

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS COOMBS
TO INTERROGATORIES OF VALPAK (VP/USPS-T44-16 – 19, 21 – 22)
(July 7, 2006)

The United States Postal Service hereby provides the response of witness Coombs to the following interrogatories of ValPak, Inc., filed on June 23, 2006: VP/USPS-T44-16-19, 21-22. Question 20 has been redirected to witness McCrery.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX -5402
July 7, 2006

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-16.

Please refer to your testimony at page 13, lines 15-19, where you describe carriers' practice of collating two sets of saturation flats for delivery on the same day.

a. If one set of saturation flats consists of addressed catalogs and the other set consists of DALs and unaddressed covers, would one optional way to handle the two mailings be to case the addressed catalogs and take the DALs and covers directly to the street; *i.e.*, instead of collating the flats? If casing the addressed catalogs is not an option to collating the two mailings of saturation flats, please explain why not.

b. Is collation the "standard," or preferred, method for carriers to handle the two bundles of saturation flats? If so, please explain why.

c. If two sets of flats generally can be collated faster than the set of saturation catalogs can be cased, the reduction of in-office time from collation would be approximately what percentage the time required for casing (*e.g.*, 10 percent, 15 to 25 percent)?

i. If collating is faster than casing, can you estimate how much faster?

ii. Do situations exist where casing one set of saturation flats is faster than collating?

d. When two sets of saturation flats need to be delivered, are you aware of any circumstances or situations where city carrier casing of saturation flats is more expeditious or less time-consuming than collating the two? If so, please explain.

e. Does the Postal Service have actual data or studies that (i) compare the practice of collating vs. casing, and (ii) document in any way the advantages of collating vs. casing? If so, identify them, and provide them, and discuss.

RESPONSE:

- a. It would be an option if the catalogs were of the size and weight that casing them was operationally efficient.
- b. The decision to collate or case flat-shaped pieces is made at the DDU based on the nature of the mailing and the operational resources available.
- c. The time needed to collate or to case flat-shaped pieces varies by the nature of the mailing, the percent of coverage, and the resources. To my knowledge, no studies have been conducted that measure the time

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

differences between collating and casing flat-shaped pieces.

- i. See my response to c.
- ii. Yes.
- d. There could be circumstances where casing one set of saturation flats is less time-consuming than collating. Time studies have not been conducted, and the nature of the mailings would be a factor.
- e. To my knowledge, they do not.

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-17.

Please refer to your testimony at page 13, lines 13-21, including your statement that “[t]here are obviously situations that currently exist where flats are not taken directly to the street such as the presence of two sets of saturation flats on the same delivery day.”

- a. Please confirm that on motorized curblines routes carriers have no contractual restriction on the number of bundles which they can take directly to the street. If you do not confirm, please explain.
- b. If a carrier on a curblines route has two sets of saturation flats for delivery on the same day, would the carrier most likely (i) collate the two sets in the office and then take the collated bundle to the street, or (ii) take both sets of flats directly to the street and work from two separate bundles in the delivery vehicle? If each alternative is commonly used, please explain the operational conditions under which preceding alternative (ii) would be the most efficient way to handle two sets of saturation flats.
- c. When carriers collate two sets of addressed saturation flats, do they need to read the addresses on each piece?
- d. Please explain how carriers collate two sets of addressed saturation flats when one or both of the two sets have less than 100 percent coverage.

RESPONSE:

- a. They do not have contractual restrictions, but operational restrictions exist.
- b. On a purely curblines route, and in the rare circumstance where both sets of saturation flats had to be delivered on the same day, the carrier would most likely take both sets of flats directly to the street.
- c. Yes.
- d. The flats are collated by placing the identical addresses together.

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-18.

Please assume that a carrier has three sets of addressed saturation flats for delivery on the same day.

- a. Would collation of the three sets into one collated bundle be a viable alternative? Please explain why or why not.
- b. For those routes that have no restriction on the number of extra bundles that carriers can take to the street (*e.g.*, motorized curbside routes), would a viable alternative be to take all three sets directly to the vehicle (*i.e.*, uncollated and uncased) and work from the three separate sets in the vehicle? If this is feasible, please explain how carriers on such routes would work from their bundles of (i) DPS'd letters, (ii) cased flats (and any residual letters), and (iii) three separate bundles of addressed flats.
- c. In today's operating environment, what is the most likely way that carriers would handle three sets of addressed saturation flats for delivery on the same day?
- d. After the Flat Sequencing System ("FSS") is fully deployed and operational, and carriers start the day with bundles of (i) DPS'd letters, (ii) FSS'd flats, and (iii) cased residual pieces, how would carriers most likely handle an additional three sets of addressed saturation flats for delivery on the same day (*i.e.*, if they were faced with working from six separate bundles instead of five, as discussed in preceding part c)?

RESPONSE:

- a. It is extremely unlikely that three sets of saturation flats would be delivered on the same day. This situation would only occur in circumstances where there was no alternative. The chances that this situation would occur are particularly rare because most mailers provide a 2-3 day operational window for their product to be delivered. Therefore, it is unlikely that this would be an alternative.
- b. Since the chances that this hypothetical scenario would occur are so rare, it is difficult to answer with any degree of certainty. The probability of any carrier taking three sets of saturation flats directly to the street is further reduced by the logistical constraints of the vehicle.

**RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO
INTERROGATORIES OF VALPAK**

- c. See the response to b.
- d. No data currently exists to determine what will occur in the FSS environment.

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-19.

Please refer to your response to VP/USPS-T44-2(a).

- a. Please define the term “operationally efficient” as you use it in your response.
- b. Do you mean “operationally efficient” from the perspective of (i) the carrier supervisor at the DDU, (ii) the plant where mail is FSS’d, or (iii) the Postal Service as an entity?
- c. Do you intend “operationally efficient” and “minimum cost” to be synonymous?
 - i. If not, please explain how they differ.
 - ii. Do you mean “minimum cost” from the perspective of the carrier supervisor at the DDU, the plant, or the Postal Service?
- d. When saturation flats are taken directly to the street, they are rarely the subject of an IOCS tally, and incur virtually no recorded cost; *i.e.*, when saturation flats are taken directly to the street, the recorded in-office unit mail processing cost is almost zero. Under what circumstances would you envision that the option of putting saturation mail on the FSS would have a lower unit cost, or be more operationally efficient? Please explain why and in what sense FSSing of saturation flats would have lower cost or be more efficient.

RESPONSE:

- a. “Operationally efficient”, as used in the VP/USPS-T44-2(a) response, means that the process is the most effective use of operational resources.
- b. All of those involved.
- c. “Operationally efficient” and “minimum cost” are not necessarily synonymous. Minimal cost might not be operationally efficient if service is compromised.
- d. Since no data exists regarding the FSS system, this question cannot be answered.

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-21.

Please refer to your response to VP/USPS-T44-4(f).

- a. Please define the term “conflicts” as you use it there.
- b. Please provide examples of the most common conflicts that would prevent ECR saturation flat mailings from being taken directly to the street:
 - i. in the current operating environment; and
 - ii. in the environment after FSS is implemented.

RESPONSE:

- a. “Conflicts”, as defined in this case, means where the number of bundles that the carrier needs to take could exceed the number of bundles that the carrier can deliver.
- b. Generally speaking, conflicts are not common in their occurrence.
 - i. An example of a conflict would be the rare occasion when more than one set of saturation flats must be delivered on the same day because conditions exist in which neither of the mailings can operationally be deferred to another delivery day.
 - ii. No FSS data exists to answer this question.

RESPONSE OF POSTAL SERVICE WITNESS COOMBS TO INTERROGATORIES OF VALPAK

VP/USPS-T44-22.

Please refer to your response to VP/USPS-T44-7(a), and assume that a carrier takes a mailing of saturation letters directly to the street.

- a. Please explain in more detail how different sizes, shapes and weights of the letter would determine how the letters are handled for “maximum operational efficiency.”
- b. Please describe the major different ways that carriers have for handling saturation letters that are taken directly to the street.

RESPONSE:

- a. The size, shape, and weight of the letter-shaped saturation piece could influence how the carrier handles the mailing on the street. For example, the carrier could place the saturation letter-shaped bundle in his/her hand along with the DPS mail if the pieces were compatible with the DPS mail. If not, the carrier might place the saturation letter-shaped bundle in the satchel if that were more operationally efficient.
- b. As noted above, generally the carrier would either place the saturation letter-shaped pieces in the hand behind the DPS mail, or place it in the satchel.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX: -5402
July 7, 2006