

OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL REGULATORY COMMISSION

In the Matter of:)
)
DSCF STANDARD MAIL LOAD) Docket No. N2014-1
LEVELING)

VOLUME #1

DESIGNATIONS INCORPORATED INTO THE RECORD

Date: February 20, 2014

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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

DSCF Standard Mail Load Leveling

Docket No.N2014-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS LINDA M. MALONE
(USPS-T-1)

Party

Interrogatories

Postal Regulatory Commission

PRC/USPS-T1- POIR No.1 - Q1
PRC/USPS-T1- POIR No.1 - Q2
PRC/USPS-T1- POIR No.1 - Q4
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to T1
PRC/USPS-T1- POIR No.2 - Q1a, 1c-e

Respectfully submitted,


Shoshana M. Grove
Secretary

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS LINDA M. MALONE
(USPS-T-1)

<u>Interrogatory</u>	<u>Designating Parties</u>
APWU/USPS-T1-1	PR
APWU/USPS-T1-2	PR
APWU/USPS-T1-3	PR
APWU/USPS-T1-4	PR
APWU/USPS-T1-5	PR
APWU/USPS-T1-6	PR
PR/USPS-T1-1	PR
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PR/USPS-T1-3	PR
PR/USPS-T1-4	PR
PR/USPS-T1-5	PR
PR/USPS-T1-6	PR
PR/USPS-T1-7	PR
PR/USPS-T1-8	PR
PR/USPS-T1-9	PR
PR/USPS-T1-10	PR
PR/USPS-T1-11	PR
PR/USPS-T1-12	PR
PR/USPS-T1-14	PR
PR/USPS-T1-15	PR
PR/USPS-T1-16	PR
PR/USPS-T1-17	PR
PR/USPS-T1-18	PR
PR/USPS-T1-19	PR
PR/USPS-T1-20a	PR
PR/USPS-T1-22	PR
PR/USPS-T1-23	PR
PR/USPS-T1-24a	PR
PR/USPS-T1-24b	PR
PR/USPS-T1-24c	PR
PR/USPS-T1-24d	PR
PR/USPS-T1-24f	PR
PR/USPS-T1-24g	PR
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PRC/USPS-T1- POIR No.1 - Q2	PRC
PRC/USPS-T1- POIR No.1 - Q4	PR, PRC
PRC/USPS-T1- POIR No.1 - Q5c	PR, PRC
PRC/USPS-T2- POIR No.1 - Q7b redirected to T1	PR, PRC
PRC/USPS-T1- POIR No.2 - Q1a	PR, PRC
PRC/USPS-T1- POIR No.2 - Q1c	PR, PRC
PRC/USPS-T1- POIR No.2 - Q1d	PR, PRC
PRC/USPS-T1- POIR No.2 - Q1e	PR, PRC

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-1 In response to PR/USPS-T1-15 the Postal Service provided LRN2014-1-13. It seems to show that the number of cancellation runs that had to be extended past their usual time increased during the Suburban Maryland load leveling test period.

- a) Was this due to the test being done in December? If not, is there another explanation for this result?
- b) Will the full results of this test be submitted to the record prior to the record closing?
- c) When do you anticipate having the full results of this test available?

RESPONSE

- (a) Yes, the cancellation runs in Southern Maryland were extended due to the higher than normal cancellation volumes experienced during December.

An additional impact to the cancellation runs on December 9 happened when a winter storm passed through the area on December 8, resulting in a sharp increase in unscheduled employee absences on December 9.
- (b-c) The purpose of the "post-Southern Jersey" operations tests (including Southern Maryland) is to obtain more extensive experience in implementing the planned service change by testing it in a variety of different mail processing plant and delivery unit environments, and identifying practices that will improve the implementation of the service change on a system-wide basis. My headquarters team will be working in concert with postal managers at the various test sites to gather and disseminate information relevant to implementation to managers throughout the network to ensure that the planned system-wide implementation is as smooth as possible. I am advised that if such implementation materials are finalized for dissemination to the field before

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

RESPONSE to APWU/USPS-T1-1 (continued)

the close of the evidentiary record, we will file them in this docket.

Meanwhile, as indicated on page 16 of my testimony, we will file periodic reports for the Capital District test sites, which will continue into March 2014, while the evidentiary record is open.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-2 On page 15 of your testimony, you indicate the results of the New Jersey test "validated the expectation that targeted workload leveling could improve local operations." Please describe other options considered by the Postal Service to improve local operations other than degrading service standards and increasing the associated operational problems for mailers?

RESPONSE

The options that Workgroup 157 considered are summarized in my testimony at pages 8-11.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-3 Can you provide piece counts of the mail that was actually delayed for an additional day beyond the current service standards during the New Jersey and Suburban Maryland tests?

RESPONSE

No. Specific piece counts were not taken during the South Jersey test and are not being taken as part of the other tests.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-4 Can you provide the percentage or approximate percentage of standard mail that was actually delayed for an additional day beyond the current service standards during the New Jersey and Suburban Maryland tests?

RESPONSE

In the case of flat shaped mail introduced at the DSCF rate, virtually all of this mail was delivered on the final day of the new deferrable window during the South Jersey test because, for purposes of the test, this mail was tightly controlled, staged in trailers and special staging areas and dispatched to delivery units on the afternoon prior to the intended delivery day. In the case of letter shaped DSCF Standard Mail, I cannot provide an estimate for the South Jersey test. This is due to the continual shifting of volumes to level the volume processed through DPS during the days of the week in order to not exceed processing capacities and result in the potential for delayed mail. We are not staging and controlling DSCF Standard Mail flats in Southern Maryland as we did in South Jersey, so I have no basis for determining the percentage of DSCF Standard Mail flats that are delivered on Day 4 after acceptance strictly as a result of the test. For the same reasons as apply to South Jersey, I have no basis for estimating what percentage of DSCF Standard Mail letters are delivered on Day 4 strictly as a result of the test.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-5 Has the Postal Service made estimates of how much mail volume, mail revenue and mail contribution it may lose by degrading the service standards for DSCF mail? If so, please provide that information.

RESPONSE

The Postal Service has not developed an estimate of the extent to which the planned service change may adversely affect volume, revenue, or contribution.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-6 Has USPS surveyed mailers to determine how many DSCF Standard mailers want Monday delivery and may change their drop dates under the proposed new standards so as to receive a Monday delivery? If so, what is the estimate of the number mailers and associated volume?

RESPONSE

No such survey has been conducted.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1- 1

On page 5 of your testimony, you state that the proposed change “would also affect DSCF Standard Mail entered at the Section Center Facility (SCF) in San Juan, Puerto Rico and destined for the U.S. Virgin Islands, and also any DSCF Standard Mail destined for American Samoa. For such mail accepted on Friday, the expected delivery day would change from Tuesday to Wednesday; and for such mail accepted on Saturday, the expected delivery day would change from Wednesday to Thursday.”

- a. Please confirm that all DSCF Standard Mail dropped at the SCF in Puerto Rico and destined to the U.S. Virgin Islands, or destined to American Samoa presently has a 4-day service standard. If not confirmed, please explain.
- b. Please provide the FY 2013 DSCF Standard Mail volume that (1) was dropped at the SCF in Puerto Rico and destined to the U.S. Virgin Islands and (2) was destined to American Samoa, disaggregated by day of the week.
- c. Please describe and to the extent possible, quantify the benefits the Postal Service expects to realize by changing the delivery standard for DSCF Standard Mail (1) entered at the SCF in San Juan, Puerto Rico and destined to the U.S. Virgin Islands and (2) destined to American Samoa.
- d. Please explain whether the results of the South Jersey Operations Test are representative of the benefits the Postal Service expects to realize by changing the delivery standard for (1) DSCF Standard Mail entered at the SCF in San Juan, Puerto Rico and destined to the U.S. Virgin Islands and (2) any DSCF Standard Mail destined to American Samoa.

RESPONSE

- (a) That is the current service standard published in 39 C.F.R. 121.3(b)(2)-(3).
- (b) Responsive volume data are being filed by the Postal Service non-publicly in USPS Library Reference N2014-1/NP1.
- (c-d) I am much more familiar with DSCF Standard Mail operations affected by the South Jersey Operations Test and the proposed service change planned to take effect there than I am with the operations affecting DSCF Standard Mail destined for the US Virgins Islands and Samoa. Although I have examined the data referenced in subpart (b), I have not performed any analysis of the operations through which the latter mail flows.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

However, given the relatively low DSCF Standard Mail volume delivered to those off-shore destinations in dictated in USPS, it is safe to conclude that any operational efficiency gains and benefits obtained from implementing the proposed service standard change there would be very small in comparison to the gains and benefits likely to result in the service area of the South Jersey Operations Test.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-2

On page 4 of your testimony, Table 2 contains a summary of FY 2013 Q1 volume for Full Service IMb Standard Mail and number of dropship appointments disaggregated by day of the week.

- a. Please provide the disaggregated data, by facility and day of the week, used to create this table.
- b. Please provide the volume and number of dropship appointments, disaggregated by facility and day of the week, for Full Service IMb Standard Mail for FY 2013 Q2, Q3, and Q4.
- c. Please provide the volume and number of dropship appointments, disaggregated by facility and day of the week, for non-Full Service IMb Standard Mail for FY 2013 Q1, Q2, Q3, and Q4.

RESPONSE

- (a-c) I am informed that the Postal Service is filing responsive data in non-public USPS Library Reference N2014/NP2.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

Revised: January 16, 2014

PR/USPS-T1-3

On pages 8-11 of your testimony, you describe MTAC Workgroup 157, a committee of mailing industry representatives and postal managers which discussed strategies for workload leveling prior to the South Jersey Operations Test.

- a. Please identify, describe, and provide all documents pertaining to MTAC Workgroup 157 meetings, including but not limited to meeting minutes, meeting notices, and MTAC presentations.
- b. Please identify any members of MTAC Workgroup 157 that mail fewer than 100,000 DSCF Standard Mail pieces/year.
- c. Please identify and provide any feedback from any MTAC member that supported an earlier CET for Friday and Saturday instead of altered service standard for DSCF Standard Mail accepted on Fridays and Saturdays.

RESPONSE

- (a) The MTAC Workgroup 157 documents will be contained in USPS Library Reference N2014-1/6. It is assumed that the interrogatory seeks documents pertaining to the substantive topics raised during or in connection with Workgroup 157 (and related) meetings, as opposed to such administrative matters as the scheduling of meetings. Accordingly, only the former records have been provided.
- (b) MTAC Workgroup 157 is comprised of volunteer MTAC representatives employed by the mailing industry firms or associations identified in the materials provided in response to subpart (a). No effort was made to restrict Workgroup participation based on mail volume generated by any participating mailer or clients of mail service providers. MTAC Workgroup members often represent the interests of an industry group or association to which their firm belongs, and the interests of that group or association can be diverse, in terms of mail volume. Some of the Workgroup 157 members work for firms that provide

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

Revised: January 16, 2014

mail production, printing, presorting, and entry services to bulk mailers of different sizes. The Postal Service does not have data that reflect the mail volume generated by each of these firms' clients.

- (c) In going through my records, I could find none that memorialized the views expressed by Workgroup members regarding the concept of variable CETs. My general recollection is that there was opposition to the concept of having to alter general production schedules to meet postal CETs that varied depending on the day of the week. That this would entail software changes that the mailers would have to incorporate so that production runs could be day specific. I recall several mailers indicating that if we changed the CET to just one minute after midnight, this would have the same effect as taking Sunday out of a day of measurement.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

Revised: January 16, 2014

PR/USPS-T1-4

On page 15 of your testimony, you state that some mailers with a strong preference for Monday delivery and would enter mail on Thursday to preserve Monday delivery, but believe "based on earlier discussions with mailers" that many mailers will not change their mail entry patterns.

- a. Please identify, describe, and provide all documents detailing these discussions with mailers.
- b. Please identify, describe, and provide all documents related to any nationwide or substantially nationwide study or survey undertaken by the Postal Service to assess the volume of DSCF Standard Mail that would be entered on a different day under the adjusted service standard. If no such study or survey was undertaken, please describe the reason(s) why not.

RESPONSE

- (a) The Postal Service has no minutes or written summaries of the meeting discussions that I referenced in my testimony. My testimony relies on my general recollection of discussions that occurred. The only record I have located that would appear to reflect the view that many mailers will not change their entry patterns in response to the proposed service change is the attached copy of an email I received from a representative of a firm that generates DSCF Standard Mail letters. It was addressed to me and my Workgroup 157 Industry Co-Chair. See paragraph 5b in the attachment. I have taken the liberty of redacting information that would identify the firm of the sender and the other parties' email addresses, phone and fax numbers. Otherwise, the content of the email is verbatim as I received it.
- (b) No such study or survey has been undertaken. The Postal Service assumes that feedback received through the Workgroup and as part of the rulemaking will provide useful insight.

Attachment to Response to PR/USPS-T1-4(a)
Page 1

From: XXXXXXXXXXXXXXXXXXXXXXXX
Sent: Tuesday, November 26, 2013 11:32 AM
To: XXXXXXXXXXXXXXXXXXXX; Malone, Linda M - Washington, DC
Subject: WG #147 Load Leveling

Linda/Dale, you requested recommendations for WG#147 at last Thursday's meeting.

Here are some thoughts in regard to the consideration being given to change Standard Mail service standards from up to 3 days, to, up to 4 days for DSCF entries:

1. Since the load leveling change should affect only flats and not letters, a **proposed service standard change should apply only to flats.**
2. Since the load leveling change is intended to impact only Friday and Saturday inductions, **any service standard change should apply only to those days.**
3. I think it's important to make these impact distinctions clear if you want buy-in across the industry and with the PRC. The last thing that's desired are headlines stating that the struggling Postal Service is reducing service levels to save money. **It is important to state the limited scope.**
4. **Otherwise, if the service standards are instead made across the board (not specific to entry day or shape), I believe this will reflect very poorly on the Postal Service, eroding the value of mail, and push more mail out of the system.**
5. Further,
 - a. Despite the intended result, adding a day to the service standard will no doubt result in greater variability and **erode the predictability that the Service has achieved and the industry has come to rely on in the past two years.** It is also counter to the CIO drive toward adding predictability to the mail.

**Attachment to Response to PR/USPS-T1-4(a)
Page 2**

- b. By adding a postal service day for Thursday entries after 1600 through Saturday, weekly mailer production schedules are squeezed by a day for those who desire the same delivery target experienced today. – This will also reduce the effectiveness of the load leveling.
- c. When combined with the Postal Service plan to eliminate Saturday delivery, this squeezes weekly mailers at both ends, leading to even greater mailing overlap and sales cannibalization.

Thank you for taking these thoughts into consideration.

XXXXXXXXXX

XXXXXXXXXX

Assistant Vice President Fulfillment / Postal Affairs

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

(P)XXX-XXX-XXXX

(F) XXX-XXX-XXXX

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-5

On page 12 of your testimony, you identify two reasons that the South Jersey Plant was selected for the operations test: (1) it has been serving as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives and (2) it was accessible to headquarters personnel supervising the test.

- a. Please describe how South Jersey Plan's experience as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives made it more suitable for the operations test.
- b. To what extent may the South Jersey Plan's experience as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives positively skewed the results of the operations test?
- c. Please describe, in detail, any additional considerations that led to the selection of the South Jersey Plant for the operations test.

RESPONSE

(a-c) In a nutshell, the objective of Lean Mail Processing (LMP) is to standardize mail numerous mail processing activities that are common to mail processing plants, in order to reduce cycle times, identify waste, and minimize local practices and variations in process that increase the likelihood of error in staging and transfer of mail between operations. Roll-out of LMP has been underway in each postal administrative area and will eventually reach each administrative district. Given the objectives of LMP, one would expect a plant to which it has been applied to operate better than it was operating beforehand. As LMP is implemented throughout the network in the spring of 2014, one expects the operations of affected plants to experience the same types of improvements that have resulted from implementation of LMP in South Jersey and other "vanguard" locations. My relatively recent tenure as the District Manager had acquainted me with the plant's management team. When headquarters seeks to impose the burden of an operations test on field managers

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

whose plates are already full, direct knowledge of their operations and a reservoir of goodwill from recently working together can go a long way to ensuring that their initial response is more along the lines of "Sure!", as opposed to "Why us?". The plant is only several hours away from headquarters by car, which made it relatively convenient for those of us who wanted to observe operations first-hand.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-6

On page 16 of your testimony, you identify a second operations test, conducted in December 2013, in the Capital District and state that “[t]he Postal Service anticipates compiling periodic reports of data from this test in a library reference.”

- a. What were/are the dates for the Capital District Operations Test?
- b. Please explain all of the reasons why the Capital District selected for the second operations test.
- c. What additional information did the Postal Service hope to learn from the Capital District Operations Test?
- d. When does the Postal Service expect to file the library reference detailing the Capital District Operations Test in this proceeding?

RESPONSE

The current schedule for implementation of the Capital District test at each participating plant is indicated below:

Southern Maryland: December 5, 2013

Curseen-Morris: January 9, 2014

Suburban Maryland: (expected) January 23, 2014

As they are finalized, a copy of each Capital District plant’s operating plan will be filed as a separate USPS Library Reference.

After internal review of the South Jersey test results in October 2013, we shared the results with MTAC Workgroup 157 in October 2013. In November 2013, they asked if we could schedule additional testing. I relayed the request to senior management and was directed to identify additional test sites. At the time, I was aware that the Capital District had a very high percentage of carriers out on their routes after 17:00 hours, and I was interested in examining the extent to which Load Leveling could have a beneficial impact. The district’s proximity to headquarters

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

also would provide additional opportunity to observe testing first-hand.

The decision to initiate additional testing in the Capital District was made shortly after the tragic incident on November 23, 2013, in which a City Carrier Assistant was shot and killed while delivering mail in Landover, Maryland.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-7

On page 16 of your testimony, you state that the Postal Service may test the operating concept in additional administrative districts during the pendency of this proceeding.

- a. Please describe any current plans to conduct additional operations tests.
- b. Please describe the selection criteria for choosing the locations for additional operations tests.
- c. Please describe the projected dates and locations for any additional operations tests currently planned.
- d. When does the Postal Service expect to finalize its determinations concerning additional operations tests?

RESPONSE

For purposes of refining our ability to implement system-wide, it is our objective to test Load Leveling in one administrative District in each administrative Area of the postal system. Although we have established no criteria that would define a representative cross-section, we will likely end up selecting mail processing plant service areas that vary in size and operational complexity. Any such testing additional testing is expected to commence in February 2014. Tests will run at least two weeks in each location.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-8

On page 17 of your testimony, Table 7 "Percentage City Carriers Returning After 1700 Hours" contains the percentage of carriers returning after 5 pm since October of 2005.

- a. Please provide the data used to create Table 7.
- b. Please identify the postal database(s) used as a source for Table 7.

RESPONSE

Responsive data from the USPS Delivery Operations Information System are being filed as public USPS Library Reference N2014-1/10.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-9

Library Reference USPS-LR-N2014-1/2 associated with your testimony contains estimates of the mail processing and carrier route labor impacts of the Postal Service's proposal.

- a. Do you estimate that implementation of the Load Leveling Plan will decrease mail processing labor workhours by roughly 2 percent, if implemented? If not, please explain.
- b. Do you estimate that implementation of the Load Leveling Plan will decrease city carrier overtime workhours by roughly 35 percent, if implemented? If not, please explain.
- c. Please identify, describe, and provide all documents detailing the savings the Postal Service expects to realize by implementing the Load Leveling Plan nationwide.

RESPONSE

(a-c) The Postal Service has not performed any analysis that would provide a basis for estimating mail processing or delivery workload reductions or cost savings resulting from Load Leveling on a system-wide basis. We do not regard the South Jersey District to be representative of the mail processing and delivery network as a whole. Accordingly, we caution against projecting its results as being indicative of national results. We expect positive results that will vary by locality.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T1-10

Library Reference USPS-LR-N2014-1/2 associated with your testimony contains estimates of the mail processing and carrier route labor impacts of the Postal Service's proposal.

- a. File "SJ FI Results.xls" tab "Data" contains MODS FHP, TPF, TPH and Workhours by day of the week from 8/1/13 to 9/30/13 for ZIPs 080-084. Please provide this data disaggregated by MODS operation.
- b. File "SJ F2 Results.xls" tab "Data" contains DOIS data by day of the week from 8/1/13 to 9/30/13. Please provide this data disaggregated by route.

RESPONSE

I am informed that responsive data are being filed in non-public USPS Library

Reference N2014-1/NP3.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-11

Please provide as soon as practicable after the February 3, 2014 comment deadline, copies of comments received in response to the Postal Service's proposed rule (USPS-LR-N2014-1/3).

RESPONSE

Documents responsive to this discovery request are included in USPS Library Reference USPS-LR-N2014-1/12. Any responsive documents received by the Postal Service in the future will be made available to the public as described in the *Federal Register* notice that appears in USPS Library Reference USPS-LR-N2014-1/3. As stated in the *Federal Register* notice, "[c]opies of all comments will be available for inspection and photocopying at the Postal Service Headquarters Library."

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-12

Appendix A to USPS-LR-N2014-1/1 and Appendix C to USPS-LR-N2014-1/7 appear to be copies of the notice provided to mailers affected by the South Jersey and Southern Maryland Operations Tests.

- a. Please confirm that Appendix A to USPS-LR-N2014-1/1 and Appendix C to USPS-LR-N2014-1/7 are copies of the notice provided to mailers affected by the South Jersey and Southern Maryland Operations Tests. If not confirmed, please explain.
- b. How were these notices provided to affected mailers?
- c. When were affected mailers notified of the South Jersey and Southern Maryland Operations Tests?
- d. In addition to Appendix A to USPS-LR-N2014-1/1 and Appendix C to USPS-LR-N2014-1/7, was any other notice given to mailers affected by the South Jersey and Southern Maryland Operations Tests?
- e. If your response to part d is in the affirmative, please identify, describe, and provide all documents detailing the additional notice provided to affected mailers.
- f. If affected mailers were notified in advance of the applicable operations test, did the Postal Service track mailers that altered their entry days as a result of the test?
- g. If your response to part f is in the affirmative, please provide the data the Postal Service collected concerning mailers that altered their entry days as a result of the test.

RESPONSE

a-e. Confirmed. A poster-sized version of the appendices referenced above provided notice to customers at both the South Jersey and Southern Maryland plants. In addition, leaflets announcing the tests were available to customers that visited the Business Mail Entry Unit (BMEU) at both the South Jersey and Southern Maryland plants. The letter included in USPS Library Reference USPS-LR-N2014-1/15 was also distributed to mailers.

f. I am not aware of any instances where the Postal Service tracked mailer adjustments made in connection with the tests. The Postal Service prepared to track mailer questions concerning the South Jersey Operations Test, but it

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

Response to PR/USPS-T1-12 (continued)

received no questions from mailers.

g. Not applicable.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-14

On page 6 of your testimony, you describe the Postal Service's Color Code Policy for Standard Mail, which you state "is used to reinforce the general principle of First In, First Out."

- a. How is priority for processing determined among containers color coded for the same day?
- b. Please provide any protocol, policy, or other document that describes how containers color coded for the same day are prioritized and/or ordered for processing.

RESPONSE

- a. In accordance with the Postal Service's Color Code Policy for Standard Mail referenced above, the calendar date and time of arrival is recorded on each color code tag applied to mail. The tagged mail is staged in staging lanes in order of the time of receipt. From a mail processing perspective, the Postal Service strives to deliver all mail by the day identified on the color code tag. When reporting delayed mail, there is no distinction between mail accepted at different times for the same delivery date. For example, the reports of delayed mail do not distinguish between mail accepted at 10 a.m. and mail accepted at noon.
- b. Please see USPS Library Reference USPS-LR-N2014-1/16.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-15

On pages 17 and 18 of your testimony, you describe the impact that carriers out on their routes after 17:00 on Mondays has on the cancellation of outgoing mail.

a. Please provide workpapers detailing the number of cancellation runs that were extended in the South Jersey Processing and Distribution Center on the following Mondays: August 5, 12, 19, and 26, 2013; September 9, 16, 23, and 30, 2013; and October 7, 21, and 28, 2013.

b. Please provide workpapers detailing the number of cancellation runs that were extended at the Southern Maryland Processing and Distribution Center on the following Mondays: October 7, 21, and 28, 2013; November 4, 18, and 25; and December 2, 9, 16, 23, and 30, 2013.

RESPONSE

a. Information responsive to this discovery request is included in the worksheet labeled "South Jersey" in USPS Library Reference USPS-LR-N2014-1/13.

b. The Southern Maryland Processing and Distribution Center does not perform cancellations. Mail that originates in the Southern Maryland service area is cancelled at the Suburban Maryland Processing and Distribution Center.

Information responsive to this discovery request is included in the worksheet labeled "Suburban MD" in USPS Library Reference USPS-LR-N2014-1/13.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-16

In response to PR/USPS-T1-1, you explain that there are relatively low volumes of DSCF Standard Mail (1) entered at the Section Center Facility in San Juan, Puerto Rico and destined for the U.S. Virgin Islands and (2) destined for American Samoa. Given that these mail pieces already have a 4-day service standard, what operational and/or economic benefits does the Postal Service expect to realize from instituting a 5-day service standard for such mail entered on Friday and Saturday?

RESPONSE

The Postal Service expects that the change to a five-day service standard identified in the discovery request above will result in the same operational and economic benefits as the change to a four-day service standard applicable to other Destination Sectional Center Facility (DSCF) Standard Mail. The current four-day service standard for DSCF Standard Mail (1) entered at the Section Center Facility in San Juan, Puerto Rico and destined for the U.S. Virgin Islands and (2) destined for American Samoa does not reflect load leveling. The current application of a four-day service standard, rather than a three-day service standard, reflects travel across an international date line or additional transit time that is not required for DSCF Standard Mail subject to the current three-day and proposed four-day service standard.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-17

In response to PR/USPS-T1-6, you state that the Capital District was selected for an operations test due in part to "a very high percentage of carriers out on their routes after 17:00 hours." Please provide workpapers detailing the number of carriers out past 17:00 in the area served by the Southern Maryland Processing and Distribution Center for each day during months of October 2012, November 2012, December 2012, October 2013, November 2013, and December 2013.

RESPONSE

Information responsive to this discovery request is included in USPS Library

Reference USPS-LR-N2014-1/14.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-18

USPS-LR-N2014-1/7 describes the Standard Operating Procedures for the Southern Maryland Operations Test, which occurred during December 2013.

- a. Please identify, describe, and provide all documents detailing any qualitative information received during the Southern Maryland Operations Test.
- b. Please identify, describe, and provide all documents detailing any quantitative data gathered during the Southern Maryland Operations Test.
- c. Please describe and quantify, if possible, the observed impact of the Southern Maryland Operations Test on (1) carriers out on their routes after 17:00 and (2) carrier overtime hours.
- d. Please identify and describe any other benefits observed during to the Southern Maryland Operations Test.
- e. Please describe any changes or improvements made to the Southern Maryland Operations Test (as compared to the South Jersey Operations Test) based on the experience of or lessons learned from the South Jersey Operations Test.
- f. Please describe any changes or improvements that were made to the Curseen-Morris Operations Test and/or that will be made to the Suburban Maryland Operations Test or any subsequent operations test based on the experience of or lessons learned from the South Jersey or Southern Maryland Operations Tests.

RESPONSE

a-b. Please see USPS Library Reference USPS-LR-N2014-1/NP4.

c. Please see USPS Library Reference USPS-LR-N2014-1/NP4. The number of City Carriers out after 17:00 decreased from a pre-test average of 435 to an average of 340. City Carrier overtime hours increased from an average of 975 pre-test hours to 992 hours and an increase in overtime percentage from 20.88% to 21.57%. However, the impact of the overall increase in December holiday period volumes resulting from a significant increase in parcel deliveries outweighed the impact of load leveling of Standard Mail volumes.

d. There was a decline in median City Carrier office hours with reduced variation, a decline in the median number of incidents where City Carriers returned after 18:00 with reduced variation, and a decline in the median number of incidents where City Carriers returned after 19:00 with reduced variation.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

Response to PR/USPS-T1-18 (continued)

- e. All Standard Mail volumes were held in trailers for the South Jersey test due to facility space constraints, and no delivery units held their individual volumes. The Southern Maryland plant had space available for staging in a holding area and in individual operational areas, and did not require trailers to hold volumes. Accordingly, for the Southern Maryland Operations Test, the plant work hours required to load and off-load volumes on trailers were eliminated. In addition, the Southern Maryland Operations Test benefited from the identification of ten delivery units with space available to hold Standard Mail for programmed color code day of delivery. As a result, the Southern Maryland plant experienced a reduction of the volume of mail that need to be held at the plant, a further reduction in plant congestion, and an improvement in the control of mail staged for dispatch to delivery.
- f. At the Curseen-Morris facility, five delivery units were identified to hold mail, and this reduced the held volume and congestion at the plant. In addition, the Curseen-Morris facility had sufficient space for a facility holding area, and thus required no trailer staging of volumes for dispatch to delivery. The Suburban Maryland plant has significantly less available space than the Southern Maryland or Curseen-Morris facilities, and will require the use of many delivery units to hold mail. Due to these space constraints, it might be necessary to stage mail in trailers if volumes exceed facility staging capacity.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-19

In response to PR/USPS-T1-7, you explain that the Postal Service intends "to test Load Leveling in one administrative District in each administrative Area of the postal system" and state that any additional testing "is expected to commence in February 2014."

- a. Please identify the selected location(s) of any additional operations test(s).
- b. Please provide the dates for any operations test(s) listed in response to part a.
- c. If no additional locations have been selected, please provide the date by which the Postal Service expects to have finalized the selected location(s) for the February 2014 operations test(s).
- d. Please describe how the standard operating procedures will be developed for future operations tests and explain how improvements or changes will be made based on the experience of or lessons learned from prior completed operations tests.
- e. What additional information does the Postal Service expect to learn by testing "Load Leveling in one administrative District in each administrative Area of the postal system?"

RESPONSE

a-b.

Cap Metro Area

Southern District

Southern Plant – implemented 12/5

Curseen Morris Plant – implemented week of Jan 6th

Suburban Plant – scheduled to be implemented week of Jan 27th

Great Lakes Area

Lakeland District

Milwaukee Plant – scheduled to be implemented week of Feb 1st

Palatine Plant – scheduled to be implemented week of Feb 10th

Madison Plant – implementation date not yet determined

Green Bay Plant - implementation date not yet determined

Oshkosh Plant - implementation date not yet determined

Rockford Plant - implementation date not yet determined

Wausau Plant - implementation date not yet determined

Western Area

Northland District

Minneapolis Plant – scheduled to be implemented week of Feb 1st

St Paul Plant - implementation date not yet determined

Duluth Plant- implementation date not yet determined

Eau Claire Plant- implementation date not yet determined

La Crosse WI Plant- implementation date not yet determined

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

Response to PR/USPS-T1-19 (continued)

Phoenix District

Phoenix Plant – scheduled to be implemented week of Feb 8th

West Valley Annex - implementation date not yet determined

Seattle District

Seattle Plant - implementation date not yet determined

Annex - implementation date not yet determined

Northeast Area

New York District

Morgan Plant – scheduled to be implemented week of Feb 1st

Pacific Area

San Diego District

San Diego Plant – scheduled to be implemented week of Feb 8th

San Bernardino Plant– implementation date not yet determined

Santa Clarita District

Santa Clarita Plant– implementation date not yet determined

Pasadena Plant - - implementation date not yet determined

Eastern Area

South Jersey District

South Jersey Plant – scheduled to be implemented Feb 8th

Delaware Plant – implementation date not yet determined

Trenton Plant - implementation date not yet determined

- c. Not applicable.
- d. It is expected that a test plan will be finalized for each location based on input from employees involved with previous operations tests and employees responsible for each District with a test listed in the response to subpart (a) above.
- e. The proposed testing provides an opportunity to analyze and verify the implementation plan. The selected group of facilities includes large, medium, and small plants where conditions and mail processing capabilities can be assessed. In addition, the Postal Service expects that the proposed testing will provide an opportunity for mailers to analyze their data and compare delivery

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

Response to PR/USPS-T1-19 (continued)

dates to expected or needed delivery dates. Management selected all plants within a District because there are some natural dependencies between plants within a District.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-20

On pages 18 through 20 of your testimony, you describe the Postal Service's planned communication efforts concerning implementation of the Load Leveling Plan.

- a. What specific outreach and/or communications efforts have been made to reach smaller and/or local Standard Mailers (*e.g.*, those mailing fewer than 100,000 DSCF Standard Mail pieces/year) concerning the Postal Service's Load Leveling Plan and/or the scheduled operations tests?
- b. ***

RESPONSE

- a. Please see the response to PR/USPS-T1-12a-e above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-22

In Docket No N2012-1, the Postal Service analyzed the capacity of the mail processing network and potential future designs using a variety of analytical methods. Specifically, the Postal Service focused on two aspects of capacity and design: (1) the workload required to process volumes in the context of the current and proposed service standards and (2) the operating windows required to meet those service standards. The Postal Service showed that as service standards are reduced, operating windows can be increased. The increase in operating flexibility associated with reduced service decreased the amount of processing equipment and physical capacity required for the network to process the mail.

a. Will the Load Leveling Plan increase or decrease the amount of processing equipment required to meet service standards? Please identify, describe, and provide all documents detailing how the Load Leveling Plan could impact the amount of processing equipment needed by the Postal Service.

b. Will the Load Leveling Plan increase or decrease the physical capacity of the network (e.g., facility square footage)? Please identify, describe, and provide all documents detailing how the Load Leveling Plan could impact the amount of facility square footage needed by the Postal Service.

RESPONSE

a. The Postal Service expects that the Load Leveling Plan will have minimal, if any, effect on the amount of processing equipment required to meet service standards. However, this impact has not been studied fully, and there could be some efficiency gains through better machine utilization.

b. The Postal Service expects that although the Load Leveling Plan could increase the use of existing facility square footage at some plants, it will not require the Postal Service to acquire additional capacity. Please see the response to PR/USPS-T1-18(e) and (f).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-23

In Docket Nos. N2006-1 and N2012-1, the Postal Service leveraged the IBM LogicNet software for network modeling.

- a. Did the Postal Service use IBM LogicNet or any other network modeling software to better understand the potential impacts of the Load Leveling Plan?
- b. Please identify, describe, and provide all analysis of the Load Leveling Plan using IBM LogicNet or any other network modeling software.
- c. Please identify, describe, and provide all network planning analysis that utilized IBM LogicNet or any other network modeling software and incorporated the Load Leveling Plan.

RESPONSE

- a. No.
- b. Not applicable.
- c. Not applicable.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY**

Revised: February 3, 2014

PR/USPS-T1-24

USPS-LR-N2014-1/6, file "1-10-14" are slides from a January 10, 2014 presentation given on the Load Leveling Plan. Slide 25 lists "Frequently Asked Questions/Concerns" including "early delivery" of mail entered on Thu/Fri/Sat and "5 Day Delivery implications."

- a. Please identify, describe, and provide any documents not previously provided that the Postal Service has generated to address mailer questions or concerns regarding the Load Leveling Plan.
- b. Please describe the impact 5 Day Delivery would have on the load levels throughout the week after the nationwide implementation of the Load Leveling Plan. In your response, please address both DSCF Standard Mail volume specifically, as well as the overall mail volume.
- c. Please identify, describe, and provide all documents detailing the impact of implementation of both 5 Day Delivery and the Load Leveling Plan.
- d. Please explain the intended meaning of "Early delivery of mail entered on Thu/Fri/Sat" on slide 25 of file "1-10-14".
- e. Under current practices, what percentage of DSCF Standard Mail entered on Thursday or Friday is delivered "early" on Saturday, rather than Monday? Please disaggregate the response by entry day.
- f. How does the Load Leveling Plan impact the potential savings of 5 Day Delivery?
- g. How does the Load Leveling Plan impact the ability of the Postal Service to realize its full estimated savings of 5 Day Delivery?

RESPONSE

- a. All documents known to have been generated to-date by the Postal Service have been provided.
- b. I am not aware of any study of the impact of five-day delivery on Load Leveling. However, assuming that mailers would drop ship mail in a five-day environment on the same days as in the present environment, the implementation of load leveling would lessen the impact to delivery operations in making the transition to a situation where Standard Mail is delivered five-days per week to street addresses.
- c. Please see USPS Library Reference USPS-LR-N2014-1/6, 6-12-13.pdf.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE INTERROGATORY
Revised: February 3, 2014**

RESPONSE to PR/USPS-T1-24 (continued)

- d. The term “early delivery” is often used to describe delivery of Destination Sectional Center Facility (DSCF) Standard Mail with a 3-day service standard that occurs before the third day after acceptance. However, the service standard for deferrable mail, including Standard Mail, reflects a goal of delivery by the day identified in the service standard, and does not include a commitment to delivery on a specific day.
- e. [Redirected to the Postal Service to determine if an institutional response can be developed.]
- f. I am not aware of any study of the impact of five-day delivery on load leveling.
- g. I am not aware of any study of the impact of five-day delivery on load leveling.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PUBLIC REPRESENTATIVE DISCOVERY REQUEST**

PR/USPS-T1-27

The Postal Service plans to implement the Load Leveling Plan no earlier than March 27, 2014.

- a. Please explain the Postal Service's planned implementation timetable. If no timetable is available, please explain when the Postal Service plans to establish a firm implementation timetable for the Load Leveling Plan.
- b. Please describe how the Postal Service plans to implement the Load Leveling Plan (e.g., nationwide on the same day or facility-by-facility). If no plans are available, please explain when the Postal Service plans to establish a Load Leveling implementation plan.
- c. Please explain how far in advance of implementation of the Load Leveling Plan does the Postal Service plan to provide notice to affected mailers.

RESPONSE

- a-b. The Postal Service plans to establish an implementation timetable for the Load Leveling Plan after it has an opportunity to review and consider the comments it receives in response to the *Federal Register* notice that announced the proposal being considered in this docket.
- c. A *Federal Register* notice announcing the final rule will be published at least 30 days in advance of implementation.

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MALONE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

1. Please provide a table (similar to USPS-T-1, Table 1), showing the days of acceptance and expected delivery for DSCF Standard Mail assuming a Monday holiday (with no mail delivery) and the existing service standards. If it is necessary for the table to extend over 7 days to show all possible outcomes, clearly indicate the Monday that is assumed to be the holiday.

RESPONSE

Please see the table below.

Table 1: Current Days of Acceptance and Expected Delivery for DSCF Standard Mail with Monday non-Delivery Holiday (violet)

DSCF Service Standards												
Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon-Hol	Tue	Wed	Thu
Before CET												
	Before CET											
		Before CET										
			Before CET									
				Before CET								
					Before CET							
						Before CET						
							Before CET					
								Before CET				
									Before CET			

Yellow cells show the scope of the change requested under N2014-1
Blue rows show the mail potentially impacted by the Holiday

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MALONE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

2. Please provide a table (similar to USPS-T-1, Table 1), showing the days of acceptance and expected delivery for DSCF Standard Mail assuming a Monday holiday (with no mail delivery) and the change in service standards associated with the Load Leveling Plan. If it is necessary for the table to extend over 7 days to show all possible outcomes, clearly indicate the Monday that is assumed to be the holiday.

RESPONSE

Please see the table below.

Table 1: Load Level Days of Acceptance and Expected Delivery for DSCF Standard Mail with Monday non-Delivery Holiday (violet)

DSCF Service Standards												
Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon-Hol	Tue	Wed	Thu
Before CET												
	Before CET											
		Before CET										
			Before CET									
				Before CET								
					Before CET							
						Before CET						
							Before CET					
								Before CET				
									Before CET			

Yellow cells show the scope of the change requested under N2014-1
Blue rows show the mail potentially impacted by the Holiday

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

Revised: February 3, 2014

4. Library Reference USPS-LR-N2014-1/1, LR-1-Final.pdf, APPENDIX A – MAILER NOTIFICATION BLOG, states “[t]he USPS in concert with MTAC work group 157 (Load Leveling of volumes) will be conducting a two-week operations test at the South Jersey P&DC beginning with receipt of mail on September 12th through delivery of the mail on September 26th.” Appendix A identifies a contact person, telephone number, and an email address for questions regarding the test.
- a. Did mailers have the opportunity to opt out of the South Jersey operations test? If so, by what means could they opt out?
 - b. If mailers were allowed to opt out of the South Jersey operations test, what percentage of the DSCF Standard Mail entered at the South Jersey Plant was included in the test?
 - c. Please provide the internet address of the blog, or if the blog is no longer accessible, a transcript of the blog.

RESPONSE

- a. No. The South Jersey Operations Test included all DSCF Standard Mail dropped at the South Jersey SCF.
- b. Not applicable.
- c. Although the Appendix references the intent to establish a blog for communicating with mailers regarding the South Jersey Operations Test, such a blog was never established. Instead, a notice regarding the test was posted in the Bulk Mail Entry Unit at the South Jersey P&DC and a corresponding letter was sent to each South Jersey P&DC DSCF Standard Mail permit holder. The failure to edit out the reference to a blog was an oversight.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

5. Assume for the purpose of this question that a low volume mailer is one that enters mail utilizing DSCF Standard Mail and mails fewer than 100,000 DSCF Standard Mail pieces per year.

* * * * *

c. Have low volume mailers expressed any concerns to the Postal Service either through MTAC, the Postal Service's Federal Register notice, or otherwise regarding the Load Leveling Plan, and if so what were those concerns?

RESPONSE

c. No mailer that expressed concerns to the Postal Service identified itself as a "low volume mailer." Please see USPS Library Reference USPS-LR-N2014-1/12 for information concerning the comments provided in response to the Federal Register notice.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1
REDIRECTED FROM WITNESS ANDERSON**

Revised: February 17, 2014

7. In the Postal Service response to PR/USPS-T2-3, Attachment at A-1, "Political Mail" is identified in the Delta column of the Load Leveling Plus & Delta Chart.
- What percentage of DSCF entered Standard Mail is time-sensitive political mail?
 - Please describe how the Postal Service intends to treat such mail under the proposed Load Leveling Plan?

RESPONSE

- I am informed that data extracted from mailing statements for the month of October 2012 indicate that 18.3 percent of DSCF Standard Mail accepted that month was "Political Mail." The month before a Presidential election should not be regarded as representative for the year. The Postal Service has now extracted data for all of Fiscal Year 2013 from USPS Form 3602 mailing statements which indicate that 2.8 percent of that year's DSCF Standard Mail volume consisted of Political Mail.
- The Postal Service's treatment of "Political Mail" is summarized in the attached document. As a matter of policy, DSCF Standard "Political Mail" is subject to the same service standard as other DSCF Standard Mail and shares the same level of priority in dispatch and handling as other DSCF Standard Mail relative to products such as Priority Mail, First-Class Mail and Periodicals. Implementation of the Load Leveling Plan is not intended to change the treatment of DSCF Standard "Political Mail" or those relative relationships.

Processing Operations SOP: Political Campaign and Message Mail

Subject:	Processing Operations Policy: Political Campaign and Message Mail
Policy Tracking Number:	052012R Political Campaign and Message Mail
Effective Date:	May 9, 2014
Functional Responsibility:	Headquarters Network Operations
Development, Distribution and Updates:	Headquarters Processing Operations Linda Malone, Manager Processing Operations
Revision Date:	November 15, 2013

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General

The American electorate votes on numerous political offices and issues. Citizens cast ballots every 4 years for president, every 2 years for one-third of the U.S. senators and all members of the House of Representatives, and at varying frequencies for governorships and other state, county, and local offices and referenda measures. During the period preceding local, state, and national primaries, special elections, and general elections, the Postal Service accepts and delivers many political campaign and message mailings, frequently in large quantities. These mailings are made up by individual candidates and their campaign organizations, as well as by local, state, and national committees of political parties.

Purpose

The purpose of this Standard Operating Procedure (SOP) is to define and establish the procedure to receive, process, and deliver Political Campaign and Message Mail.

Identifying Political Campaign Mail

- Any material accepted for mailing at First-Class Mail or Standard Mail postage rates that is mailed for political campaign purposes by a registered political candidate, campaign committee, or committee of a political party is classified as a political campaign mailing. This type of mailing normally uses the address of a candidate's campaign committee or the committee of a political party as the return address. Do not confuse political campaign mailings with official mailings by members of Congress under congressional franking privileges.
- An individual or organization recognized as such by the appropriate governmental election control authority is considered to be a registered political candidate or party.
- A qualified political committee for the purpose of eligibility for Nonprofit Standard Mail rates as follows:
 - a. The term qualified political committee means:
 - A national committee of a political party.
 - A state committee of a political party.
 - The Democratic Congressional Campaign Committee.
 - The Democratic Senatorial Campaign Committee.
 - The National Republican Congressional Committee.
 - The National Republican Senatorial Committee.
 - b. The term national committee means the organization that, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the national level.
 - c. The term state committee means the organization that, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the state level.

Postage for political campaign mail can be paid by permit, postage indicia, postage meter, or stamps affixed to each mail piece. Mailing by qualified political committee often bear endorsements such as "Paid for by (committee) and authorized by (candidate)."

Processing Operations SOP: Political Campaign and Message Mail

A qualified political committee can be eligible for nonprofit Standard Mail rates. The name and return address of the qualifying organization must appear either on the outside of the mailpiece or in a prominent location on the material being mailed at the Nonprofit Standard Mail rates.

Identifying Political Message Mail

Effective June 26, 2012, the U.S. Postal Service is expanded the use of Tag 57 to include *political message mailings* from Political Action Committees (PACs), Super-PACs, or other organizations engaged in issue advocacy or voter mobilization

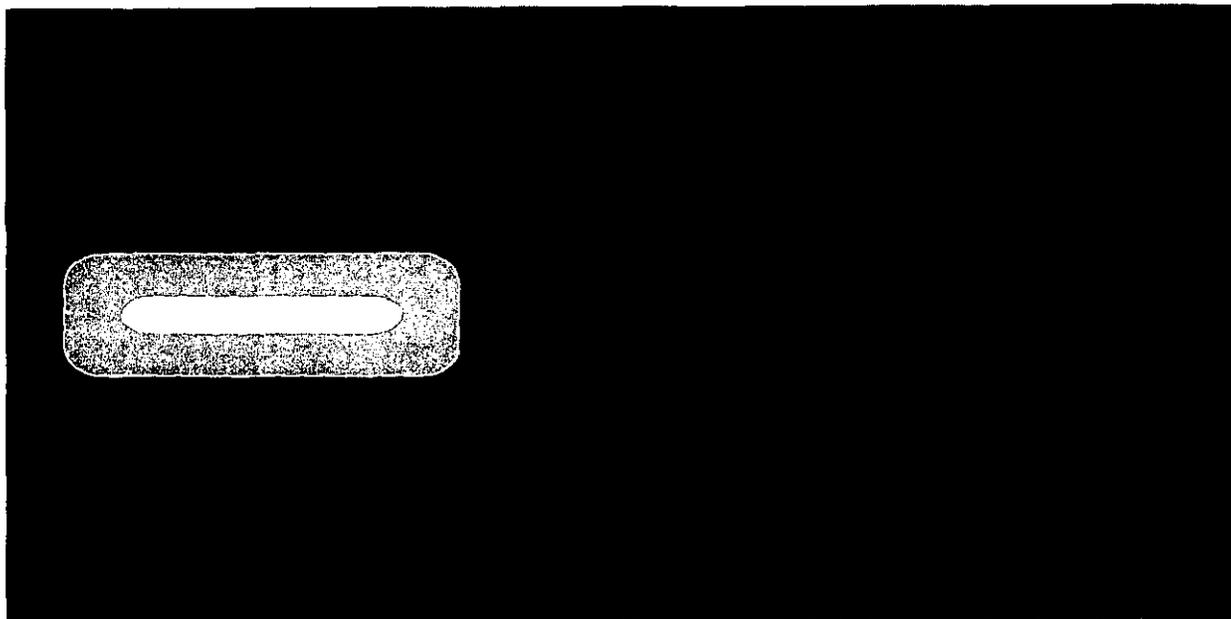
The DMM will remain unchanged. Eligibility rules remain unchanged. This expanded use of Tag 57 is for operational purposes only.

Use of Tag 57

Tag 57 can be used for any political campaign mailing by a registered political candidate, campaign committee, and committee of a political party, *or a political message mailing by a Political Action Committee (PAC), Super-PAC, or other organizations engaged in issue advocacy or voter mobilization.*

Mail from organizations, such as labor unions, religious groups, retiree associations, and others that endorse specific candidates or political issues is not political campaign mail. However, this mail is considered "political message mail" and can be identified with Tag 57 for processing.

The use of Tag 57 is optional, but the Postal Service does encourage mailers to use the tag to identify trays and sacks of political campaign mail and political message mail while it's in the mail stream.



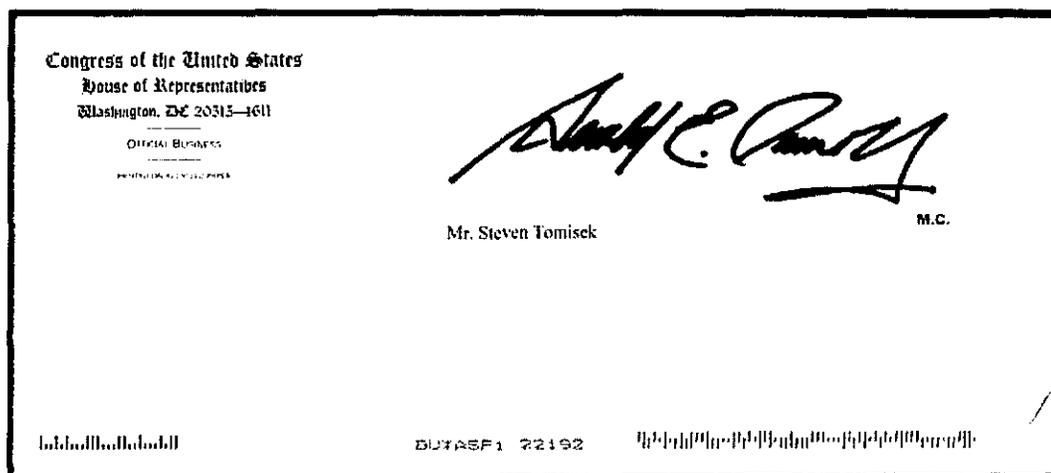
Identifying Franked Mail

Franked Mail, also referenced as Congressional Mail, is defined as official mail sent **without** postage prepayment, which can be utilized by Members and members-elect of Congress, the Vice-President, and other authorized individuals. Franked Mail is identified by the facsimile signature of the Member of Congress in the upper right corner of the envelope or franked label, followed by "M.C." standing for Member of Congress, or "U.S.S." for U.S. Senate.

Franked mail can be sent as single piece or mass congressional mailings. Most mass congressional mailings are sent from Washington, DC. Members of Congress may, however, dispatch these mailings from Post Offices other than Washington, DC. Members of Congress occasionally enter mass mailings at local Post Offices outside Washington, DC. Members or their vendors must submit a PS Form 3615, *Mailing Permit Application and Customer Profile*, to the entry Post Office when the first franked mass mailing is made there.

Franked Mail Envelopes – It is permissible for congressional offices to secure their franked envelope to various other envelopes or packaging, when placing items in the mailstream. If such an item is identified, do not return it to the congressional office and do not detain it unless there is a question of mail security.

Congressional mass mailings do **not** receive a PS Tag 57: *Political Campaign Mailing*, which is used to identify Political Campaign Mail. PS Tag 11, *Congressional Mail*, "Postmaster — Open and Distribute" is used on all sacks or trays of congressional mail. This tag helps identify the franked congressional mailing as it moves through the mailstream.



Example of a franked mail envelope.

Franking Blackout Period – With the exception of individual piece mailings and those in response to a request, Members of Congress who are seeking re-election are prohibited from sending franked mass mailings during the designated "Franking Blackout" period before Election Day, whether primary, special, or general election.

For Members of the House of Representatives who are seeking re-election, the Franking Blackout period is 90 days before an election. For example, for the General Election on November 4, 2014 the Franking Blackout period begins August 6, 2014 and extends through Election Day.

Processing Operations SOP: Political Campaign and Message Mail

For Member of the Senate who are seeking re-election, the Franking Blackout period is 60 days before an election. For a primary election scheduled on June 3, 2014, the Franking Blackout Period would begin April 4, 2014.

As noted above, this does **not** include individual piece franked mailings. If you receive a mass franked mailing with PS Tag 57 in your unit, please contact your supervisor or BME Manager. If there are indications of abuse, local management may escalate the issue by making a copy of the mailing and submitting a completed Issue Report to the District Election and Political Mail Coordinator.

Detention of Franked Mail – Employees should be aware that Franked Mail is **not** to be detained. In 2009, the Postal Operations Manual (POM) was revised to give specific guidelines concerning how to handle this mail in response to an incident where a franked mailing was improperly detained. It is important that these guidelines are adhered to in order to ensure there are no delays when dealing with Franked (Congressional) Mail. With the exception of mail security, Franked Mail must be dispatched and delivered as addressed. If there are indications of abuse of the franking privilege, this must be reported to the Pricing and Classification Service Center (PCSC), who will in turn refer the case to the Postal Inspection Service and Government Relations, Headquarters.

Postal Service Responsibility

The Postal Service is responsible for providing information to assist in the knowledgeable preparation and deposit of political campaign and message mailings, as well as for the proper acceptance, processing, delivery, and recording of these mailings. Our job is to ensure that each mailing is handled properly and with equal care and attention. Be alert for the red Tag 57. We must expedite any political campaign and message mailings through our operations.

Handling of Undeliverable as Addressed Mail

- If a significant amount of a Political Mailing (greater than 20% of a total mailing) is received that is undeliverable as addressed, postmasters must inform the applicable campaign office before any action to dispose of such mail. Postmasters should also coordinate any such situations with their Area Political Campaign Mail Coordinator.
- If a significant amount of a Political Mailing is identified at a PARS/CLOSS site as undeliverable and assigned to waste, the site PARS Coordinator must submit an Issues Report to the District Election and Political Mail Coordinator(s). Submit the Issues Report to the assigned coordinators with a digitized copy of the individual mailing attached and include a brief description of the issues and approximate volumes. Each processing facility will determine the parameters defining significant amounts based on their average daily mail volumes and waste levels.

Processing Operations SOP: Political Campaign and Message Mail

Political Mail Log**PROCESSING & DISTRIBUTION ELECTION AND POLITICAL MAILING LOG**PLANT NAME &
LOCATION: _____

Name of Political Group (sender) Permit #	No Pieces	Date/Time Received	Description of Mailing - Class Letters - Flats	Election Date (if shown)	Disposition of Mailing	Accepting Employee Initials	Problem Contact/Name Title, Date & Time	Date/Time Mail Released

- All Political Mail and Election Mail must be logged through entire mail stream
- Compare logs between functions to ensure all entered mail is processed and delivered. The Operations Supervisor, or their designee, must sign the BMEU Political Mail Log when responsibility for mail is transferred.
- Clearance must be communicated with Election and Political Mail Coordinators and Teams
- Forward completed Logs to plant management & Election and Political Mail Team
- The Processing & Distribution Election and Political Mailing Log and many other Election and Political Mail materials are available at <http://blue.usps.gov/marketing/election.htm>.

Any delay in processing political campaign or message mailings must be documented.

Late Deposit

- Inform mailers attempting to deposit political campaign and message mailings that may be too late for delivery by the election date under Postal Service delivery objectives of the potential for late delivery. Document and maintain this advice.

Report of Delays

- Give immediate attention to any reported delay in processing or delivering political campaign and message mailings and fully document inquiries made and subsequent action taken.

Processing and Delivery Records

Managers, Business Mail Entry, and postmasters must keep documented records of all political campaign and message mailings that are deposited or received at their offices, with particular attention to those deposited or received too late for timely delivery.

At a minimum, these documented records must include the following:

- The name of the mailer.
- A sample, photocopy, or description of the mailing.
- The date and time the mailing was received for dispatch or delivery.
- The Election Day deadline and, if applicable, the date of requested delivery.
- If applicable, the approximate number of pieces not delivered before the Election Day deadline and/or the date of requested delivery and the reasons why delivery was not timely.
- The approximate volume of any Standard Mail consigned to waste upon instruction by the mailer.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2**

Revised: February 19, 2014

1. The following question concerns vote-by-mail materials (including absentee ballots) sent directly to voters through the Postal Service by state, county, and municipal jurisdictions (Voter Mail).
 - a. Please describe the methods (class of mail, mail product, entry method, etc.) used by voting jurisdictions to send Voter Mail to individual voters.
 - b. Please estimate the percentage of Voter Mail sent by voting jurisdictions to individual voters that is DSCF Standard Mail. Please explain the basis of the estimate and the period of time measured, *e.g.*, FY 2012.
 - c. Please describe the methods (class of mail, mail product, entry method, etc.) used by individuals to return Voter Mail to the applicable voting jurisdiction.
 - d. Describe the effect of the Load Leveling Plan on Voter Mail, if any.
 - e. How does the Postal Service plan to inform mailers that enter Voter Mail as DSCF Standard Mail of the change in service standards?

RESPONSE

- a. First-Class Mail and Standard Mail are the predominant classes. Depending on the content of a mailing, letters, flats and cards may be used to send information to voters. For First-Class Mail, either single-piece or a presort category will be used, depending on the nature of the mailing, the number of pieces mailed, the density of the mailing, and the sophistication of the voting jurisdiction's mail preparation operations. These factors also determine whether mail is entered via a Bulk Mail Entry Unit, deposited in a collection box, or presented at a retail window. For Standard Mail presented at a BMEU, volume, density and sophistication of the mail preparation operation will influence the presort category used.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2**

Revised: February 19, 2014

RESPONSE to Question 1 (continued)

- b. I am informed that in January 2014, the Postal Service implemented a method for systematically identifying mailing statements on the basis of whether they relate to Voter Mail and centrally retrieving data from those statements, similar to the system in place for Election Mail. Accordingly, the new Voter Mail data retrieval system is not populated with historical mailing statement data that would permit generation of information similar to the Political Mail data provided in response to Question 7(a) of POIR 1.
- c. Single-piece First-Class Mail is the predominant method, with postage affixed by the mailer/voter. Some jurisdictions provide voters with Business Reply envelopes. Otherwise, some voters may elect to use Priority Mail or Priority Mail Express.
- d. No impact is anticipated on mail sent by voters as described in part (c), or on First-Class Mail sent by elections board or political campaign organizations to voters. DSCF Standard Mail entered on Fridays or Saturdays by these latter entities would be subject to the service standard changes associated with the Load Leveling initiative. DSCF Standard Voter Mail entered on Friday will be expected to be delivered by the following Tuesday. DSCF Standard Voter Mail entered on Saturday will be expected to be delivered by the following Wednesday. Please also see my response to Question 7(b) of POIR 1. As is the case today, local postal managers will apprise election boards and political campaign organization mailers of the priority of dispatch and processing

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2**

Revised: February 19, 2014

RESPONSE to Question 1 (continued)

associated with the mailers' choice between First-Class Mail and Standard Mail, and will endeavor to provide service to those who choose DSCF Standard Mail that is consistent with the service standards applicable to that product and the preferential status of First-Class Mail.

- e. Please see pages 18-20 of my testimony, USPS-T-1. In addition to the Federal Register notice informing the general public of any final rule change, I am told that a headquarters Elections Mail Steering Committee will be meeting to coordinate communications from each postal administrative district to local Postal Customer Councils (to which many local elections boards belong), and to work with the headquarters Consumer and Industry Affairs department and the Mailing Services department to disseminate information to local elections boards and election campaign mailers through our Business Services Network, our Rapid Information Bulletin Board System, and local Bulk Mail Entry Units.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO INTERROGAOTRY OF THE PUBLIC REPRESENTATIVE**

PR/USPS-T1-25

The Postal Service recently announced plans to delay Phase 2 of its Network Rationalization Initiative.

...

- b. Please discuss and explain in detail the interaction between the Load Leveling Initiative and Mail Processing Network Rationalization (MPNR).

...

- c. Did Phase 1 of MPNR impact the volume of mail delivered on Mondays? Please identify, describe, and provide all documents detailing the impact of Phase 1 of MPNR on the percentage of volume delivered on Mondays.
- d. Is Phase 2 of MPNR expected to impact the volume of mail delivered on Mondays to meet service standards? Please identify, describe, and provide all documents detailing the impact of Phase 2 of MPNR on the percentage of volume delivered on Mondays.
- e. Did Phase 1 of MPNR impact the percentage of carriers on the street after 1700? Please identify, describe, and provide all documents detailing the impact of Phase 1 of MPNR on carriers working after 1700.
- f. Will Phase 2 of MPNR impact the percentage of carriers on the street after 1700? Please identify, describe, and provide all documents detailing the impact of Phase 2 of MPNR on carriers working after 1700.

RESPONSE

- (b) Load leveling will take place among the mail processing plants and delivery units within the postal network that play a role in processing or delivering DSCF Standard Mail. The Mail Processing Network Rationalization initiative is intended to consolidate mail processing plant operations to make them more efficient overall, and will reduce the number of mail processing plants within the postal network. The opportunity to meet service expectations in the more efficient network that will emerge from MPNR will be enhanced by the implementation of load leveling, since it gives plant managers greater operational flexibility with

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE
TO INTERROGAOTRY OF THE PUBLIC REPRESENTATIVE**

Response to PR/USPS-T1-25 (continued)

respect to DSCF Standard Mail during the same time of the week that there is more DSCF Standard Mail volume on hand to process. And, as explained in my response to PR/USPS-T1-5, application of Lean Mail Processing principles throughout the mail processing network will help improve the staging and transfer of mail between operations.

The Postal Service has not performed analysis in connection with the network rationalization initiative reviewed by the Commission in Docket No.

N2012-1 that is designed to or would shed light on whether:

- (c) implementation of Phase 1 of the initiative has had or is having an impact on the volume of mail delivered on Mondays; or
implementation of Phase 1 of the initiative has had or is having an impact on the percentage of mail delivered on Mondays; or
- (d) implementation of Phase 2 of the initiative will have any impact on the volume of mail delivered on Mondays;
implementation of Phase 2 of the initiative will have any impact on the volume of mail delivered on Mondays within the applicable service standard;
- (e) implementation of Phase 1 of the initiative has had or is having an impact on the percentage of carriers on the street after 5:00pm; or
- (f) implementation of Phase 2 of the initiative will have any impact on the percentage of carriers on the street after 5:00pm.

Accordingly, there are no documents responsive to portions (c)-(f) of the interrogatory.

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

DSCF STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

DECLARATION OF LINDA M. MALONE

I, Linda M. Malone, hereby declare under penalty of perjury that:

The designated responses to written interrogatories and information requests filed under my name, and their associated library references, were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in these interrogatories and information requests, my answers would be the same.



Linda M. Malone

2/12/2014

Date

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

DSCF Standard Mail Load Leveling

Docket No.N2014-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS MARK H. ANDERSON
(USPS-T-2)

Party

Interrogatories

Postal Regulatory Commission

PRC/USPS-T2- POIR No.1 - Q8

Public Representative

PR/USPS-T2-1, 2a-b, 3-6
PRC/USPS-T2-POIR No. 1 – Q8

Respectfully submitted,


Shoshana M. Grove
Secretary

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE
WITNESS MARK H. ANDERSON
(USPS-T-2)

Interrogatory

Designating Parties

PR/USPS-T2-1
PR/USPS-T2-2a
PR/USPS-T2-2b
PR/USPS-T2-3
PR/USPS-T2-4
PR/USPS-T2-5
PR/USPS-T2-6
PRC/USPS-T2- POIR No.1 - Q8

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2- 1

On pages 1-2 of your testimony, you describe the postal demographics of the South Jersey District.

- a. How do these demographics make the results of the South Jersey Operations Test representative of the likely effects of a nationwide implementation of load level planning?
- b. In what ways do the postal demographics of the South Jersey District fail to be representative of the nation as a whole?

RESPONSE

a-b. The purpose of the description of the South Jersey District in my testimony was to provide background and context to the South Jersey Operations Test, and this description was not included to provide any representation of the South Jersey District to the nation as a whole. The Postal Service's choice for the South Jersey District in which to conduct the South Jersey Operations Test is described on page 12 of the testimony of witness Malone (USPS-T1).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2- 2

On page 4 of your testimony, you discuss the reduction in overtime hours and carriers out past 1700 on Mondays in Ocean City during the South Jersey Operations Test, as compared to the previous week.

- a. How do mail delivery volumes in the South Jersey District's tourist communities, like Ocean City, generally change in the weeks that follow Labor Day weekend each year?
- b. Please provide a comparison of carrier overtime hours and carriers out past 1700 on Mondays during the South Jersey Operations Test and during the dates September 12, 2012 and September 27, 2012.
- c. Please provide USPS-LR-N2014-1/2 DOIS data by day of the week from August 1, 2012 to September 30, 2012, in the same format as File "SJ F2 Results.xls" tab "Data". Please provide this data disaggregated by route.

RESPONSE

a. The delivery volumes in the South Jersey District's tourist communities, like Ocean City, generally remain constant in the weeks that follow Labor Day weekend each year.

b. In consultation with the Public Representative, she clarified to Postal Service counsel that she was not requesting data for September 12, 2012, and September 27, 2012, but was in fact requesting data for the Mondays between those dates, September 17, 2012, and September 24, 2012. Those data are included in the table below.

Date	Carrier Overtime Hours	Carriers Out Past 1700
September 17, 2012	14.41	6
September 24, 2012	1.40	0
September 16, 2013	2.09	0
September 23, 2013	3.10	0

c. This interrogatory subpart has been redirected to the Postal Service for an institutional response.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2-3

On pages 6 of your testimony, you stated that “[c]ertain locations indicated that the increase in Tuesday Standard Mail volume resulted in increased Tuesday workload” and explained that “Postal Service management in the South Jersey District will evaluate the qualitative information received about Tuesday workload with the quantitative data to ensure balanced delivery loads.”

- a. Please identify, describe, and provide all documents detailing the qualitative information received about Tuesday workloads during the South Jersey Operations Test.
- b. Please identify, describe, and provide all documents detailing the quantitative data concerning Tuesday workloads during the South Jersey Operations Test.
- c. Has Postal Service management in the South Jersey District evaluated the qualitative information received about Tuesday workloads with the quantitative data from the South Jersey Operations Test?
- d. If your response to part (c) is in the affirmative, please identify, describe, and provide all documents related to that evaluation.
- e. If your response to part (c) is in the negative, when does the Postal Service management in the South Jersey District expect to conduct the evaluation of the qualitative and quantitative information concerning Tuesday workloads during the South Jersey Operations Test?

RESPONSE

a-b. In addition to that information already provided in the testimonies of witnesses Malone and Anderson and USPS-LR-N2014-1/2, qualitative information received about and quantitative data concerning Tuesday workload during the South Jersey Operations Test is provided in the attachment to this response.

c. The Postal Service has begun an informal evaluation of the information received about Tuesday workloads during the South Jersey Operations Test.

d. I have no documents responsive to this request.

e. Not applicable.

Pluses and Delta's and Comments from the Load Leveling Test Period

Load Leveling Plus & Delta

PLUS	DELTA
Mail flow good, even. Not large variation in actual workhours	Tweak mail flow Mon / Tues
Reduced 1700. Good mail flow in DPS	Even out Flats on Mon / Tues
Change in attitude in Mgrs/Clerks/Carriers	Some anomalies – mail spike on Saturday
Hours kept in check	Political Mail
Eliminated variation in actual hrs	FSS – Bombed on Tuesday. Need to put more mail in FSS
Good getting Standard Mail in attention	Spiking in volume from Tues to Wed.
Getting carriers back	Heavy flats on Tues – needs tweak between Mon/Tue
Monday is good some OT and workhours	Monday very light
	Very heavy presort on Tuesday
Good attitude of employees	Too light on Monday – Heavy on Tuesday
No OT	Would like to be able to curtail mail
Positive with the employees	Slammed with flats on Tuesday
Good to receive mail in PM	Load leveling is not permanent
Clerks very happy with Monday Flow	
Easier to manager carriers	
Carriers getting off clock earlier	
Mail in PM excellent	

The two week load leveling test period was a success story. Savings was realized during both weeks and all parties (Management and craft) commented repeatedly that the only negative was that the process had to end after two weeks. Shown above are the pluses and deltas from the involved offices. This exercise was conducted during one of our daily telecom that was held to track and monitor performance during the test period. Listed below are some quotes and feedback from offices involved in the test period.

“Tuesdays were busier but no problem. Liked coming to work on Mondays.”

Carrier from Blackwood

“Process worked great. Always fell behind on Mondays and worried about getting the carriers out on time.”

Clerk from Blackwood

"I liked it. I felt it made Mondays manageable and not overwhelming. Tuesday felt like the new Mondays, but not as bad. I like having the workload more even throughout the week."

Carrier from Blackwood

"I Loved it. I really liked the evenness for the rest of the week."

Rural carrier from Blackwood

Feedback from offices during the test period

Blackwood

Yesterday was another successful Monday due to Load Leveling.

DPS was 22% lighter than normal.

Flats were 30% lighter than normal.

1700 = 4 carriers back after 1700, but we had 3.5 open routes.

Today, Tuesday, September 24, 2013:

Significantly higher DPS volume and flats. [name of mailer] was in DPS with IHD from Sept. 24 – 26

65% more DPS today, compared to DPS last Tuesday.

35% heavier presort standard flats today as well.

A late mailing [name of mailer], full coverage set with an IHD of Monday, Sept. 23 came with a green placard for today.

We also received another full coverage mailing – [name of mailer]

Suggestion – Have plant check the IHD's on mailings. We would have rather received the [name of mailer] yesterday and the name of mailer] tomorrow (Wednesday), which would have helped level the load on Monday, Tuesday and Wednesday.

Ocean City

These are our thoughts on the first week of the Load Leveling Pilot Program. Our greatest impact was Monday, We saved hours in F2 on Monday, had less hours of Overtime and no carriers past 1700. The week before on Monday we had 9 past 1700 and 14 hours of OT due to the heavy volume. As of Friday we had (0) carriers past 1700 for the 1st week of the Load Leveling Pilot opposed 17 the previous week. Ocean City experience a great mail flow with no major variation of mail which was very close to the carriers reference volume on the DOIS workload report for each route opposed to the high and low days which would cost us overtime and 1700 issues. Carriers are getting out earlier due to the advancement of mail from the previous night. In F4 it was a great to have mail to be put around at night which improved our morning operation to get all

the mail to the carriers earlier. In Ocean City case, this has been a total success and hope to do better next week.

Voorhees

Getting the less presort standard flats and reasonable amount of DPS on Monday was a huge help in cutting the unnecessary overtime down and getting the carriers back before 17:00. The first Monday of the test was unbelievably lighter than the normal Mondays and the clerks and carriers were very happy to see less standard mail to work. On the other hand the Tuesday volume was higher than the other Tuesdays and kept carriers fully busy. The leveling of the workload between Monday and Tuesday was a big morale booster for the clerks and carriers because the workload was just right on both days. It will boost the customer's satisfaction because they will get their mail delivered by 17:00 on Mondays.

The delivery supervisor also liked the evenly distributed workload between Monday and Tuesday.

Leveled workload on Monday helped in cutting down on the request for help from non OT list carriers. These carriers were happy that they had enough to keep them busy on Tuesday and they did not have to do too much under time on other routes. It cuts down on grievance activity.

Few of our carriers asked today if we can just keep on going with this test. If that's not possible when will the loads leveling actually be implemented.

I am hoping that the results of this test will show that there are huge saving to be realized by implementing the load leveling practices.

Woodbury

The first week was very successful here in Woodbury NJ 08096. I am going to comment about a few things about service commitments:

1. We did not change our start times for our carriers
2. We had no 1800 issues all week
3. Very few 1750 issues all week
4. 77 less 1700 issues all week(147 the week before to 70 this past week)

Overall we used less hours, less overtime, no penalty, maintained the same productivity, had our carriers off the street earlier, and provided better service to our customers.

All of the carriers responses were positive (all wish this would continue)

The biggest success to this story is the volume, no big spikes level through the whole week. This allowed to deliver relatively the same volume us to deliver more parcels and use less hours.

Voorhees PO-Regular hours and overtime hours for delivery operations and city carriers past 1700

Sept 7-13		City Carriers Work Hours						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Voorhess	181.78	208.80	183.86	184.01	197.08	194.73	1150	

Sept 7-13		City Carriers Overtime Hours						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Voorhess	25.32	40.8	4.57	13.62	30.47	37.79	153	

Sept 14-20		City Carriers Work Hours						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	177.66	192.29	191.83	185.28	192.35	180.32	1120	

Sept 14-20		City Carriers Overtime Hours						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	17.77	4.52	5.61	2.13	10.34	12.51	53	

Sept 21-27		City Carriers Work Hours						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	177.16	190.84	200.54	188.55	197.51	200.46	1155	

Sept 21-27		City Carriers Overtime Hours						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	3.24	4.19	5.69	10.35	21.84	14.84	60	

Sept 7-13		Carriers Returning After 17:00						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Voorhess	10	13	1	7	12	6	49	

Sept 14-20		Carriers Returning After 17:00						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	5	0	2	0	7	2	16	

Sept 21-27		Carriers Returning After 17:00						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Voorhess	0	0	0	6	14	7	27	

Ocean City PO-Regular hours and overtime hours for delivery operations and city carriers past 1700

Sept 7-13		City Carriers Work Hours						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Ocean City	158	172	157	165	158	158	967	

Sept 7-13		City Carriers Overtime Hours						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Ocean City	12.98	14.75	0.03	0.81	4.46	16.05	49	

Sept 14-20		City Carriers Work Hours						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	153	151.66	161.04	166.57	159.16	151.32	943	

Sept 14-20		City Carriers Overtime Hours						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	4.44	2.09	2.13	0.38	7.82	6.17	23	

Sept 21-27		City Carriers Work Hours						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	158	151.5	158.21	155.75	158.4	161.08	943	

Sept 21-27		City Carriers Overtime Hours						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	4.55	3.1	6.5	7.87	3.41	11.66	37	

Sept 7-13		Carriers Returning After 17:00						
1700	7-Sep	9-Sep	10-Sep	11-Sep	12-Sep	13-Sep	Total	
	SAT	MON	TUE	WED	THUR	FRI		
Ocean City	6	9	0	0	1	1	17	

Sept 14-20		Carriers Returning After 17:00						
Test-1st Wk Var	14-Sep	16-Sep	17-Sep	18-Sep	19-Sep	20-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	0	0	0	0	0	0	0	

Sept 21-27		Carriers Returning After 17:00						
Test-2nd Wk Var	21-Sep	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	Total	
	SAT	MON	TUE	WED	THU	FRI		
Ocean City	0	0	0	4	0	0	4	

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2-4

On page 7 of your testimony, you state “[i]f implemented, the proposed Load Leveling Plan would result in increased productivity and cost savings throughout the South Jersey District.”

- a. Please identify, describe, and provide all documents detailing the Postal Service’s projected productivity gains and costs savings for the South Jersey District if the proposed Load Leveling Plan is implemented.
- b. Please identify, describe, and provide all documents detailing the productivity gains and cost savings that occurred in the South Jersey District during the South Jersey Operations Test.

RESPONSE

a-b. It is anticipated that the productivity gains experienced during the South Jersey Operations Test will recur when the Load Leveling Plan is implemented. As explained in my testimony, productivity is expected to increase as a result of better scheduling, additional equipment availability and more effective mail staging. The Postal Service has not conducted a formal cost savings analysis but as productivity increases and both regular and overtime work hours decrease, the Postal Service expects cost savings will result.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2-5

In response to PR/USPS-T2-3, you explain that “[t]he Postal Service has begun an informal evaluation of the information received about Tuesday workloads during the South Jersey Operations Test.”

- a. Please describe the Postal Service’s methodology and approach to the informal evaluation.
- b. Please provide the date by which you expect the informal evaluation to be completed.
- c. If the informal evaluation has been completed, please describe the results, recommendations, and conclusions.
- d. Please describe how the Postal Service plans to implement any recommendations/changes that result from the informal evaluation.

RESPONSE

a-d. The informal evaluation to which I refer consists of ongoing discussions among my mail processing and delivery managers about whether the Tuesday workloads we experienced during the South Jersey Operations Test would warrant implementation of any measures we do not already employ when we face higher than usual Tuesday volume.

The phenomenon of increased Tuesday volume above the normal mail flow is not new. We got our first sense of what it might be like on a regular basis as a result of Load Leveling. In the South Jersey District, we expect Load Leveling means that future Tuesdays may have more volume than what we are accustomed to processing and delivering on that day than in the past. Accordingly, our charge in the South Jersey District will be to take the resources already available to us and apply them on Tuesdays to efficiently manage any possible increase in Tuesday volume and focus on maintaining and improving service.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

Putting aside equipment failures, transportation mishaps, and our inability to control the weather, we have observed nothing so far that suggests we will not have the resources in place to manage foreseeable circumstances. Additionally, we think that being in the forefront on Lean Mail Processing helps position us to be prepared to handle any possible increase in Tuesday volume.

My understanding is that Headquarters is planning to draw upon all of the testing in order to identify ways to make the national implementation as smooth as possible.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PUBLIC REPRESENTATIVE INTERROGATORY**

PR/USPS-T2-6

In response to PR/USPS-T2-3, you attached qualitative information and quantitative data received concerning Tuesday workloads during the South Jersey Operations Test.

- a. Were only selected offices chosen to provide feedback concerning the South Jersey Operations Test?
- b. If the answer to part a is in the affirmative, how were those offices selected?
- c. Please identify, describe, and provide all documents detailing any qualitative information and quantitative data resulting from the South Jersey Operations Test that concern matters other than Tuesday workloads.

RESPONSE

- a. No. All facilities participating in the South Jersey Operations Test were provided an opportunity to provide feedback. The feedback included in my response to PR/USPS-T2-3 consisted of the written summaries provided by the facilities that participated in the South Jersey Operations Test. It is not unusual for facilities that experienced no operational issues during the South Jersey Operations Test to not take advantage of the opportunity to provide feedback. However, if a facility experienced some operational mishaps during the South Jersey Operations Test, it would be likely that such facilities would take the opportunity to direct my attention to their concerns.
- b. Not applicable.
- c. I have no documents responsive to this request.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS ANDERSON
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

8. Witness Anderson states (USPS-T-2 at 3-4) that the South Jersey Operations Test increased productivity. Please provide all quantitative data that support the statement regarding the increased productivity (disaggregated by mail processing, transportation, and delivery operations, if possible).

RESPONSE

Earlier statements that the South Jersey Operations Test improved productivity are based on anecdotal summaries, included as an attachment to the Postal Service's Response to PR/USPS-T2-3a-b, and quantitative data sponsored by Witness Malone in library references USPS-LR-N2014-1/2 and USPS-LR-N2014-1/NP3.

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

DSCF STANDARD MAIL LOAD LEVELING

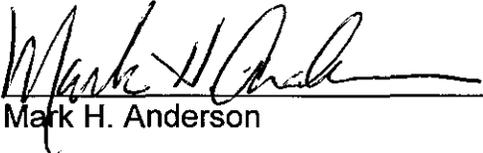
Docket No. N2014-1

DECLARATION OF MARK H. ANDERSON

I, Mark H. Anderson, hereby declare under penalty of perjury that:

The designated responses to written cross-examination filed under my name were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in the interrogatories, my answers would be the same.


Mark H. Anderson

2/14/14
Date

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

DSCF Standard Mail Load Leveling

Docket No.N2014-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION
OF UNITED STATES POSTAL SERVICE

Party

Interrogatories

Postal Regulatory Commission

DBP/USPS-1-7
PRC/USPS-T1-POIR No.1-Q3 redirected to
USPS
PRC/USPS-T1-POIR No.1 -Q5a redirected to
USPS
PRC/USPS-T1-POIR No.1-Q5b redirected to
USPS
PRC/USPS-T1-POIR No.1 - Q5b redirected to
USPS
PRC/USPS-T2-POIR No.1 - Q6 redirected to
USPS
PRC/USPS-POIR No.1 - Q9
PRC/USPS-POIR No.1 - Q10

Public Representative

PR/USPS-T1-20(b), 21, 24(e), 26, 28, 29
redirected to USPS
PR/USPS-T2-2(c) redirected to USPS
PRC/USPS-T1-POIR No.1 - Q3 redirected to
USPS
PRC/USPS-T1-POIR No.1 - Q5a redirected to
USPS
PRC/USPS-T1-POIR No.1 - Q5b redirected to
USPS
PRC/USPS-T2-POIR No.1 - Q6 redirected to
USPS
PRC/USPS-POIR No.1 - Q9
PRC/USPS-POIR No.1 - Q10

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shoshana M. Grove". The signature is written in a cursive style with a long, sweeping underline.

Shoshana M. Grove
Secretary

INTERROGATORY RESPONSES OF
UNITED STATES POSTAL SERVICE
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory

Designating Parties

DBP/USPS-1	PRC
DBP/USPS-2	PRC
DBP/USPS-3	PRC
DBP/USPS-4	PRC
DBP/USPS-5	PRC
DBP/USPS-6	PRC
DBP/USPS-7	PRC
PR/USPS-T1-20b redirected to USPS	PR
PR/USPS-T1-21 redirected to USPS	PR
PR/USPS-T1-24e redirected to USPS	PR
PR/USPS-T1-26 redirected to USPS	PR
PR/USPS-T1-28 redirected to USPS	PR
PR/USPS-T1-29 redirected to USPS	PR
PR/USPS-T2-2(c) redirected to USPS	PR
PRC/USPS-T1- POIR No.1 - Q3 redirected to USPS	PR, PRC
PRC/USPS-T1- POIR No.1 - Q5a redirected to USPS	PR, PRC
PRC/USPS-T1- POIR No.1 - Q5b redirected to USPS	PR, PRC
PRC/USPS-T2- POIR No.1 - Q6 redirected to USPS	PR, PRC
PRC/USPS- POIR No.1 - Q9	PR, PRC
PRC/USPS- POIR No.1 - Q10	PR, PRC

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-1

Please confirm, or explain if you are unable to confirm, that the changes proposed in this proceeding relate only to turnaround mail that is deposited at a single P&DC for delivery at associated offices served by that P&DC.

RESPONSE

Not confirmed. "Turnaround mail" usually refers to mail that is collected from multiple locations within the service area of a processing facility, processed and sorted at that facility, and then delivered to addresses within its service area. In that sense, DSCF Standard Mail is not "turnaround mail." Everything after the word "turnaround" in the question would be a fair attempt to describe the Standard Mail affected by the proposed change.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-2

Please confirm, or explain if you are unable to confirm, that when this DSCF mail is accepted at the P&DC it will have a colored tag associated with it to indicate the delivery date based on the existing service standards.

RESPONSE

Not confirmed. The mail is not necessarily tagged when it is presented for acceptance. A tag is applied by the Postal Service after the mail has been accepted.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-3

Please confirm, or explain if you are unable to confirm, that if the service standards calculate out to fall on a holiday, the DSCF mail will then be coded to the following date.

RESPONSE

Not confirmed. However, mail processing personnel guided by the *First In, First Out* principle, which drives the Color Code Policy, are expected to give priority in dispatch, processing and delivery to mail with the earlier expected delivery day (as represented by the affixed color coded label) as they conduct operations affected by a holiday or other non-delivery day.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-4

Please confirm, or explain if you are unable to confirm, that under normal conditions, the DSCF mail will be held at the P&DC until the scheduled delivery date at which point it will be processed as DPS mail along with First-Class Mail which will be required to be delivered that day.

RESPONSE

Not confirmed. Normal conditions can also include dispatching bundles of DSCF-entered walk-sequenced mail to delivery units in advance of the third day after acceptance.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-5

Under what conditions, if any, will this DSCF mail be processed earlier or later than the scheduled delivery date?

RESPONSE

All properly accepted DSCF is expected to receive some level of processing before the third day after acceptance, which is the last delivery day that meets the applicable service standard. Processing of properly accepted DSCF Standard Mail after that day would be the result of some operational or system failure.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-6

How does Presorted Standard Mail arriving from other P&DC facilities throughout the country integrate with the DSCF Mail?

RESPONSE

Presorted mail from other P&DC facilities will be integrated with DSCF mail via automated, mechanized or manual processing operations.

**UNITED STATES POSTAL SERVICE
RESPONSE TO DAVID B. POPKIN INTERROGATORIES**

DBP/USPS-7

How does Presorted Standard Mail originating at associated offices within the given P&DC integrate with the DSCF Mail?

RESPONSE

Presorted mail from other P&DC facilities will be integrated with DSCF mail via automated, mechanized or manual processing operations.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-20

On pages 18 through 20 of your testimony, you describe the Postal Service's planned communication efforts concerning implementation of the Load Leveling Plan.

b. What specific outreach and/or communication efforts will be made to reach smaller and/or local Standard Mailers (e.g., those mailing fewer than 100,000 DSCF Standard Mail pieces/year) before the Load Leveling Plan is implemented nationwide?

RESPONSE

(b) The Postal Service has previously used the following methods to communicate changes of this nature to interested mailers. Many of these same tools may be used to reach out to mailers affected by the DSCF load leveling program.

- Federal Register Notice (FRN)
- Media statement via USPS Corporate Communications
- National Postal Forum (NPF)
- Education Materials posted via the Rapid Information Bulletin Board System (RIBBS) website and updated/revised as appropriate:
ribbs.usps.gov
- Possibly Postal Customer Council (PCC) Workshop based on PMG Webinar currently posted on RIBBS
- Domestic Mail Manual (DMM) Advisory email blasts
- PCC Insider and PCC email blast vehicles
- PostalOne! Help Desk Distribution List
- Industry Alerts email blasts
- Direct outreach to small mailers
- Business Mail Entry Unit (BMEU) counter-level handouts and posters
- Letters to permit holder letters via partnership with Memphis National Customer Support Center
- BMEU Ambassador program

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-21

In Docket Nos. N2012-1 and N2010-1, the Postal Service detailed extensive estimates of projected cost savings expected from implementation of the related service changes. In response to PR/USPS-T1-9, you stated that “[t]he Postal Service has not performed any analysis that would provide a basis for estimating mail processing or delivery workload reductions or cost savings resulting from Load Leveling on a system-wide basis.”

- a. Please explain why the Postal Service has not performed an analysis estimating mail processing or delivery workload reductions and/or cost savings resulting from system-wide implementation of the Load Leveling Plan.
- b. Please explain whether it is feasible to estimate mail processing or delivery workload reductions and/or cost savings resulting from system-wide implementation of the Load Leveling Plan and describe in detail any methods or programs the Postal Service could use to produce such an estimate.

RESPONSE

a-b. The request seeks an advisory opinion regarding whether the proposed change in the nature of service for DSCF Standard Mail entered on Friday or Saturday would be consistent with the policies of Title 39. The nature of the change is such that the local alignment of operations at mail processing plants and delivery units throughout the network in a manner that takes into account the adjusted service standards is expected to achieve the goal of load leveling.

Though it may be ideal to some that a national cost savings estimate be generated and debated, the Postal Service is of the view that an advisory opinion regarding whether the service change comports with Title 39 can be issued without an estimate of what those cost savings are expected to be.

While it is feasible to produce some type of workload or cost savings estimate, without having conducted such a study (as the question itself notes), it

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

is difficult to provide in detail the methods for such a study. Moreover, given the limited scope of the proposed service change in this docket, particularly when compared with the service changes at issue in PRC Docket No. N2012-1 and PRC Docket No. N2010-1, it is unlikely that the cost of conducting such an extensive study would be worthwhile.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-24(E)

USPS-LR-N2014-1/6, file "1-10-14" are slides from a January 10, 2014 presentation given on the Load Leveling Plan. Slide 25 lists "Frequently Asked Questions/Concerns" including "early delivery" of mail entered on Thu/Fri/Sat and "5 Day Delivery implications."

- e. Under current practices, what percentage of DSCF Standard Mail entered on Thursday or Friday is delivered "early" on Saturday, rather than Monday?
Please disaggregate the response by entry day.

RESPONSE

- e. Based on FY13 data for Standard DSCF mail,
- 54% of mail entered on Thursday was delivered before Monday
 - 31% of mail entered on Friday was delivered before Monday

Below is disaggregated data by entry day of week:

Entry Day of Week	% Mail Delivered Before Third Day After Entry
SATURDAY	44%
SUNDAY	67%
MONDAY	80%
TUESDAY	73%
WEDNESDAY	69%
THURSDAY	54%
FRIDAY	31%
Total	56%

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-26

In USPS-LR-N2014-1/NP2, the Postal Service provided disaggregated DSCF volume data. Please provide the Service Performance Data associated with the mailing information contained in this library reference. Columns 6-13 in table below is an example of the information requested.

1	2	3	4	5	6	7	8	9	10	11	12	13
					Service Performance Information							
					Volume Delivered on							
Day of Week	Facility Name	Locale Key	Piece Count	Appointment Count	Full Service Imb Volume	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6+	Unable to Deliver
TUESDAY	Redacted	Redacted	Redacted	Redacted								

RESPONSE

The requested information is provided in USPS-LR-N2014-1/NP6.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-28

In Dockets Nos. N2010-1 and N2012-1, the Postal Service provided estimates of the impact of proposed service changes on consumer demand.

- a. Does the Postal Service anticipate that there will be volume loss due to implementation of the Load Leveling Plan?
 - i. If yes, please identify, describe, and provide all documents detailing how the Load Leveling Plan could impact consumer demand and negatively impact volume.
 - ii. If not, does the Postal Service believe that the volume loss will be *de minimus*? Please identify, describe, and provide all documents detailing how the Load Leveling Plan will not impact consumer demand.
- b. Has the Postal Service identified the customers that will be impacted by implementation of the Load Leveling Plan?
 - i. What percentage of Standard Mail DSCF Letter customers target Monday in-home dates?
 - ii. What percentage of Standard Mail DSCF Flat customers target Monday in-home dates?
 - iii. What percentage of Standard Mail DSCF Carrier Route customers target Monday in-home dates?

RESPONSE

a. The degree of any change in volume is difficult to predict, especially given the proximity to the exigent price increase. The Postal Service has communicated extensively with affected mailers, who have expressed concerns about the plan and how it might affect their business. However, the Postal Service is working with these mailers to re-organize their mailing procedure and make other adjustments so that load leveling will have little effect on their business. Because the results of these efforts and the gravity of the complaints are still uncertain, it is not possible to definitively answer whether or how much volume will be impacted.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

- i. Assuming there is an impact on volume, consumer demand could be impacted in a number of ways:
 - a. Mailers have expressed some concern that mail delivery will be less predictable with load leveling and thus mailers who require day-specific delivery would be disadvantaged. Load leveling improves predictability by reducing late mail delivery on Mondays, which throws off the 24-hour clock system with ripple effects throughout the week.
 - b. Mailers are also concerned that, in order to achieve delivery by Monday, processing demand would need to be increased so that their mail items are packaged and sent by Thursday, instead of Friday.
 - c. Some mailers have expressed concern that this will increase the potency of rival forms of advertising, such as newspaper ads, which are reliably day-specific. This could lead some mailers to go with alternate forms of distribution.
- ii. Not applicable
- b. The efforts to reach out to mailers and alleviate their concerns have been detailed in the testimony of Linda Malone, as well as in interrogatory response PR/USPS-T1-20. The Postal Service offers DSCF Standard Mail as a deferrable mail service, and not a date-specific delivery service, and thus it has no information responsive to parts i-iii.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS MALONE**

PR/USPS-T1-29

The Load Leveling Plan aims to reduce the peak load effects of Standard Mail. Please identify, describe, and provide any studies since FY 2012 that the Postal Service has conducted concerning peak load effects.

RESPONSE

The Public Representative further clarified this question to the effect that this interrogatory seeks academic studies focused on either peak load costing or peak load pricing, similar to a previous study titled "Peak-Load Pricing in Postal Services." Michael A. Crew, Paul R. Kleindorfer and Marc A. Smith, *Economic Journal*, September, 1990. The Postal Service is not aware of any internal studies of "Peak Load Effects" of Standard Mail or other mail that have been conducted since FY2012, other than the information already submitted in this docket.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS ANDERSON**

PR/USPS-T2- 2

On page 4 of your testimony, you discuss the reduction in overtime hours and carriers out past 1700 on Mondays in Ocean City during the South Jersey Operations Test, as compared to the previous week.

- a. How do mail delivery volumes in the South Jersey District's tourist communities, like Ocean City, generally change in the weeks that follow Labor Day weekend each year?
- b. Please provide a comparison of carrier overtime hours and carriers out past 1700 on Mondays during the South Jersey Operations Test and during the dates September 12, 2012 and September 27, 2012.
- c. Please provide USPS-LR-N2014-1/2 DOIS data by day of the week from August 1, 2012 to September 30, 2012, in the same format as File "SJ F2 Results.xls" tab "Data". Please provide this data disaggregated by route.

RESPONSE

- a-b. [Responses provided by witness Anderson on January 10, 2014]
- c. See USPS Library Reference N2014-1/NP7. Overtime hours are not stored in the DOIS database by route. Three tabs of data are provided in the Library Reference. The first tab "Data by Delivery Unit" provides the same data as in the file "SJ F2 Results.xls" tab "Data" disaggregated by Delivery Unit. The second tab "Data by Route Aug 2012" provides all data except for the overtime disaggregated by route and by date for the month of August 2012. The final tab "Data by Route Sept 2012" provides all data except for the overtime disaggregated by route and by date for the month of September 2012. The 2012 data are somewhat skewed due to increases in the career City Carrier workforce which increased by 57 employees in September 2012, impacting the usage of overtime. This increase was followed in 2013 by additional increases to the non-career workforce. In September 2013, the workforce decreased by 7

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY
REDIRECTED FROM WITNESS ANDERSON**

RESPONSE to PR/USPS-T2-2(c) continued

employees. This decrease would normally result in an increase in overtime to compensate; however, during the test weeks, overtime was substantially decreased.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1
REDIRECTED FROM WITNESS MALONE**

3. Library Reference USPS-LR-N2014-1/2, File: "LR-2 - SJ F2 Results-FINAL.xlsx", Worksheet: "Notes", Line: 9, states "[d]ue to volume fluctuations, the baseline week was scaled based upon [the] ratio of Total Delivered Volume between the 2 average week. The average baseline week Total Delivered Volume was 93.91% of the Total Delivered Volume in the average test week. Based upon this comparison, the hours in the average baseline week were increased prior to comparing them to the average test week's hours."
- a. Please confirm that the Postal Service adjusted the percentage of hours needed to deliver an approximate 6.49 percent increase in volume by approximately 6.49 percent.
 - b. Please confirm that the type of adjustment described in subpart "a" assumes the delivery time component is 100 percent volume variable.
 - c. Please explain whether adjusting the percentage of hours needed to deliver a set increase in volume assuming the Commission-approved delivery time volume variability factor will or will not produce a more representative result.
 - d. If using a volume variable delivery factor provides a more representative result, please reproduce the library reference using this factor.

RESPONSE

- a. Confirmed
- b. Confirmed
- c. Applying a variability is a way of capturing the characteristic of an increase in volume being associated with economies of density. However, there may be issues associated with applying a national, annual variability to weekly average volumes at a single facility. If the variabilities are applied, the office time variability should be applied to office hours and the street time variability should be applied to street hours.
- d. See library reference USPS-LR-N2014-1/17.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING
OFFICER'S INFORMATION REQUEST NO. 1
REDIRECTED FROM WITNESS MALONE**

5. Assume for the purpose of this question that a low volume mailer is one that enters mail utilizing DSCF Standard Mail and mails fewer than 100,000 DSCF Standard Mail pieces per year.
- a. What percentage of mailers utilizing DSCF Standard Mail can be considered low volume mailers?
 - b. What percentage of DSCF Standard Mail volume is accounted for by low volume mailers?

RESPONSE

(a-b)

TOTAL FY2013 STD MAIL DSCF VOLUME MAILERS					
CUSTOMERS			VOLUME		
TOTAL DSCF CUSTOMERS	LOW VOL (<100K) MAILERS	% LOW VOL of TOTAL	TOTAL DSCF VOL	TOTAL VOL for LOW VOL MAILERS	% LOW VOL PCS of TOTAL DSCF VOL
72,325	61,816	85.5%	50,684,069,145	747,571,310	1.5%

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING
OFFICER'S INFORMATION REQUEST NO. 1
REDIRECTED FROM WITNESS ANDERSON**

6. The following question concerns the service performance delivery target for DSCF Standard Mail currently subject to a 3-day service standard entered at the South Jersey Plant.
- a. Please confirm the Postal Service has a target of 90 percent for meeting its on-time delivery standard for DSCF Standard Mail.
 - b. What percentage of DSCF Standard Mail processed by the South Jersey Plant met or exceeded its service performance on-time delivery target utilizing the proposed service standards over the span of the load leveling study (please provide this data for each day of the week if available)?
 - c. What percentage of DSCF Standard Mail processed by the South Jersey Plant met or exceeded its service performance on-time delivery target for the week immediately preceding the load leveling study (please provide this data for each day of the week if available)?
 - d. What percentage of DSCF Standard Mail processed by the South Jersey Plant met or exceeded its service performance on-time delivery target for the week immediately following the load leveling study (please provide this data for each day of the week if available)?

RESPONSE

- a. For fiscal year 2013, the Postal Service target for meeting its on-time delivery standard for DSCF Standard Mail was 90 percent. For fiscal year 2014, the Postal Service target for DCSF Standard Mail is 91 percent. The South Jersey Operations Test was conducted in fiscal year 2013, from September 11, 2013 to September 26, 2013; therefore, the applicable target was 90 percent.
- b.-d. Please see library reference USPS-LR-N2014-1/NP5 for service performance measurements, by day, for the week immediately preceding the South Jersey Operations Test, the weeks during test, and the week immediately following the test.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING
OFFICER'S INFORMATION REQUEST NO. 1**

9. Please explain why a six week base period was chosen to evaluate potential delivery and mail processing savings at the South Jersey Plant, rather than one spanning a greater period of time. See *e.g.*, Postal Service Response to PR/USPS-T2-3 (A) & (B), Attachment at A-5.

RESPONSE

In evaluating the selection of a baseline period to use, the Postal Service looked at various possible time periods. Impacting the potential selection was the consolidation of Delivery Distribution Center (DDC) activities from the Pleasantville NJ DDC, Hurricane Sandy, Christmas operations, and the development and implementation of Lean Mail Processing (LMP) activities and improvements in the South Jersey P&DC. These impacts caused most of the weeks from August of 2012 through July of 2013 to be skewed. Going back to a time period more than one year prior to the test would skew data simply because of operations changes and volume losses that have transpired. As a result, the Postal Service was able to verify that the period starting in August 2013 did not have any other potential impacts which would skew the analysis. The baseline period was selected beginning with the first full processing week in August up until the beginning of the test, excluding the holiday week. The same time period was selected for the comparison of both Mail Processing and Delivery activities.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING
OFFICER'S INFORMATION REQUEST NO. 1**

10. Please provide a table comparing city carrier delivery hours, overtime hours, and volumes at the South Jersey plant for each month in calendar year 2012 to each month in 2013.

RESPONSE

Month	Calendar Year 2012			Calendar Year 2013		
	CC Delv Hrs	CC OT Hrs	CC Delv Vol	CC Delv Hrs	CC OT Hrs	CC Delv Vol
January	171,644	18,153	60,991,675	195,607	24,529	58,983,601
February	167,526	17,882	55,250,432	178,740	24,339	52,724,353
March	189,534	21,264	62,823,037	202,073	24,409	60,575,558
April	174,592	19,742	57,792,372	203,634	21,751	58,301,388
May	180,056	22,066	57,635,835	206,846	19,421	56,619,159
June	180,616	24,608	56,202,967	199,100	17,283	52,313,750
July	175,976	31,173	53,291,264	207,035	23,982	53,444,094
August	195,410	36,424	55,800,280	216,373	27,420	56,543,025
September	184,852	29,569	57,221,183	198,460	19,136	57,439,376
October	195,314	28,694	63,841,167	218,957	20,349	66,660,133
November	196,349	36,691	63,956,649	205,669	25,662	63,390,022
December	200,802	32,232	61,804,054	218,804	32,200	60,142,138

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

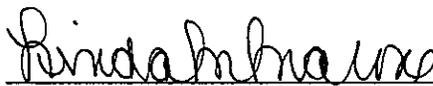
DSCF STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

**DECLARATION OF LINDA M. MALONE
REGARDING INSTITUTIONAL DISCOVERY ANSWERS**

I, Linda M. Malone, hereby declare under penalty of perjury that:

the institutional answers to interrogatories and information requests submitted on behalf of the United States Postal Service and designated as written cross-examination in this proceeding have been prepared in consultation with the individuals within the agency most knowledgeable about the matters at issue, and are true and correct to the best of my knowledge, information, and belief.



Linda M. Malone

2/12/2014

Date