

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Mail Processing Network  
Rationalization Service Changes, 2012

Docket No. N2012-1

UPDATED RESPONSE OF PUBLIC REPRESENTATIVE WITNESS RAGHAVAN  
(PR-T-2) TO UNITED STATES POSTAL SERVICE INTERROGATORY  
(USPS/PR-T2-9) ERRATA

(June 12, 2012)

Attached to this cover page is a revised response of the Public Representative witness Raghavan (PR-T-2) to the Interrogatory of the United States Postal Service (USPS/PR-T2-9), filed May 29, 2012. The witness has performed additional analysis regarding the outgoing secondary sort issue and the updated response reflects that work. This filing replaces only the response to interrogatory USPS/PR-T2-9. The interrogatory is supported by Library References PR-LR-N2012-1/4 and PR-LR-N2012-1/NP2, which are separately noticed and filed.

The interrogatory is stated verbatim and followed by the response.

Respectfully Submitted,

/s/ Christopher J. Laver  
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Docket No. N2012-1

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RESPONSES OF PUBLIC REPRESENTATIVE WITNESS RAGHAVAN TO  
UNITED STATES POSTAL SERVICE INTERROGATORIES – 6/12/12 ERRATA

**USPS/PR-T2-9.** At PR-T-2, page 45, line 12, you define the current service standards as requiring somewhere between 239 and 277 mail processing facilities.

(a) Please confirm that a DBCS with 222 bins would not be able to sort letters to all 239 to 277 destinating facilities separately during the outgoing primary operation.

If you do not confirm, please explain.

(b) If (a) is confirmed, please state whether you agree that an outgoing secondary DBCS operation would have to be performed to finalize letters to between 239 to 277 destinations. If you do not agree, please explain.

(c) If (b) is confirmed, please state whether you agree that additional DBCS machines would need to be utilized to perform the outgoing secondary operation. If you do not agree, please explain.

(d) If (c) is confirmed, please state whether you agree that addition workroom square footage would be required to accommodate the additional DBCSs referenced in (c). If you do not agree, please explain.

(e) If (d) is confirmed, please state whether you agree that additional facilities would be required by the model. If you do not agree, please explain.

**RESPONSE:**

a) Confirmed.

b) Confirmed.

c) Not confirmed. It depends upon the volume of outgoing secondary and the peak requirement for DBCS machines which is generally during the DPS sort.

To do my analysis of the mail processing network under the current service standard, I used the input data provided by witness Rosenberg in library references USPS-LR-N2012-1/13 (USPS-LR-N2012-1/NP2) and USPS-LR-N2012-1/15, with the modifications explained in my testimony. Neither witness Rosenberg's input files nor her Logic Net data files account for the fact that outgoing secondary processing may be necessary when the number of facilities in the mail processing network is greater than 222. Thus, one could conclude that an implicit and unstated assumption in witness Rosenberg's analysis is that any solution obtained could have no more than 222 facilities. To reiterate this is not explicitly stated anywhere in her testimony or within the LogicNet model.

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**(Response to USPS/PR-T2-9 continued)**

To account for outgoing secondary processing volume when the LogicNet model is used to build the network under current service standards, I modified the Model MODS worksheet in Library Reference USPS-LR-N2012-1/13. Since outgoing secondary volume is a function of the number of facilities in excess of 222, the fraction by which the FY2010 outgoing secondary volume is multiplied is calculated as a function of the number of facilities in the network. Specifically, the fraction is the ratio of the excess number of destinating facilities in the "current service standard" network to the excess number of destinating facilities in "today's" network. Then, the outgoing secondary volume in the Model MODS worksheet is multiplied by this fraction and included in the calculations to determine the required square footage. My original testimony considered two cases: 1) where I used witness Rosenberg's 3-digit ZIP Code mileage band assignments and 2) where I modified them as discussed in my testimony. See PR-T-2 at 44.

For alternative #1, in which I use witness Rosenberg's 3-digit ZIP Code mileage band assignments, I calculate the fraction as  $(239-222)/(461-222) = 0.07$ , since the LogicNet solution reported in my testimony required 239 facilities. However, when the input includes the outgoing secondary, the solution requires 240 facilities. Therefore, I recalculated the fraction as  $(240-222)/(461-222) = 0.075$  and re-solved the LogicNet model. The resulting solution includes 240 facilities. Hence, including the outgoing secondary volume in this case requires one additional processing facility.

For alternative #2, in which I modify the 3-digit ZIP Code mileage band assignments, I calculate the fraction as  $(277-222)/(461-222) = 0.23$ , since the LogicNet solution reported in my testimony required 277 facilities. When I re-solved the LogicNet model using a smaller optimality gap (0.05%), I obtained a solution with 276 facilities for the current service standard network. When the input includes the outgoing secondary, the same solution with 276 facilities is

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**(Response to USPS/PR-T2-9 continued)** feasible. Hence, including the outgoing secondary volume in this case does not require any additional processing facilities.

Library reference PR-LR-N2012-1/NP2 includes the input data files and library reference PR-LR-N2012-1/4 contains the results of my analysis.

d) N/A.

e) Do not agree. I reran the LogicNet model after making modifications as described below to take into account the outgoing secondary mail volume that would exist under current service standards. I ran two scenarios as described in subpart c) above. Neither of them resulted in a significant change in the number of plants needed to handle the mail volume.