

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

PERIODIC REPORTING  
(PROPOSAL TEN)

Docket No. RM2015-3

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO QUESTIONS 1-2 OF CHAIRMAN'S  
INFORMATION REQUEST NO. 1  
(November 25, 2014)**

The United States Postal Service hereby provides its responses to Questions 1-2 of Chairman's Information Request No. 1, issued November 19, 2014. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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1. The Postal Service states that in the 2014 study, the productivity values for loading and unloading tasks were significantly higher than those measured in the 2009 study. *Id.* at 5. The Postal Service also states that some of the change could be due to the Network Distribution Center (NDC) activation process because one focus of that process was the timely loading and unloading of trucks. *Id.* The Postal Service further elaborates that:

postal vehicle drivers and highway contract drivers were both regularly observed assisting mail handlers with the loading and unloading of trucks during the 2014 study, but were not observed doing so during the 2009 study. The time drivers spent assisting mail handlers was not incorporated into the productivity estimates in the 2014 study because those costs are not defined as mail processing costs.

*Id.*

Please answer the following questions regarding the proposed productivity values for loading and unloading tasks that were developed from the 2014 study.

- a. Please explain why postal vehicle drivers and highway contract drivers were regularly assisting mail handlers with the loading and unloading of trucks, as observed during the 2014 study.
- b. What portion of the “significantly higher” productivity values for loading and unloading tasks in the 2014 field study is caused by postal vehicle drivers and highway contract drivers regularly assisting mail handlers with the loading and unloading of trucks at NDCs? Please explain.
- c. Please provide productivity values for loading and unloading tasks assuming that the time drivers spent assisting mail handlers is incorporated into the productivity estimates in the 2014 study.
- d. Please explain why the time drivers spent assisting mail handlers, as observed in the 2014 study, is not related to mail processing.

**RESPONSE:**

a. Proposal Ten should have indicated that drivers were only observed assisting mail handlers with the loading and unloading of rolling stock at delivery units and P&DCs/P&DFs. Drivers were not observed assisting mail handlers with the loading and unloading of rolling stock at NDCs, or with the loading and unloading of pallets or pallet boxes at any facilities.

Mail handlers were typically observed loading rolling stock onto a general spot on the

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truck bed, or unloading rolling stock from a general spot on the truck bed. To the extent drivers were assisting with the loading process, the drivers would typically place the containers into the final position and secure the containers into place on the truck bed. To the extent drivers were assisting with the unloading process, the drivers would typically remove the securing devices and move the containers from their final resting positions to a general spot on the truck bed. In the cases where drivers were not observed assisting mail handlers, the mail handlers would have performed all the loading and unloading tasks.

b. Please see the response to 1a. Drivers were not observed assisting mail handlers with the loading and unloading process at NDCs.

c. The requested productivity values are not available because the time drivers spent assisting mail handlers was not recorded during the study due to the fact that cost segments 8 (vehicle service drivers) and 14 (purchased transportation) are not defined as being part of "mail processing."

d. The Postal Service did not state that the time drivers spend assisting mail handlers does not affect mail processing. The Postal Service stated that the time drivers spend assisting mail handlers is not defined as mail processing. The productivity values developed in the 2014 field study are used as inputs to mail flow models for the price categories that make up a given mail type (e.g., Standard Mail parcels). The model cost estimates for the price categories are used to de-average the mail processing unit cost

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by shape estimate for a given mail type into CRA-adjusted price category mail processing unit cost estimates. The mail processing unit cost by shape estimates do not contain cost segment 8 and 14 costs because those costs are not defined as being part of mail processing. Consequently, it would not make sense to rely on productivity values in the mail processing cost models that would contain any cost segment 8 and 14 costs.

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2. Please quantify the impact that the proposal will have on the workshare passthroughs for Standard Mail and Package Services. In your response, please compare the passthroughs in the 2013 Annual Compliance Determination with the revised passthroughs based on Proposal Ten.

**RESPONSE:**

The requested impacts are shown in the Excel spreadsheets attached to this response electronically, ChIR1.Q2.Prop10.Passthroughs.xls. Tabs with changes are color coded.