

July 17, 2003

Hon. Steven W. Williams, Secretary  
Postal Rate Commission  
1333 H. Street, NW, Suite 300  
Washington DC 20268-0001

Dear Mr. Williams:

This provides an update on future changes to three Postal Service field data collection statistical programs: (1) the Revenue, Pieces and Weight System (RPW - referred to in postal rate case documentation as Domestic Probability Sampling System); (2) the Origin-Destination Information System (ODIS); and (3) the In-Office Cost System (IOCS). These three systems will undergo changes described below starting October 1, 2003.

The RPW and ODIS field data collection software and procedures, as well as their statistical design and estimation, will be merged in Fiscal Year 2004. The new system, referred to as ODIS-RPW, will continue to collect all the information currently collected by RPW, plus most of the information collected by ODIS. The introduction of ODIS-RPW will provide more observations on revenue and weight than are currently available and will utilize fewer work hours than do both systems combined currently. It will also eliminate the first stage panel of the current RPW sample, except for the Consolidated Originating portion of ODIS-RPW, which is needed to capture data on certain special services.

We will also implement changes in the design of the IOCS data collection instrument that were described in briefings we provided the Commission's staff last year. As previously discussed, the wording and flow of questions in the instrument have been redesigned in light of several objectives: (1) to align more closely reported activities with MODS cost pools; (2) to direct the data collectors to record observable mail characteristics, and to rely on mainframe computer algorithms to determine the mail subclass or rate category observed; (3) to reduce the potential for inconsistent markings, endorsements, and other mail characteristics; and (4) to provide a script for data collectors when they are conducting telephone readings. These changes are being implemented to enhance both the utility and quality of IOCS data.

If the Commission has any questions regarding these changes, please contact me, and I will arrange to provide more information.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. Foucheaux, Jr." with a flourish at the end.

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking