ORIGIN_ENTRY_SERVICE_STANDARDS.TXT) )

(b) The model suggests that, as the number of facilities decrease for any given network topology, total inter-SCF transportation costs (long-haul truck-miles) will drop. On the other hand, intra-SCF transportation costs (local truck-miles; from origin ZIP3 centroid to origin SCF, and from destination SCF to destination ZIP3 centroid) will increase.

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**USPS/APWU-RT3-6.**

(a) Please confirm that in your modeling, the number of AADC/ADC facilities was assumed to remain the same as the baseline number.

(b) Did you perform any analysis to determine whether there were AADC/ADC facilities that remained underutilized or that had excess capacity after the new model assignments?

**RESPONSE:**

- (a) Confirmed. Not only did the number remain the same in the baseline as in all scenarios tested, but the facilities assigned the AADC/ADC function in the baseline remained unchanged.
- (b) Analysis indicates that the majority of AADC/ADCs have adequate processing capacity for letters and flats processing. Machine utilization (defined as volume of mail -- worked within the allotted operating window -- divided by total available processing capacity) remains under its peak (of 100%) at all AADC/ADCs.

This observation is generally true for all scenarios tested but, as might be expected, capacity in some AADC/ADCs approaches or reaches its peak under certain scenarios. For example, in the 'Shootfor250 scenario' (250 plants in the network), we observe the following:

- CANC processing demand exceeds capacity in five AADC/ADCs;
- DBCS processing demand exceeds capacity in two facilities; and
- AFSM processing demand exceeds capacity in one facility.

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**USPS/APWU-RT3-7.** Using a 24-hour clock, describe the mail processing and equipment maintenance windows that are assumed in your model.

**RESPONSE:**

For a discussion of the Mail Processing Windows please refer to my testimony Section 8.2.3.

Equipment Maintenance Windows were not modeled. Maintenance assumed to be performed outside the mail processing windows is described in Section 8.2.3 of my testimony.

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**USPS/APWU-RT3-8.**

(a) Of the 477 baseline mail processing facilities, how many facilities did not get additional workload and remained open due to the constraints used in your model? Please identify the applicable constraints.

(b) If additional analysis was performed to determine the utilization of equipment, what methodology was used? Please provide and explain the results of any such analysis.

(c) Please refer to APWU-RT-3 at page 11. Explain the meaning of “steady state” in the model. In doing so, please indicate whether reaching "steady state" means that no Standard Mail is subject to deferred processing.

**RESPONSE:**

(a) This number varies with each tested scenario. For example, in the in ‘ShootFor250’ scenario (250 plants in the network) there are 157 such facilities.

To determine this number for other scenarios, please refer to APWU-LR-N2012-1/6 (non-public version APWU-LR-N2012-1/NP6), “Scenario Files.” and follow the steps below:

- The InputData folder contains an Excel Macro-Enabled Workbook (.xlsm) file named for the scenario. The “FacilityClosures” worksheet in each such workbook shows the losing-gaining facility pairs: list of losing facilities on the left half of the worksheet; list of gaining facilities on the right half of the worksheet.
  - The ‘NumReassigned’ column represents the number of processes (e.g., CANC, L-OGP, etc.) reassigned to the gaining facilities – these processing operations can be reassigned from multiple losing facilities into a single gaining facility.
- Within each scenario’s InputData folder is also a “XXXX\_Facilities.csv” file (where XXXX corresponds to the scenario name, e.g., ‘ShootFor250’). This file shows the facilities that remain open in the scenario.
- Thus, the “XXXX\_Facilities.csv” list shows all the facilities still in the network, and the “FacilityClosures” worksheet in the “XXXX.xlsm” worksheet shows the gaining facilities (those on the right side of the “FacilityClosures” worksheet).

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So the facilities that both are on the “XXXX\_Facilities.csv” list and aren't listed as gaining facilities in the “FacilityClosures” worksheet are those that remain in the network but don't receive additional workload.

Please refer to Section 10.3 of my testimony for discussion of the application constraints.

- (b) Please see response to APWU/USPS-RT3-6(b)

The results of the analysis indicate that ADC/AADCs (which are the gaining plants in the scenarios we tested) have sufficient processing capacity.

Consequently, machine utilization does not appear to peak to its maximum.

- (c) The model is run for 5 simulated 24-hour periods (that is, it repeats the same processing and transportation instructions consecutively for 5 simulated days). Starting with no mail in the system on Day 1 Hour 00:00, the model generates average daily volumes (ADV) for each product shape (also accounting for percent presort, and for induction points).

The model flows the product shape ADVs from origin ZIP3 to destination ZIP3 (or from destination-entered facility to destination ZIP3) according to routing instructions. Routing instructions for the baseline scenario are available in APWU Library Reference N2012-1/NP1, folder: ‘Baseline Model Input’; file: ‘BaselineRoutingTable.csv’ for the baseline condition. (Routing instructions for the test scenarios are found in the scenarios’ data files -- APWU Library Reference -N2012-1/6 Scenario Files’; folder named after that scenario, e.g., ‘ShootFor250’; subfolder: XXXX\_InputData, where XXX is the scenario name; file: ‘XXX\_AssignmentTable.csv’, where XXX is the scenario name. )

At the close of each mail processing operation, mail that fails to clear is queued until the reopening of this operation on the following day (see my Response to USPS/APWU-RT3-7 for operating windows).

On the other hand, mail that clears is transferred to its next destination: this could either be the next mail processing operation (e.g., from Canceling to Outgoing

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Primary); the next facility (as per routing instructions referenced above); or to the destination ZIP3. Mail arriving to the destination ZIP3 is 'cleared' from the model.

As indicated, this process repeats itself for 5 simulated days – at which point, the model is in 'steady state', meaning that the statistics collected for any subsequent day will be identical to those collected for simulated day # 5.

First Class Mail is given priority over Standard Mail except at the DPS operations (sequencing) where both classes are processed concurrently and prioritization is based only on the number of days remaining in each 'Mail Unit's' service standard (please refer to my testimony, Section 6, for a definition of 'Mail Unit'). A Mail Unit that is deferred due to a processing constraint (i.e., that is not processed past an operation's clear time) is processed the next day when the processing window reopens, so no Mail Unit is deferred for more than 1 day at any operation.

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**USPS/APWU-RT3-9.**

(a) Please provide a copy of the contract and statement of work pursuant to which your testimony for APWU was developed for purposes of this docket.

(b) Please provide a copy of the contract and statement of work pursuant to which your network modeling analysis for the USPS Office of Inspector General was performed.

**RESPONSE:**

(a-b) Objection filed.

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**USPS/APWU-RT3-10.**

- (a) Is there any stochastic element in your model? If so, please describe it.
- (b) If the response to part (a) is negative, how is steady state reached in your model? For instance, are processing rules adjusted to reach steady state?
- (c) Are there processing bottlenecks in your steady state system? If so, where?

**RESPONSE:**

- (a) The model was, by intent, developed as a deterministic model for the following two reasons:
- We needed to validate the model (against USPS-LR-N2012-1/NP2 MODS measures – see my testimony Section 9.2) before proceeding with scenario analysis.
  - The intent of the model being to gain a directional insight on the system-wide effects of varying network topologies on service performance.
- I don't believe that a stochastic model would yield significantly different insights; especially if statistics were collected over multiple simulated days.
- (b) Please refer to my response to interrogatory USPS/APWU-RT3-8(c).
- (c) Please refer to my response to interrogatory USPS/APWU-RT3-6(b).

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**USPS/APWU-RT3-11.**

- (a) Page 11 of APWU/USPS-RT-3 states: "All metrics are collected starting on the fifth simulated-day, again with the same input average daily volumes." Please confirm that daily fluctuations of volumes were disregarded when running your processing scenarios. If you do not confirm, please explain.
- (b) Does your model simulate the current capabilities of USPS mail processing facilities to catch-up on the processing of deferrable Standard Mail over a weekend?
- (c) Would it be fair to characterize your model as a Friday model, as opposed to a Monday through Friday model? If not, please explain.

**RESPONSE:**

- (a) Confirmed.
- (b) No.
- (c) Yes, it is representative of a weekday other than a day after holiday or after a weekend.

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**USPS/APWU-RT3-12.** Page 14 of APWU-RT-3 states: “The newly-created origin entered Mail Units are then simulated being transported by truck from the centroid of each origin ZIP3 to the outgoing facility assigned to serve that ZIP.” What type of centroid was used to represent the ZIP3?

**RESPONSE:**

In general, population-weighted centroids were used. To obtain the ZIP3 population weighted centroids, population-weighted 5-digit ZIP Code Tabulation Areas (ZCTAs) were used as the starting point (data source:

[http://mcdc2.missouri.edu/pub/data/georef/zcta\\_master.csv](http://mcdc2.missouri.edu/pub/data/georef/zcta_master.csv))

.  
Where sufficient census population data was not available the ZIP3 locations were taken from USPS-LR-N2012-1/15 “CustomerDetails” worksheet. LR15 locations were used for the following ZIP3s: 005, 055, 192, 202, 204, 205, 311, 332, 375, 398, 399, 459, 509, 555, 649, 733, 753, 771, 772, 842, 851, 872, 885, 889, 901, 938, and 942.

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**USPS/APWU-RT3-13.** Page 18 of APWU-RT-3 states: “35% of ZIP5-sorted letters and 70% of ZIP5-sorted flats are given an INP sortation at the destination incoming facility after being received from an upstream facility AADC or ADC.” What is the source of the percentage of letters that require rehandling?

**RESPONSE:**

This is an approximation that is based on conversations with former USPS managers. To our knowledge, no national data source exists. With some modification, the model may be run using plant-specific values.

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**USPS/APWU-RT3-14.** Page 19 of APWU-RT-3 states: “10% of all letter Mail Units are assumed to skip the 2nd DPS pass (L-INS2) after completing the first pass (LINS1). This reflects machine rejects and re-handling at L-INS1.” What is the source of the percentage of letters bypassing 2nd pass DPS processing?

**RESPONSE:**

This is an approximation that is based on conversations with former USPS managers. To our knowledge, no national data source exists. With some modification, the model may be run using plant-specific values.

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**USPS/APWU-RT3-15.** Please refer to APWU-RT-3 at page 15, table 4, under 8.2.1 Distribution Routing and explain the difference between L-F/ Inc and AADC/ADC.

**RESPONSE:**

Every ZIP3 is assigned a set of facilities for either outgoing, incoming, or ADC/AADC processing.

- The entry listed under 'L-F-INC' represents the facilities assigned to a ZIP3 for Letter and Flat Incoming processing; e.g., incoming primary (INP), incoming secondary (INS for carrier-route sorting, or DPS for delivery-point sequencing). These operations correspond to incoming sort processing for the local ZIP3s associated to a facility.
- The entries listed respectively under 'AADC', 'ADC-FCM', and 'ADC-STD' represent the facilities assigned to perform managed mail sorting for a ZIP3 (letters are assigned to AADCs, flats are assigned to ADCs).

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**USPS/APWU-RT3-16.** Page 17 of APWU-RT-3 states: “The network simulation model prioritizes First Class Mail over Standard Mail when Mail Units of both classes compete for mail processing resources. Moreover, the network simulation model prioritizes mail on the basis of its due date.” What prioritization logic is given to Standard letters or flats to ensure against inappropriately lengthy deferral of such mail?

**RESPONSE:**

A ‘Mail Unit’ that is deferred due to a processing constraint is processed the next day when the processing window reopens, so no ‘Mail Unit’ is deferred for more than 1 day at any operation. Please refer to my testimony, Section 6, for a definition of ‘Mail Unit’.

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**USPS/APWU-RT3-17.** In your model, did you allow for any stochastic variation in volume arrival profile? If so, please explain how. If not, please explain why not?

**RESPONSE:**

Please refer to my response to interrogatory USPS/APWU-RT3-10.

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**USPS/APWU-RT3-18.** Page 13 of APWU-RT-3 states: "Mail Unit volumes are inducted into the network in one of two ways: as origin-entered mail through an origin ZIP3, or as presorted drop shipped mail at either a DSCF or DNDC." Was origin-entered Presort included in the modeling? If so, how was this mail modeled and what entry times were used?

**RESPONSE:**

Origin-entered presort was included and was modeled as entering the origin-SCF following the same drop-ship arrival profile used elsewhere in the model. Please refer to APWU-LR-N2012-1/NP1 'Input Data Set'; filename: 'ConsolidatedInputData.xlsx'; worksheet 'RPWVolumeSummary'; columns N and O for the percentage of origin-entered presort, by product.

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**USPS/APWU-RT3-19.** Page 13 of APWU-RT-3 states that for your model: “The piece count associated with each facility-entered Mail Unit is set such that the Average Daily Volume is uniformly distributed over the 8am-4pm drop-ship time window.”

- (a) Is it your understanding that drop-ship mail is typically entered at postal facilities at a relatively uniform or even rate during an 8am-4pm drop-ship window? If so, please state the basis for this understanding and identify any postal operations data filed in this proceeding on which you rely.
- (b) Would you agree that, all other things equal, a network model concept based on an atypical volume arrival profile is likely to be less viable than a concept based on a typical volume arrival profile? If you do not agree, please explain.

**RESPONSE:**

- (a) Drop-ship mail is not entered at postal facilities in a uniform rate; but it is generally accepted during the 8am to 4pm window.

Please refer to the operating windows described in my testimony (Table 6). These indicate that the processing window is open till 20:00 for incoming primary processing of Standard Letters, and 18:00 for Standard Flats (Standard Mail is the class of mail drop-shipped at destination facilities, as shown in APWU-LR-N2012-1/NP1 ‘Input Data Set’; filename: ‘ConsolidatedInputData.xlsx’; worksheet ‘RPWVolumeSummary’). The operating window for incoming secondary processing (INS, DPS) is also shown on Table 6 of my testimony. Consequently, for the purposes of this study, the arrival pattern of drop-shipped Standard Mail, does not have a material effect on the outcome being measured (service performance).

- (b) The variability of the arrival profile, both in terms of scale (amplitude) and distribution (density function) does have an effect on operating characteristics (e.g., queue sizes). For the purposes of this analysis, please refer to my reply to interrogatory USPS/APWU-RT3-10.

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**USPS/APWU-RT3-20.** Page 13 of APWU-RT-3 states: “For each origin ZIP3, new origin-entered Mail Units are “created” at two discrete times, 4pm and 6pm local time, with the average daily volume split 30% for the 4pm induction and 70% for the 6pm induction.” Please state whether your testimony assumes that 70 percent of single-piece First-Class Mail is cancelled by 6:00pm or 100 percent is cancelled by 6pm. In doing so, please specifically cite any USPS testimony or other documents on which you rely.

**RESPONSE:**

The testimony assumes that 70% of single-piece First Class Mail is collected by 6pm at the origin ZIP3, for transportation to the assigned originating SCF. The clearance time for the Cancelling operation is 23:00 (please refer to my testimony Table 6)

My testimony relies on general mail collection schedules for the operating windows of the cancelling/AFCS operation.

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**USPS/APWU-RT3-21.** Can your model simulate the USPS N2012-1 proposal? If so, please provide the results of such simulation and describe how the results compare with other options you analyzed?

**RESPONSE:**

The model could simulate the USPS N2012-1 proposal provided it gets adapted to the USPS-proposed modifications. As constructed, the model simulates FY2010 operating conditions/constraints, based on the number and location of facilities, the equipment set deployed at those facilities in FY2010, and pre-N2012-1 mail processing windows and service standards.

Adapting the model to the N2012-1 proposal would not help evaluate the impact on service performance given the USPS-proposed changes to service standards. Our current work examines what consolidation might be possible given the current standards, whereas the N2012-1, by design, will not maintain current service standards. On the other hand, adapting the model to the N2012-1 proposal would help estimate operating costs (fixed, variable, overhead), machine utilization, and mail staging/storage requirements.

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**USPS/APWU-RT3-22.**

- (a) Was your model originally developed for an analysis utilizing long-term future (such as Fiscal Year 2020) mail volumes?
- (b) If your response to part (a) is affirmative, has your model, as revised for purposes of this docket, been rerun with long-term future (such as FY2020) volumes? If so, please provide and describe the output of any such long-term analysis.

**RESPONSE:**

- (a) A variation of this model was developed.  
That model assumed a 'Greenfield' approach: mail processing centers were located and dimensioned to accommodate the processing of 2020 projected volumes (which were represented at a more aggregate level than in this model).  
Multiple topologies were tested based on different distribution rules.
- (b) The model has not been rerun with long-term projected volumes.

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**USPS/APWU-RT3-23.** In APWU-RT-3, Figure 1, you use the terms “Intra-SCF Turnaround” and “Intra-SCF Non-Turnaround”. How do you define and differentiate these two terms?

**RESPONSE:**

“Intra-SCF Turnaround” represents the subset of mail originating and destinating in the same ZIP3 serviced by an SCF.

“Intra-SCF Non-Turnaround” represents the subset of mail originating and destinating in different ZIP3s serviced by an SCF

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**USPS/APWU-RT3-24.** What service standards were used for the Service Performance Analysis reflected in figure 1 on page 4, table 10 on page 37, and table 12 on page 38 of APWU-RT-3?

**RESPONSE:**

The service standards are included in APWU-LR-N2012-1 NP1 'Input Data Set'; folder: 'Common Model Input'; filename: 'serviceStandards.csv' (derived from [https://ribbs.usps.gov/modernservicestandards/documents/tech\\_guides/ORIGIN\\_ENTR\\_Y\\_SERVICE\\_STANDARDS.TXT](https://ribbs.usps.gov/modernservicestandards/documents/tech_guides/ORIGIN_ENTR_Y_SERVICE_STANDARDS.TXT))

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**USPS/APWU-RT3-25.** As indicated in APWU-RT-3 at page 28, a distance threshold of 1,000 miles is used to select between surface and air transport. What was the basis for selecting the 1,000 mile threshold? What effect, if any, does this assumption have on table 12 on page 38?

**RESPONSE:**

The distance threshold of 1,000 miles is used only as a fallback criterion when the transport mode for a particular facility-to-facility link is not specified in USPS-LR-N2012-1/64. The 1,000 mile threshold was chosen by analyzing the distances between facilities in USPS-LR-N2012-1/64 and the associated transport modes. The minimum distance served by air transport, averaged across all facilities, was 725mi. The maximum distance served by surface transport, averaged across all facilities, was 1174mi. Thus, 1000mi was chosen as a rule-of-thumb cutoff that roughly split the difference.

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**USPS/APWU-RT3-26.** Figure 1 on page 4 of APWU-RT-3 shows Inter-SCF Overnight mail service performance as decidedly lower than "Intra-SCF Turnaround" mail. What is the basis for this assumption?

**RESPONSE:**

This is not an assumption; these are the results of the model. The model assigns a dispatch time of 12:30am for all outgoing mail. This 'late' dispatch to which is added the inter-SCF transportation time is not favorable to Inter-SCF overnight commitments, thus resulting in low model-derived service performance.

The model may be enhanced to represent plant-specific transportation dispatch schedules which would have reflected local agreements between SCFs, and would have likely contributed to redressing the model-derived service-performance of Inter-SCF overnight mail.

**RESPONSE OF AMERICAN POSTAL WORKERS UNION, AFL-CIO WITNESS  
KACHA TO UNITED STATES POSTAL SERVICE INTERROGATORY**

**USPS/APWU-RT3-27**

- (a) How is Standard Mail treated in your model?
- (b) Does your model keep standard mail performance constant?

**RESPONSE:**

- (a) Standard Mail is primarily destination entered (please refer to my testimony Table 7 for a description of the presort levels and network entry points used).

At a network entry point, Standard mail is assumed to arrive at a uniform rate between the hours of 8am and 4pm. It is then directed to the mail processing operation that correspond to its presort level.

First Class Mail is given priority over Standard Mail at all processing operations, except at the DPS operations (sequencing) where both classes are processed concurrently and prioritization is based only on the number of days remaining in each 'Mail Unit's' service standard (please refer to testimony, section 6, for a definition of 'Mail Unit'). A Mail Unit that is deferred due to a processing constraint (i.e., that is not processed past an operation's clear time) is processed the next day when the processing window reopens, so no Mail Unit is deferred for more than 1 day at any operation.

- (b) If by 'performance' you are referring to Service Performance, these are derived from <https://ribbs.usps.gov/index.cfm?page=modernservice>.