

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSES OF POSTAL SERVICE WITNESS McCrERY  
TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA, INC., AND  
ALLIANCE OF NONPROFIT MAILERS (MPA/USPS-T42-3-8)  
(June 22, 2006)

The United States Postal Service hereby provides the responses of witness McCrery to the above-mentioned interrogatories of Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers, filed on June 7, 2006.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**MPA/USPS-T42-3.** Please refer to the Report of the Periodicals Operations Review Team, which was filed as part of Docket No. R2000-1, USPS-LR-I-193. Page 19 of the Report states: "One of the most resounding themes heard from local USPS P&DC managers and Postmasters was a desire for more 5-digit 'cross-dock' pallets."

(a) Please describe the mail flow for Periodicals Outside County Carrier Route flats entered on 5-Digit pallets at the Destination Sectional Center Facility (DSCF).

(b) Please describe the mail flow for Periodicals Outside County Carrier Route flats entered on SCF or 3-Digit pallets at the Destination Sectional Center Facility (DSCF).

(c) Are there any additional mail flow differences between Carrier Route flats entered on SCF or 3-Digit pallets and those entered on 5-Digit pallets if the pallets are entered further upstream? If so, please describe them.

(d) Please describe the mail flow for Periodicals Outside County 5-Digit flats entered on 5-Digit pallets at the Destination Sectional Center Facility (DSCF).

(e) Please describe the mail flow for Periodicals Outside County 5-Digit flats entered on SCF or 3-Digit pallets at the Destination Sectional Center Facility (DSCF).

(f) Are there any additional mail flow differences between 5-Digit flats entered on SCF or 3-Digit pallets and those entered on 5-Digit pallets if the pallets are entered further upstream? If so, please describe them.

**Response:**

- a. After entry, the pallets are staged and then cross-docked onto transportation to the appropriate delivery unit. If the contents of the pallet do not justify the space it will occupy on the truck or there is not adequate space on the truck, the contents of the pallet are likely to be consolidated into another container (see response to TW/USPS-T42-8, subparts (b) and (d)). The pallet or consolidated container will be offloaded at the delivery unit and staged. The Periodicals Outside County Carrier Route bundles will then be manually distributed to the appropriate carriers or box section.
- b. After entry, the pallets are staged then moved to an automated, mechanized, or manual bundle distribution operation where the contents will be dumped

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and the Periodicals Outside County Carrier Route bundles distributed to the appropriate delivery unit containers. These containers will be staged then transferred onto the appropriate delivery unit transportation. The containers will be offloaded at the delivery units and staged. The Periodicals Outside County Carrier Route bundles will then be manually distributed to the appropriate carriers or box section.

- c. Generally, no. See response to TW/USPS-T42-10, subpart (a).
- d. If placed on a 5-Digit pallet with only Periodicals Outside County 5-Digit flats, the pallet will be staged then moved to a prep operation where the bundles will be readied for automated incoming secondary piece distribution. After distribution, the sorted flats will be placed in rolling stock, staged, and then transferred onto the appropriate delivery unit transportation. The rolling container will be offloaded at the delivery unit, staged, and then the flat tubs will be manually distributed to the appropriate carriers or box section. If placed on a merged 5-Digit pallet containing both Periodicals Outside County 5-Digit and Carrier Route flats, after entry, the pallets are staged then cross-docked onto transportation to the appropriate delivery unit. If the contents of the pallet do not justify the space it will occupy on the truck or there is not adequate space on the truck, the contents of the pallet are likely to be consolidated into another container (see response to TW/USPS-T42-8, subparts (b) and (d)). The pallet or consolidated container will be offloaded at the delivery unit and staged. The contents of the pallet will be manually

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distributed and the Periodicals Outside County 5-Digit flats will be moved to a manual incoming secondary distribution operation.

- e. After entry, the pallets are staged then moved to an automated, mechanized, or manual bundle distribution operation where the contents will be dumped and the Periodicals Outside County 5-Digit bundles distributed to the appropriate delivery unit or automated scheme containers. The delivery unit containers will be staged then transferred onto the appropriate delivery unit transportation. The containers will be offloaded at the delivery units and staged. The bundles will then be manually distributed and the Periodicals Outside County 5-Digit flats will be moved to a manual incoming secondary distribution operation. The automated scheme containers will be staged then moved to a prep operation where the bundles will be readied for automated incoming secondary piece distribution. After distribution, the sorted flats will be placed in rolling stock, staged, and then transferred onto the appropriate delivery unit transportation. The rolling container will be offloaded at the delivery unit, staged, and then the flat tubs will be manually distributed to the appropriate carriers or box section.
- f. Generally, no. See response to TW/USPS-T42-10, subpart (a).

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**MPA/USPS-T42-4.** Please refer to lines one through 8 on page 26 of your testimony, where you state, "Bundle integrity can have a significant impact on the productivity of any bundle sorting operation. If and when a bundle breaks prematurely, the value of the bundle presort can be partially or completely lost, and the bundle may require distribution in a residual distribution operation. Also, productivity can suffer when, for example, a mailhandler attempts to capture and repair a ruptured bundle within the bundle sorting operation. Any improvements to bundle integrity either through customer mail preparation, changes in mailing standards, or more rigid mail acceptance procedures will reap significant savings within mail processing."

(a) Please confirm that, on April 30, 2006, the Postal Service implemented a new mailing standard that requires mailers to use two bands to secure all bundles of presorted flat-size mail and irregular parcels when those bundles are not shrinkwrapped. Discuss the expected effect of this new rule on mail processing costs, and produce any empirical data or analyses of the effect to date.

(b) Please confirm that in 2005 the Postal Service performed multiple "Bundle Blitzes," provide the dates of these Bundle Blitzes, and discuss their purpose and results.

(c) Please describe all Postal Service efforts since the beginning of FY 2005 to educate customers on proper bundle preparation.

(d) Please produce copies of all educational material on proper bundle preparation that the USPS has made available to customers since the beginning of FY 2005.

(e) Have mail acceptance procedures related to bundle integrity become "more rigid" since the beginning of FY 2005? If so, please explain fully, and provide all data, analyses, reports and other documentation that support your response.

(f) Has bundle integrity improved since the beginning of FY 2005? Please be as quantitative as possible and explain your response fully. Please also provide all data, analyses, reports and other documentation that support your response.

**Response:**

- a. Confirmed. Since the new rule only impacts bundles one inch thick or less (bundles over one inch in thickness were already required to be secured with two bands and/or shrinkwrapped), I do not believe the impact is significant. These thin bundles comprise only a small portion of the bundles and many were already optionally secured with two bands and/or shrinkwrapped. I am not aware of any empirical data or analyses conducted to date.

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b. Confirmed. The dates of blitzes were:

- 1) 1<sup>st</sup> blitz: May 16<sup>th</sup> – Jun 10<sup>th</sup> (selected sites only)
- 2) 2<sup>nd</sup> blitz: July 22<sup>nd</sup> – Aug 5<sup>th</sup> (nationwide)
- 3) 3<sup>rd</sup> blitz: Oct 17<sup>th</sup> – Oct 29<sup>th</sup> (nationwide)

The purpose of the blitzes was to use Electronic Mail Improvement Reporting (eMIR) to identify bundle breakage issues that impact the efficient mail processing of business mailings.

Results: The data generated from eMIR blitzes is not statistically significant data, however, below are some conclusions:

- Of the reports where containers were identified, bundles in sacks accounted for 50% of the issues identified but only account for 19% of flat volume.
- Glossy / coated paper causes significantly higher bundle breakage than uncoated / individual poly-wrapped pieces in bundles.
- Shrink-wrap accounted for disproportionate number of bundle breakage issues in relation to the volume.

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The table below sums up the results of the three blitzes:

Blitz	# of bundle reports submitted	# of issues identified	Shrink Wrap issues	Plastic Strap issues	Rubber Bands issues	Other
1 <sup>st</sup>	2865	3395	30%	28%	19%	23%
2 <sup>nd</sup>	2737	3296	28%	26%	21%	25%
3 <sup>rd</sup>	5433	7709	25%	30%	18%	27%

- c. The Postal Service has produced The Perfect Bundle brochure (Publication 248, July 2005) as well as The Perfect Bundle poster (Poster 149, July 2005) in order to educate customers on proper bundle preparation. In addition to these materials, proper bundle preparation has been an agenda item for discussion at recent MTAC meetings. Customers may also learn more about proper bundle preparation at their local Business Mail Entry Units (BMEUs).
- d. Please see the attached files.
- e. From what I have been told, the acceptance procedures around bundle integrity have not become more "rigid", since the standards for bundle integrity have not changed since the beginning of FY 2005. However, from what I understand, there has been more attention placed on bundle integrity within the acceptance process since the beginning of FY 2005. Furthermore,

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when an eMIR report is submitted on bundle integrity, this can trigger a more in-depth verification the next time a mailing is presented for acceptance.

- f. It is my opinion that it has improved. This opinion has been generated through personal observations and feedback from processing plants and acceptance units. There has been no study yet conducted to quantify the improvement.

Counter-stacking is most appropriate for saddle-stitched pieces and pieces with one edge or corner thicker than the others.

When counter-stacking, all addresses should face up and the individual pieces should be divided into no more than four equal groups, but with as few groups as possible to create a bundle of uniform thickness. For example, a tall bundle of uneven pieces should be divided into four groups of approximate equal thickness. The first and third groups would be address side up with the bound edge to the left. The second and fourth groups would be address side up with the bound edge to the right.

But counter-stacking isn't the best solution if the individual pieces are thicker in the center than along the edges or corners. If that's the case, the height (thickness) of the bundle should be limited to 3 to 6 inches and the bundle should be securely bound with banding, shrink-wrap, or both. This will help keep the bundle stable and in one piece. Shrink-wrap of insufficient strength or with a large opening in the shrink-wrap that tends to let pieces escape is not acceptable.

## How can I be sure my bundles are prepared securely?

We recommend an easy test to simulate the stress of normal transit and handling. Prepare a few bundles following the simple guidelines in this brochure. Then place the bundles on a surface about 4 feet above the floor. Push each one off with enough force for it to land on a corner at a distance of 1 to 3 feet from the starting point. Then lift each bundle by grasping a corner, either the shrink-wrap or a few pieces. If the packaging doesn't detach from the rest of



Help us provide the service you expect — perfect your bundles.

the bundle and no pieces come out while lifting, it's likely to withstand normal transit and handling.

Remember, in order to create the perfect bundle it is important that you follow the applicable *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) and use materials that are appropriate for the types of mailings you prepare. You also need to properly maintain any equipment used to apply these materials and periodically test your bundles to ensure they will maintain integrity through the Postal Service network.

## Want to know more?

It's important to us that you have the information you need to help create the perfect bundle. This brochure is a good place to start. But if you have questions or need more information, the following resources may be helpful:

- Link to the DMM on Postal Explorer at [pe.usps.gov](http://pe.usps.gov) and search on "bundles."
- You can also contact your local Business Mail Entry Unit.

# The Perfect Bundle



## What is a bundle?

A bundle is a group of addressed mail pieces that a mailer assembles and secures together before mailing. The individual pieces in a bundle are presorted for delivery to a specific area. Bundles of flat-size mail pieces are secured with banding, shrink-wrap, or a combination of the two. Banding may include clear plastic bands, rubber bands (for lighter bundles), or string that maintains enough tension to keep the bundle intact during processing. Wire or metal banding is not permitted. The address block on the bundle — containing all address information, including the optional endorsement line and any barcoded, pressure-sensitive, bundle label — must be visible and readable to the naked eye. If shrink-wrap is used, it must be transparent and seams or imperfections such as heat creases should not appear over the address block. If banding is used, it cannot obstruct any part of the address block. Tight, clear, smooth banding will never obstruct the address block.

## Why the “Perfect Bundle”?

That’s easy. It helps your bundled mail get as close to the delivery point as possible — as quickly as possible and in the same good condition as when accepted. Perfect bundles help us to control costs and provide you with the most efficient service possible.



Shrink-wrap creases and opaque banding can make the address unreadable and delay delivery.

## Why are bundle integrity and address visibility important?

We want to make sure you get your money’s worth when you mail with the Postal Service. Bundles are subject to handling and jostling while they are being transported and processed. You protect the mail — and your investment in your customers — by helping to prepare the perfect bundle. Bundles that are securely prepared are less likely to break open during processing. When they do break open, the value of your presort work is lost, adding to delivery time and increasing the chances of damage to individual pieces. And if all address information isn’t visible and readable, that can also result in processing delays. In either case, the result is less efficient handling of your mail and increased costs. As we deploy state-of-the-art automated package and bundle sorting equipment throughout the Postal Service network, it’s more important than ever that your bundles can be processed using this efficient technology.



Torn shrink-wrap and loose banding can damage your mail.

## What else should I know about the Perfect Bundle?

- Generally, individual bundles containing flat-size mail pieces should not weigh more than 20 pounds. There are some exceptions, and you can find out more about them by using the additional resources listed at the end of this brochure.
- Thinner bundles have a tendency to curl, making it possible for individual pieces to slip out. Double banding, if tension in the bands is maintained, or shrink-wrap can be effective solutions.
- Bundles that are more than 1 inch thick must be double banded or shrink-wrapped. If banded, at least one band must encircle the bundle’s length and another must encircle its width (girth). More bands are permitted, provided that none are within 1 inch of the bundle’s edges. But opaque banding may not cover any element of the address block.

- Banding must be tight enough to keep individual pieces from slipping out. A band is tight when it depresses the edge of the bundle. Loose banding is not permitted.
- If twine or string is used for banding, the knots must be tight enough to stay secure during processing. Slick twine or string that won’t form or hold a tight band or knot should not be used.
- Shrink-wrap of insufficient strength or with large openings that tend to let pieces slip out is not acceptable.
- Do not secure large, heavy bundles with rubber bands, thin shrink-wrap, or banding which does not maintain sufficient tension when stretched in normal handling.

## What if I prepare my bundles in sacks?

Bundles placed in mail sacks experience much more movement than bundles placed in firm-sided containers or on pallets, increasing the chances that they may come apart. And bundles containing pieces with covers of coated stock — which are more slippery — can contribute to instability during handling. That’s why some special steps — in addition to those listed here — must be taken to protect bundles prepared in sacks.

- If the pieces in a bundle have covers printed on coated stock and they are not individually enclosed in a mailing wrapper, the bundle cannot be more than 3 inches in height (thickness) unless it is secured tightly with double plastic bands or with shrink-wrap plus one or two plastic bands.
- If the pieces in a bundle have uncoated covers or outer surfaces, the bundle cannot exceed 8 inches in height, although a maximum height of no more than 6 inches is recommended.
- A bundle that exceeds the maximum height by less than the thickness of a single piece in the bundle meets the height standard.

## What about bundles containing uneven pieces?

Counter-stacking individual pieces can help create a more uniform and stable bundle. This makes them less likely to come apart. Counter-stacking, with groups of pieces facing in alternating directions, should only be used to create a more even bundle.



# The perfect bundle

Improves service

Eliminates rehandling

Minimizes damage

Reduces costs

Preserves presort integrity

Delivered consistently



A secure bundle with a fully visible address  
is a thing of beauty.

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**MPA/USPS-T42-5.** Please refer to lines 8 through 12 on page 22 of your testimony, where you state that, in the future “Beyond the Test Year” DPS environment for flats, “with the possible exception of saturation Enhanced Carrier Route (ECR) mail, carrier route presorted bundles will not have value for DPS zones, with 5-digit or 5-digit scheme presort being the finest sort required, similar to the situation with letters. Larger scheme bundles or stacks of flats prepared on pallets for one or multiple sort plans could likely be a more appropriate preparation for flats in a sequencing environment.”

(a) Please confirm that mailings of flats that are currently entered in carrier route presorted bundles have more pieces per ZIP Code than mailings of flats that are currently entered in 5-Digit bundles. If you do not confirm without qualification, please explain fully, and produce sufficient data, analyses, reports and other documentation to verify your response.

(b) Your testimony states that “carrier route presorted bundles will not have value for DPS zones” in a flats sequencing environment. Do you expect, however, that having more pieces destinating in the same ZIP Code will continue to have value for DPS zones (e.g., because the larger number of pieces per ZIP Code will allow the publisher to prepare large 5-digit or 5-digit scheme bundles, 5-digit stacks of flats and even entire 5-digit pallets of flats)? Please explain your response fully, and produce sufficient data, analyses, reports and other documentation to verify your response.

(c) Please confirm that 5-Digit and 5-Digit Scheme pallets will have value in a flats sequencing environment. Please explain your response fully.

**Response:**

- a. Based on the requirements for carrier route presort versus 5-Digit presort, this can generally be confirmed. However, since carrier route presorting is not a requirement, is certainly possible that a mailing primarily prepared in 5-Digit bundles without carrier route presorting could have more pieces in the mailing compared to a similar mailing that chose to carrier route presort.
- b. Yes. The more pieces in a mailing to one or multiple sort plans will, in my opinion, provide an increased opportunity to prepare the pieces in a manner that will facilitate a more efficient induction into the FSS. I am not aware of

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any data, analyses, reports and other documentation that supports this opinion.

- c. Confirmed. These pallets will enable the contents to be directly prepped and inducted into the FSS operation without first sorting the contents to the appropriate FSS scheme.

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**MPA/USPS-T42-6.** Please refer to the description of the SKIN SACK REDUCTION PROGRAM on pages 19 and 20 of USPS-LR-L-49. In particular, please refer to the following sentences:

“Mailing standards will be modified to no longer allow the preparation of certain sacks within Periodicals that contain fewer than the established minimum of 24 pieces...With the attention to service and the results achieved over the last several years, this costly option is no longer necessary.”

(a) Please confirm that the modification to mailing standards mentioned in the cited passage of USPS-LR-L-49 was implemented on May 11, 2006. If not confirmed, please explain fully.

(b) Has the modification to mailing standards affected the service provided to Periodicals Outside County mail? Please explain your response fully.

**Response:**

- a. Confirmed.
- b. Though it would not be unexpected that such a significant change would impact service until appropriate adjustments can be made after a mailer adopts the change to maintain service, no performance analysis has been conducted to quantify the impact.

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**MPA/USPS-T42-7.** Please refer to page 20 of USPS-LR-L-49 where it states, "The outgoing distribution of flat mail pieces prepared in mixed bundles has recently been consolidated into significantly fewer facilities and moved to automated processing wherever practical." Please also refer to the proposed rule entitled "New Preparation for Periodicals Flats in Mixed Area Distribution Center Bundles and Sacks" in the March 7, 2006 Federal Register (page 11366) where it states,

"The new separation allows us to integrate Periodicals flats into the First-Class mailstream for Periodicals addressed to destinations within the First-Class Mail surface transportation reach of the office of entry. Under the new preparation, mailers separate some mixed ADC mail according to the destination ZIP Codes in new labeling list L201. Pieces prepared according to L201 are processed with First-Class Mail by the entry office. The remaining mixed ADC mail destined for ZIP Codes farther from the office of entry is sent to one of the 34 origin facilities designated in labeling list L009 for consolidated processing. To fully benefit from this new preparation, Periodicals mailers should begin preparing Periodicals mail under these standards as soon as possible. Having all mixed ADC mail prepared uniformly allows us to establish a consistent network and operating procedure for handling this mail across our processing facilities. Processing some Periodicals mail with the existing outgoing First-Class Mail at approximately 330 locations will have little impact on the operations at these offices but will relieve the 34 locations currently processing this consolidated volume of a significant amount of work."

(a) Please confirm that the proposed implementation date for the "New Preparation for Periodicals Flats in Mixed Area Distribution Center Bundles and Sacks" rule is July 6, 2006. If not confirmed, please provide the correct implementation date.

(b) Please confirm that use of the L009 labeling list mentioned in the proposed rule cited above became a requirement for Periodicals Mixed ADC flats on May 15, 2005. If not confirmed, please explain fully.

(c) At the beginning of FY 2005, was there a consistent operating procedure for handling Mixed ADC Periodicals mail? If so, please describe it precisely, and produce Postal Service manuals, management instructions, or similar documents sufficient to verify your response.

(d) Please confirm that the Postal Service is in the process of establishing the "consistent network and operating procedure" for Periodicals Mixed ADC mail described above, and that the network and operating procedure will be in place by the Test Year. If not confirmed, please explain fully.

(e) Please confirm that, by the end of FY 2006, the Postal Service will have put in place the mailing standards to support the "consistent network and operating procedure." If not confirmed, please explain fully.

(f) Please confirm that "integrat[ing] Periodicals [Mixed ADC] flats into the First-Class mailstream for Periodicals addressed to destinations within the First-Class Mail surface transportation reach of the office of entry" will increase the

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proportion of Periodicals Mixed ADC flats that are sorted on automation and explain why.

(g) Please confirm that, because Periodicals Mixed ADC flats will be integrated into the First-Class mailstream only for pieces addressed to destinations within the First-Class Mail surface transportation reach of the office of entry, the integration with First-Class Mail will not cause the transportation of Periodicals by air.

(h) Please confirm that the Postal Service is consolidating the processing of Periodicals Mixed ADC flats that will not be integrated into the First-Class mailstream at 34 locations. If not confirmed, please explain fully.

(i) Please confirm that consolidating the processing of Periodicals Mixed ADC flats that are not integrated with the First-Class mailstream at 34 locations will increase the proportion of Periodicals Mixed ADC flats that are on automation. Explain your answer fully, and provide all available documentation of the magnitude of the increase.

**Response:**

- a. It can be confirmed that the required use of the new preparation will become required on July 6, 2006; however, optional use of the preparation became effective on October 27, 2005.
- b. Confirmed.
- c. In January 2000, a national Periodicals processing standard operating procedure was issued (please see USPS-LR-L-145). This was in effect at the beginning of FY 2005. The SOP specified using process management as a problem solving tool. It specified the operations for both originating and destinating plants, including dock operations, sack or tray break up operations and mixed sack and tray operations (letters and flats). It contained information on the importance of labeling and placarding for within plant and between plant container movements. It specified the training required for management and craft employees.
- d. Confirmed.

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- e. Confirmed.
- f. Unable to confirm. Though the consolidation of Periodicals Mixed ADC flats at the 34 processing facilities (see subpart (i)) should have moved all or most candidate mail onto automation, it is possible that the integration of Periodicals Mixed ADC flats into the First-Class mailstream for pieces addressed with the First-Class surface transportation reach of the plant of entry could further increase the proportion sorted on automation, since virtually all outgoing First-Class flats have an outgoing automated window.
- g. Confirmed.
- h. Confirmed.
- i. Confirmed. By consolidating the processing of these mailpieces, there will be increased volumes for machines to process increasing the likelihood that a window on automation will be justified.

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**MPA/USPS-T42-8.** Please refer to page 20 of USPS-LR-L-49, which states that: "The Postal Service is aggressively exploring alternatives for the preparation of Periodicals outside of sacks. The amount of mail prepared on destination pallets is beginning to be maximized by optimizing the presort rules and adjusting the pallet preparation minimums. Also, options will be developed to allow the entry of smaller, local Periodicals mailings at destination facilities in alternate containers or by unloading the bundles straight into a container (e.g. rolling stock, pallet box) provided by the plant.

Based on the cost associated with sorting, transporting, and dumping sacks, as well as the impact to the contents (e.g. bundle breakage) any decrease in sack utilization is expected to produce significant benefits.

(a) Please list, and provide citations to, all optional and required mailing standards that have been implemented since the beginning of FY 2005 that will reduce the number of sacks used to mail Periodicals. Produce copies of any such standards that are not publicly available.

(b) Please provide a brief description and an explanation of why each mailing standard listed in subpart (a) of this interrogatory will reduce sack usage.

(c) For each standard listed in your response to subpart (a) of this interrogatory, please provide the date on which it became an option (if applicable) and the date on which it became a requirement (if applicable).

(d) Please confirm that you expect the percentage of Periodicals Outside County volume that is entered at destination facilities to increase from FY 2005 to FY 2008. If not confirmed, please explain fully. If confirmed, by how much do you expect the percentage of Periodicals Outside County volume entered at destination facilities to increase? Please explain your calculations, and provide all data, reports, studies and analyses on which they are based.

**Response:**

a. Minimum Load Standards for Mail on Pallets, *Postal Bulletin* 22154 (5-12-05)

at 22

Unsacked Bundles of Flat-Size Mail Entered at Destination Delivery Units,

*Postal Bulletin* 22156 (6-0-05) at 17

Periodicals Prepared in Trays, *Postal Bulletin* 22166 (10-27-05) at 6

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Bundle Reallocation, *Postal Bulletin* 22170 (12-22-05) at 34

New Preparation Requirements for Bundles on Pallets, *Postal Bulletin* 22171  
(1-5-06) at 8

Sack Preparation Changes for Periodicals, *Postal Bulletin* 22172 (1-19-06) at  
6

b. *Minimum Load Standards for Mail on Pallets*

This preparation option allows mailers to prepare pallets with a lower minimum weight. Moving the minimum weight to 100 pounds for SCF pallets entered at destination SCFs and ADC pallets entered at destination ADCs allows more bundles to be placed on pallets reducing the number of bundles prepared in sacks.

*Unsacked Bundles of Flat-Size Mail Entered at Destination Delivery Units*

This preparation option allows mailers to deposit flat-sized mail at destination delivery units with out sacking the individual bundles. The mailer can use any container they like to transport the bundles to the delivery unit and then transfer them into containers designated by the office.

*Periodicals Prepared in Trays*

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This preparation option allows mailers to place ADC and mixed ADC mail in flat trays with lids. This option eliminates the ADC and mixed ADC sacks which would have otherwise been prepared.

*Bundle Reallocation*

This mail preparation option allows mailers to move volume from the SCF pallet of the host city to protect the preparation of the ADC pallet. Protecting the ADC pallet keeps the mail palletized, preventing the bundles from falling to sacks.

*New Preparation Requirements for Bundles on Pallets*

This preparation requirement lowers the minimum weight of the least finely sorted pallet in a mailing from 500 to 250 pounds. If there is between 250 and 499 pounds of mail for the destination after all 500 pound pallets are created, the additional pallet must be made. This results in volume being prepared on a pallet instead of falling to sacks.

*Sack Preparation Changes for Periodicals*

This preparation requirement raises the minimum number of pieces required at any presort level from 6 to 24. This will consolidate mail from multiple 6-piece sacks into a single sack, reducing the number of sacks in the system. The 3-digit carrier routes sack consolidates bundles of carrier route presorted mail which previously were contained in individual 5 digit carrier route sacks.

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The merged 3 digit sack consolidates carrier route, automation and presorted bundles formerly prepared in merged 5 digit sacks.

- c. Minimum Load Standards for Mail on Pallets, optional June 1, 2005

Unsacked Bundles of Flat-Size Mail Entered at Destination Delivery Units,  
optional June 9, 2005

Periodicals Prepared in Trays, optional October 27, 2005

Bundle Reallocation, optional May 11, 2006

New Preparation Requirements for Bundles on Pallets, required May 11,  
2006

Sack Preparation Changes for Periodicals, required May 11, 2006

- d. It is my understanding that volume projections for the Test Year are made at a subclass level by witness Thress (USPS-T-7) and then at the rate category level by witness Tang (USPS-T-35). While I understand that price incentives that are offered may affect mail preparation and entry, I have not quantified any change in level of destination entry for the Test Year.