

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS McCRERY  
TO INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO  
(APWU/USPS-T42-1-10, 15-21)  
(July 28, 2006)

The United States Postal Service hereby provides the response of witness McCrery to the above-listed interrogatories of the APWU, filed on July 14, 2006. APWU/USPS-T42-11-13 were redirected to witness Mitchum. APWU/USPS-T42-14 was redirected to the Postal Service.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**APWU/USPS-T42-1** On page 11 of your testimony you state that non-barcode presorted letters must first be barcoded on an MLOCR/DIOSS before they are processed.

- a) Are there operational reasons anymore for maintaining a nonautomation presort discount of any sort?
- b) Are there operational reasons anymore for maintaining a nonautomation presort discount for nonmachinable mail?

**Response:**

a. Yes.

b. Yes.

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**APWU/USPS-T42-2** Is accountable letter mail processed through the automated mail stream? If so, where does it enter the mail stream? Where does it exit from the mail stream; will it, for example, be delivery point sequenced?

**Response:**

Accountable letter mail is processed through both the automated as well as the manual mail streams. Accountable mail enters through the mail prep (e.g., AFCS within the collection mail) and bulk mail (e.g., Business Mail Entry Unit) operations and exits out of the incoming secondary operation (i.e., carrier route or DPS), unless held out on primary sort schemes. It should be noted that accountable mail is held out on the first pass of DPS to ensure that they are properly accounted for downstream. Rejects and non-machinable pieces are processed in manual units.

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**APWU/USPS-T42-3** Are postal-applied barcodes always 11-digit? If not, under what circumstances is a 9-digit barcode applied?

**Response:**

No, postal-applied barcodes can be 5-digit, 9-digit, or 11-digit. Below are some instances where a 5/9-digit barcode is applied:

a) If a unique firm record requires only a 5-digit barcode (e.g., IRS, KC, MO 64999), then only a 5-digit barcode will be applied. However, if the mailer provides a ZIP+4 Code within the address and even though only a 5-digit is required for the purposes of distribution, a 9-digit barcode could be applied.

b) For non-automated zones, only a 5-digit barcode may be applied.

c) Sites will apply only a 5-digit barcode if the pieces cannot be resolved to the 9/11-digit level.

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**APWU/USPS-T42-4** Can mail be delivery point sequenced using a postal-applied ID code rather than a barcode?

**Response:**

Yes.

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**APWU/USPS-T42-5** What are the five most important reasons, in order of volume, for mail to fail to be delivery point sequenced?

**Response:**

See response to APWU/USPS-T30-4 on factors that determine whether a letter-shape piece of mail is delivery point sequenced. Consequently, if any one of these factors does not hold true, the piece will fail to be delivery point sequenced. I do not have sufficient data that can be used to rank these in order of specific volumes.

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**APWU/USPS-T42-6** How many zones are not delivery pointed sequenced? Is there a conversion timetable to covert those routes to DPS processing?

**Response:**

In my testimony (USPS-T-42, page 12, line 24), I state that approximately 23,000 of the 42,300 ZIP Codes are DPSed, leaving approximately 19,300 ZIP Codes that are not DPSed. However, there are ZIP Codes for which DPS distribution is either not necessary or non-DPS distribution can result in equivalent or similar value. For example, some unique ZIP Codes are held out at the finest depth at the five-digit ZIP Code level. Other unique ZIP Codes, which are shared firm codes, can receive a sector segment sort (where multiple ZIP+4 codes for a single firm are jackpotted into a single stacker). Furthermore, many PO Boxes have a unique ZIP+4 code assigned to each PO Box number, so the distribution of these PO Box zones would be identified as a sector segment sort plan. Though we continue to explore additional opportunities, for example in growth areas, there is no timetable to convert the remaining zones to DPS processing. There will be ZIP Codes which could never receive a DPS sort due to distance and minimal volume.

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**APWU/USPS-T42-7** On pages 12 and 13 of your testimony you discuss DPS percentages.

- a) Does footnote 10 on page 12 mean that 79 percent of letter mail is delivery point sequenced? If not, please provide a more complete explanation of the 90 percent and 79 percent numbers mentioned in line 23 of page 12 and in footnote 10.
- b) When you refer to the total secondary distribution performed on automation on page 13 of your testimony, is that referring only to letter mail, letter and cards? Is there anything else included in that?
- c) On page 13 you state that 90 percent of the total is sorted to DPS, 4 percent to sector/segment, and 6 percent to carrier route. Which of this mail will require further sorting once it reaches its delivery unit.
- d) What source of data does the Postal Service use to obtain DPS statistics, both the percentage of mail that is delivery point sequenced and the distribution of mail by the categories listed in question (c)?

**Response:**

- a. No, 79 percent of incoming secondary letter mail was sorted to delivery point sequence in FY 2005. The incoming secondary volume does not represent the total letter mail volume. The 90 percent figure represents the portion of barcoded incoming secondary letter mail that was delivery point sequenced. The 79 percent figure represents the portion of all (barcoded and non-barcoded) incoming secondary letter mail volume that was delivery point sequenced.
- b. Yes and no, respectively.
- c. None of these three requires further incoming secondary distribution at the delivery unit, however, both sector/segment and carrier route volume will require further distribution by box section clerks or carriers.
- d. Finalization on Automation Secondary Tracking (FAST), Management Operating Data System (MODS), and FLASH reports.

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**APWU/USPS-T42-8** On page 5 of your testimony you discuss the replacement of MLOCRs with more efficient DBCS DIOSS-EC machines.

- a) Is it correct to understand that 646 of the MLOCRs will be replaced by DBCS DIOSS-EC machines by May 2007?
- b) Would you anticipate a lower reject rate from the automation mail stream for mail that is processed on a DBCS DIOSS-EC than on an MLOCR?

**Response:**

- a) Yes.
- b) It is anticipated that there will be a comparable reject rate for mail processed on the DIOSS-EC versus the MLOCR.

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**APWU/USPS-T42-9** On page 9 of your testimony you discuss the PARS system.

- a) When you state that 50 percent of move-related mail is intercepted at the origin processing facility, what time frame is that percentage for?
- b) What do you anticipate that percentage will be by the time Phase II of PARS is completed in September 2007?
- c) Approximately how many downstream handlings are eliminated by the interception of such mail at origin?
- d) If successfully processed by the AFR/REC identification process, does the mail remain in the automated mail stream for forwarding or return to sender activities?
- e) Once processed by the CIOSS system does the mail remain in the automated mail stream?

**Response:**

- a) This is the daily intercept percentage that plants should expect based on testing and recent data.
- b) Approximately 60%.
- c) Minimum of 3.
- d) Yes.
- e) Everything but rejects, which are about 5% of the mail processed, remains in the automated mail stream.

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**APWU/USPS-T42-10** Which pieces of Postal equipment are equipped to scan for CONFIRM (PLANET) codes? Are these picked up during the scanning process for regular barcodes or must this feature be “turned on”. If this feature is not “on” all the time what determines whether it is on or off.

**Response:**

All letter mail equipment (DBCS, DIOSS, CIOSS, CSBCS, MLOCR, and MPBCS), flat mail equipment (AFSM, UFSM) and package mail equipment (APPS) scan and decipher CONFIRM (PLANET) codes automatically during the normal scanning process. Turning this feature on or off is not an option. With the exception of APPS, all equipment mentioned above also generates CONFIRM reports automatically from which CONFIRM (PLANET) records are extracted.

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**APWU/USPS-T42-15** In a typical mail processing facility, on what tour is workshared mail most likely to be processed and during which part of the tour is it most likely to be processed?

**Response:**

Significant volumes of workshared mail are 5-digit/scheme presorted letters, which are most heavily processed on Tour 1, particularly in the second half of Tour 1. The balance of First-Class workshared mail is Mixed ADC/AADC, processed mostly on Tour 3; ADC/AADC, processed mostly on Tours 2 and 3; and 3-digit/scheme, processed mostly on Tours 3 and 1. Otherwise, a significant percentage of the balance of workshared mail is Standard Mail which is processed on Tour 2, unless it is needed elsewhere to fill out run times for the schedule of sort plans in the Operating Plan.

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**APWU/USPS-T42-16** In a typical mail processing facility, on what tour is bulk metered mail most likely to be processed and during which part of the tour is it most likely to be processed?

**Response.**

Tour 3 and Tour 1 throughout both tours.

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**APWU/USPS-T42-17** Does the Postal Service keep an operational count of manually sorted mail by shape and class? If so, what have those data showed over the past 5 years?

**Response:**

No.

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**APWU/USPS-T42-18** On page 12 you list unreadable barcode as a reason for mail to be sent to manual processing. Are postal applied barcodes less likely to be unreadable than are mailer applied barcodes?

**Response:**

Postal barcodes are applied to mailpieces by inkjet printers at automation speeds.

Mailer-applied barcodes are generated using inkjet, dot matrix, and laser printers. Dot matrix and laser printers are generally of higher quality than inkjet printers; therefore, postal-applied barcodes are more likely to be unreadable than mailer-applied dot matrix and laser barcodes.

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**APWU/USPS-T42-19** On page 12 you list insufficient barcode as a reason for mail to be sent to manual processing. Are postal applied barcodes less likely to be insufficient than are mailer applied barcodes?

**Response:**

Mailer applied barcodes use address lists that are constantly changing and can be incomplete. Postal applied barcodes take advantage of recognition and data entry finalization to determine results and are less likely to be insufficient when compared to mailer applied barcodes.

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**APWU/USPS-T42-20** With reference to your response to PB/USPS-T42-5, would your response also include all changes and corrections you made to the PB/USPS-T29-8 responses during your oral cross-examination for R2005-1?

**Response:**

Yes.

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**APWU/USPS-T42-21** With reference to your response to PB/USPS-T42-7, please provide an estimate of what percentage of the IOCS tallies may statistically represent these infrequent occurrences.

**Response:**

I have no basis on which to provide an estimate.