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

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OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Request of the UNITED STATES )  
POSTAL SERVICE For an Advisory )  
Opinion on a Change in the Nature )  
of Ordinary First-Class Mail )  
Service )

Docket No. N75-2

DIRECT TESTIMONY  
OF  
JOSEPH F. JONES

UNITED STATES POSTAL SERVICE

By:

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475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260  
May 1, 1975

## DIRECT TESTIMONY OF JOSEPH F. JONES

1           My name is Joseph F. Jones. I am the Director  
2 of the Logistics Department, Operations Group, and  
3 am responsible for planning and directing mail trans-  
4 portation, routing, and distribution systems.

5           The purpose of my testimony is to describe the  
6 proposed service improvement program that is the  
7 subject of this proceeding and to identify those  
8 reasons why the program should go forward.

### 9   The Proposal

10          At the present time, airmail service is, nominally,  
11 the fastest service, measured in days to delivery,  
12 accorded items weighing up to 9 ounces. Overnight and  
13 second day delivery standards have been established  
14 for this mail. At the present time, ordinary first-  
15 class mail, weighing up to 12 ounces is, nominally,  
16 entitled to overnight, second and third day service,  
17 pursuant to established service standards. We propose  
18 to improve the service accorded this mail to equal,  
19 or exceed the present service achievement of airmail  
20 items weighing up to 9 ounces.

### 21   Background

22          The Postal Service has traditionally tried to move  
23 ordinary letter mail with the speed of the fastest passenger  
24 travel. As a national railway network developed in the  
25 19th century, it was used as the backbone for a national

1 letter mail service which gave the fastest and most  
2 dependable service to postal customers.

3 As the airplane came into use, an additional  
4 surcharged service was offered in 1918 as an alternate  
5 for those who wished to use this specialized mode of  
6 transport to expedite their correspondence. The first  
7 regular airmail route was between Washington, D.C. and  
8 New York City. In 1919, service was established between  
9 Cleveland and Chicago, and by May 15, 1920, it was  
10 possible to send a letter by air from New York to  
11 San Francisco. The first transcontinental night flight  
12 started from San Francisco on February 22, 1921, and  
13 terminated at Hazelhurst Field, Long Island, 33 hours  
14 and 21 minutes later.

15 Transportation modes changed rapidly starting  
16 immediately after World War II, and the airplane  
17 and auto replaced the train as preferred modes of  
18 passenger travel. On October 6, 1953, a space  
19 available airlift of first-class mail was started  
20 between Washington, D. C. and Chicago and between  
21 New York City and Chicago. This provided service  
22 equal to that achieved using rail transportation. In  
23 February of 1954, the experimental service was  
24 expanded to first-class mail moving between Chicago  
25 and Florida; New York City and Florida; and Washington, D.C.

1 and Florida. The first-class mail exchanged between  
2 principal cities along the West Coast was transported  
3 by space available airlift starting on September 8, 1954.  
4 These experimental airlifts proved successful in giving  
5 delivery service which equalled or surpassed former  
6 surface transportation. The space available program  
7 was implemented on a nationwide basis in 1967. A  
8 network of local service airlines covering twenty-three  
9 states was included in the first-class airlift to  
10 complement the primary moves.

11 As the decline in rail service schedules continued,  
12 more first-class mail moving over longer distances  
13 shifted to space available air transportation. This  
14 was complemented by development of an extensive  
15 contract air taxi mail network to insure proper  
16 service standards for mail. The air taxi mail trans-  
17 portation network now operates over 21,000,000 miles  
18 a year between 778 air stop points.

19 Recent events have accelerated the movement to  
20 air transportation for first-class mail. To strengthen  
21 achievement of service standards, transportation of  
22 first-class mail by air was upgraded to a positive  
23 priority basis on October 13, 1973.

24 Containerized movement of first-class mail by  
25 air was instituted on March 28, 1973, and has since

1 been rapidly expanding. Containerized movement  
2 regularizes mail flow, improves security and lessens  
3 damage to mail in transit.

4 During fiscal year 1974, approximately 473 million  
5 pounds of first-class mail were airlifted. At an  
6 average weight of one-half ounce a piece, this is  
7 equivalent to 15.2 billion pieces of mail or nearly  
8 30% of all first-class mail.<sup>\*/</sup>

#### 9 Service Impact

10 The originating offices participating in this  
11 phase of the service improvement program are our  
12 largest 77 offices, and are the 77 offices that are in  
13 the present Airmail Improvement Program (AIP). These  
14 offices, listed in Table 1, function as sectional center  
15 facilities, state distribution centers, and area mail  
16 processing centers. As such, they are highly mechanized  
17 installations, and handle volumes originating in other  
18 offices, as well as destinating mail for delivery by  
19 other offices. All but two offices, Salt Lake City and  
20 Syracuse, are equipped with multi position letter sorting  
21 machines. The 77 offices in total are equipped with 73%  
22 of the MPLSMs in service, including all presently deployed  
23 MPLSMs with OCR capability.

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24 <sup>\*/</sup> Unless otherwise indicated, all volume figures are  
25 predicated on FY 1974 volumes.

TABLE 1

SERVICE IMPROVEMENT PROGRAM  
SELECTED DATA BASE FACILITIES

(Main Distribution Facility and Servicing AMF)

| <u>NORTHEAST</u> | <u>EASTERN</u> | <u>CENTRAL</u>  | <u>WESTERN</u>    | <u>SOUTHERN</u>  |
|------------------|----------------|-----------------|-------------------|------------------|
| °Hartford*       | °Washington    | °Chicago        | °Phoenix**        | °Little Rock**   |
| New Haven*       | °Baltimore**   | °Indianapolis** | Long Beach**      | °Birmingham**    |
| °Boston**        | Camden         | °Des Moines**   | °Los Angeles*     | Jacksonville*    |
| Springfield**    | Trenton**      | °Wichita**      | Oakland**         | °Miami**         |
| Jersey City†     | °Buffalo**     | °Louisville**   | Sacramento**      | °Tampa**         |
| °Newark*         | Rochester**    | °Detroit**      | San Diego**       | °Atlanta**       |
| Albany*          | Syracuse**     | Grand Rapids**  | °San Francisco**  | °New Orleans**   |
| Bronx            | Harrisburg**   | °Minneapolis**  | San Jose**        | Charlotte**      |
| Brooklyn*        | °Philadelphia* | Saint Paul**    | °Denver**         | °Greensboro**    |
| Flushing†        | °Pittsburgh**  | °Kansas City*   | °Albuquerque**    | °Oklahoma City** |
| Jamaica†         | Norfolk**      | °Saint Louis**  | °Portland**       | Tulsa**          |
| °New York*       | °Richmond**    | °Omaha**        | °Salt Lake City** | Knoxville**      |
| °Providence*     |                | Akron**         | °Seattle**        | °Memphis**       |
|                  |                | °Cincinnati**   | Spokane**         | Nashville*       |
|                  |                | °Cleveland*     |                   | °Dallas**        |
|                  |                | °Columbus**     |                   | °Fort Worth**    |
|                  |                | Dayton**        |                   | °Houston**       |
|                  |                | Toledo**        |                   | °San Antonio**   |
|                  |                | °Milwaukee**    |                   |                  |
|                  |                | Madison**       |                   |                  |

\* SCF

° SDC

+ AMP

1           These offices originate approximately half of  
2 all airmail volume in the Postal system. Committed AIP  
3 overnight mail currently is approximately five percent  
4 of total airmail volume.

5           These offices also originate over half of all first-class  
6 mail. ODIS volumes for Postal Quarter III of Postal Fiscal Year 1975  
7 show total national average daily volumes of stamped and  
8 metered first-class mail at 133.61 million, of which  
9 74.68 million originated within the three digit zips of  
10 these offices. These are the volumes involved in this  
11 phase of the service improvement program. Approximately  
12 13.01 million (60 percent) of the total 21.68 million  
13 third day pieces originated in these offices, as did  
14 approximately 20.09 million (55 percent) of the total  
15 36.42 million second day pieces.

16 Reasons for the Service Improvement Program

17           Table 2 shows the piece volumes for first-class  
18 and airmail over a 20-year period. Taking into account  
19 approximately twenty million pieces of air parcel post  
20 in 1954, airmail volume over the period 1954-1974 has  
21 declined 4.5 percent. Without taking account of the  
22 heavier pieces included in 1954 first-class mail volume  
23 figure, first-class mail volume over the same period  
24 increased 90.5 percent. During the period 1969-1974,  
25 airmail volumes declined 19.4 percent and first-class

TABLE 2

AIRMAIL - PRIORITY - FIRST CLASS  
VOLUME TRENDS

| POSTAL<br>FISCAL<br>YEAR | AIRMAIL         |                            | PRIORITY MAIL   |                            | FIRST CLASS MAIL |                            |
|--------------------------|-----------------|----------------------------|-----------------|----------------------------|------------------|----------------------------|
|                          | PIECES<br>(000) | % CHANGE FR.<br>PRIOR YEAR | PIECES<br>(000) | % CHANGE FR.<br>PRIOR YEAR | PIECES<br>(000)  | % CHANGE FR.<br>PRIOR YEAR |
| 1954                     | 1,470,338       | --                         |                 |                            | 27,085,308       | --                         |
| 1955                     | 1,467,482       | (0.2%)                     |                 |                            | 28,713,340       | 6.0%                       |
| 1956                     | 1,487,162       | 1.3                        |                 |                            | 30,077,568       | 4.8                        |
| 1957                     | 1,483,291       | (0.3 )                     |                 |                            | 31,561,152       | 4.9                        |
| 1958                     | 1,434,709       | (3.3 )                     |                 |                            | 32,218,319       | 2.1                        |
| 1959                     | 1,368,318       | (4.6 )                     |                 |                            | 32,274,007       | 0.2                        |
| 1960                     | 1,355,728       | (0.9 )                     |                 |                            | 33,234,810       | 3.0                        |
| 1961                     | 1,452,687       | 7.2                        |                 |                            | 34,288,943       | 3.2                        |
| 1962                     | 1,544,735       | 6.3                        |                 |                            | 35,332,707       | 3.0                        |
| 1963                     | 1,545,349       | 0.04                       |                 |                            | 35,833,487       | 1.4                        |
| 1964                     | 1,504,683       | (2.6 )                     |                 |                            | 36,943,064       | 3.1                        |
| 1965                     | 1,629,248       | 8.3                        |                 |                            | 38,067,778       | 3.0                        |
| 1966                     | 1,828,166       | 12.2                       |                 |                            | 40,421,755       | 6.2                        |
| 1967                     | 2,110,606       | 15.4                       |                 |                            | 41,998,337       | 3.9                        |
| 1968                     | 1,948,890       | --                         | 115,884         | --                         | 43,182,828       | 2.8                        |
| 1969                     | 1,657,103       | (15.0 )                    | 178,608         | 54.1                       | 46,411,115       | 7.5                        |
| 1970                     | 1,533,191       | (7.5 )                     | 184,696         | 3.4                        | 48,640,276       | 4.8                        |
| 1971                     | 1,457,405       | (4.9 )                     | 196,963         | 6.6                        | 50,035,754       | 2.9                        |
| 1972                     | 1,359,525       | (6.7 )                     | 207,604         | 5.4                        | 48,933,443       | 2.2                        |
| 1973                     | 1,326,629       | (2.4 )                     | 209,046         | 0.7                        | 50,964,631       | 4.2                        |
| 1974                     | 1,334,733       | 0.6                        | 222,194         | 6.3                        | 51,594,460       | 1.2                        |

1/ FCM Volumes for periods before priority mail was established include sealed parcels; airmail includes air parcel post.

2/ Priority mail was established during 1968, and included first class pieces heavier than 13 ozs. and airmail heavier than 7 ozs. In 1971, priority mail was redefined to include first class mail heavier than 12 ozs. and airmail heavier than 8 ozs. In 1973, airmail heavier than 9 ozs. only was included.

3/ Includes mailgrams.

1 volumes increased 11.1 percent.

2       Given not only these volumes, but the trends over  
3 this period, the changes in transportation and mail pro-  
4 cessing procedures have combined to permit us to provide  
5 service to first-class mail that presently quite often  
6 equals that provided to airmail. The volume of airmail,  
7 when compared with that for first-class mail, has  
8 inhibited improvements in airmail service. Airmail  
9 processing remains largely a manual operation, where  
10 first-class mail operations are, comparatively mechanized.  
11 Low volume, and a declining volume trend have precluded  
12 us from improving airmail service performance and from  
13 modernizing processing operations. In addition, efforts  
14 to stimulate airmail volume have not succeeded.

15       We have now reached the point where we have the  
16 capability of providing service to first-class mail which,  
17 on a national basis, will regularly equal or exceed airmail  
18 service performance; even under present operations, first-  
19 class mail occasionally overtakes airmail. Thus, the  
20 basic reason for the service improvement is operational.

21       We have exhausted the possibilities for improving  
22 airmail service with the programs outlined in Mr. Yattaw's  
23 testimony. The operational problems involved in providing  
24 a consistently fast service for a constantly thinning  
25 volume lead to this conclusion. The light volume of

1 airmail makes it difficult to sort to specific destina-  
2 tions in a single step. Much of the present airmail  
3 volume must be massed at intermediate points for re-  
4 grouping and rehandling. This increases transit time  
5 and increases the possibility of error, as well as delay.  
6 Moreover, it is not uncommon that originating volumes of  
7 AIP mail produce pouches made up as city directs which  
8 contain as little as one pound or less of letter type mail.  
9 Thus, where we do identify directs to destinating city,  
10 we pouch, comparatively, very little mail. Accordingly,  
11 we end up closing up a pouch, dispatching it, loading  
12 it, unloading it, transferring it, and opening it for  
13 incoming processing, all without moving a significant  
14 amount of mail. Mr. Yattaw's testimony further  
15 describes present airmail and first-class mail pro-  
16 cessing operations.

17 By contrast, first-class mail service can be  
18 improved with but minor changes in operating procedures.  
19 For example, in Postal Quarter III of Postal Fiscal Year 1975, average  
20 daily volumes of qualified and nonqualified airmail flowing  
21 in the 77 city matrix that made next day delivery was  
22 64,750 pieces. Without making any changes other than  
23 identifying AIP cities in the first class mail schemes  
24 and dispatching first-class mail on AIP flights, we  
25 expect to make next day delivery on approximately 3,284,000

1 pieces of first-class mail per day between AIP cities.

2 In that same period, an average daily volume of  
3 1,700,275 pieces of stamped and metered airmail was  
4 delivered within two days nationwide. Under the service  
5 improvement program 9,966,000 pieces of present third  
6 day first-class mail will be advanced for committed  
7 second day service nationwide. The average daily  
8 volume of airmail in the Postal system is only 2  
9 million pieces. Of all first-class mail originating  
10 at these offices, over 90 percent will be delivered  
11 within two days nationwide.

12 Other Impacts

13 The use of air transportation to accomplish scheduled  
14 delivery of first-class mail will not increase under  
15 this program, with the exception of certain West  
16 Coast mail. Presently surface transportation has been widely  
17 used in the Western Region to achieve service objectives.  
18 Air transportation has not been used to advance delivery  
19 earlier than the published service targets. Additional  
20 air transportation will be used, on certificated air  
21 carriers, between Seattle, Portland, San Francisco, Los  
22 Angeles, and San Diego and major intermediate cities on  
23 the West Coast.

24 Nor do we expect any reduced use of air containers  
25 as a result of this change, although in some cases the type

1 of container used may vary. For example, some exchanges  
2 such as Los Angeles to Miami are made using LD-3 or A-2  
3 type containers. First-class mail is held for several  
4 hours in order to accumulate volume to fill these large  
5 containers. Under the service improvement program,  
6 advance dispatches will be made in type W or smaller  
7 containers in order to retain the benefits of containeri-  
8 zation but increase the frequency of dispatch and advance  
9 the arrival at the destination.

10 Conclusion

11 The service improvement plans outlined above  
12 involve over half of the first-class mail in the  
13 system. Operating programs for the remaining volumes  
14 are presently being prepared and will be completed  
15 over the next few months, for implementation with  
16 this first phase or immediately thereafter. These  
17 plans will be designed to accomplish service improvements  
18 comparable to those outlined above. As a result, we  
19 will deliver more mail faster by using the most modern  
20 available methods for mail processing and transportation.

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