

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 QUESTIONS POSED BY THE APWU  
DURING HEARINGS ON AUGUST 17, 2006

The United States Postal Service hereby gives notice that it is filing the responses of witness Marc D. McCrery to questions posed during hearings on August 17, 2006, at the following transcript citations: Tr. 11/3172, and Tr. 11/3193-3194. The first question is paraphrased, while the second is verbatim. Each question is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux  
Chief Counsel, Ratemaking

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Sheela A. Portonovo

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3012; Fax -6187  
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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MCCRERY  
TO QUESTION POSED BY APWU DURING HEARINGS**

**Tr.11/3173 QUESTION:**

What is the readability percentage for Postal Service applied barcodes?

**Response:**

Mailpieces with Postal Service applied barcodes are mixed with mailpieces with barcodes applied by entities other than the Postal Service as the pieces move through processing operations. Therefore, it is difficult to isolate the readability percentage for Postal Service applied barcodes. Machine specifications identified during the purchase and design of the MLOCR equipment required a 98 percent read rate at the time of application on the mailpiece. We are aware of no studies conducted to determine the readability of postal-applied barcodes in isolation within subsequent letter processing operations.

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**Tr. 11/3193 - 3194**

Q. You state that while there are some 19,300 ZIP Codes that are not DPS'd, but for some of those DPS is not required. You mention a ZIP Code that is specific to a company as an example. Do you know how many ZIP Codes fall into that category?

A. I don't have that information on the top of my head.

Q. And the same question for PO Boxes.

A. No. I don't know that off the top of my head, no.

Q. Is that something that you could provide for us?

**Response:**

There are 9723 ZIP Codes identified as Post Office Box ZIP Codes and 2505 ZIP Codes identified as Unique ZIP Codes. Unlike delivery area ZIP Codes which are only activated on July 1, ZIP Codes for PO Boxes and Uniques can be activated at any time of the year and these numbers can change at any time.

There are caveats to both of these with respect to the original question which was asking where (and possibly why) mail was being delivery point sequenced. Our answer tried to convey that there are various levels of sortation which might be considered a DPS sort. For example, for large firms or institutions for whom we stop sortation at the five-digit ZIP Code, that is our last or delivery point sort.

The number of Uniques is undercounted. Postal Service OCR equipment and commercial address matching software do not perform an address look-up when presented with address information from a Unique ZIP Code. Whatever appears

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on the mailpiece is what our equipment will use to spray the correct five-digit barcode. In the 1990s, some firms and institutions (primarily colleges, universities and military bases) who were assigned these Unique ZIP Codes developed a desire to also use automated equipment to sort their own mail. This required the development of a 'rational' addressing system for the mail destined to the Unique ZIP Code. Once that was accomplished and the addresses were added to the postal address database, the Postal Service removed the Unique indicator from the ZIP Code record in the database, so that the ZIP Code 'looked' like an other delivery area ZIP Code. That action resulted in address matching software returning a result such that a delivery point barcode could be generated and then used by the firm or institution to sort their own mail.

The number of Post Office box ZIP Codes needs to be qualified if intended to be used in the context of DPS sorting. In the early days of ZIP+4 coding, an individual ZIP+4 code was assigned to an individual PO Box number. If the sort plan arranged the mail in +4 code order, the result was a DPS sort. However, as delivery point barcodes were implemented, postal employees came to see that they could 'save' +4 codes and possibly prevent a ZIP Code split, if they assigned +4 codes to a range of PO Box numbers, just as was done on the street. It is no longer possible to assume that for PO Box ZIP Codes, a sector segment sort plan delivers DPS results.