

ORIGINAL

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0008

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-31-35, 36(c), 38-39)

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-31-35, 36(c), 38-39, filed on August 14, 1996. Objections to interrogatories OCA/USPS-36(a) and (b) and 37 were filed on August 26, 1996.

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

Respectfully submitted,

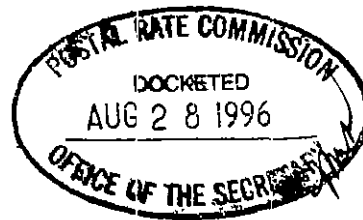
UNITED STATES POSTAL SERVICE

By its attorneys:

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August 28, 1996



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OCA/USPS-31

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OCA/USPS-31. Please refer to the response to OCA/USPS-T5-13c and to the OCA's interrogatory at Tr. 1/55-58, June 1, 1994, in Docket No. R94-1.

- a. Interrogatory OCA/USPS-T5-13c asked for descriptions of changes to estimation formulas. The response mentioned changes to weighting factors, but not to the variance estimation formulas provided in R94-1 at Tr. 1/57-58. Please confirm that the R94-1 variance estimation formulas were used to produce Tables 4-6 of SSR-90. If you do not confirm, please detail all changes and provide updated variance formulas.
- b. In R94-1,  $C_k$  is defined as the cost associated with the  $k^{\text{th}}$  craft. Tr. 1/57. Please confirm that  $C_k$  was derived from payroll records for all employees of craft  $k$  in FY 1993. If you do not confirm, please explain.
- c. Please confirm that in R94-1,  $C_{ik, \text{stratum}, \text{quarter}}$  was computed by the formula  $C_{ik, \text{stratum}, \text{quarter}} = C_{k, \text{stratum}, \text{quarter}} * p_{ik, \text{stratum}, \text{quarter}}$ . Tr. 1/58. If you do not confirm, please provide the correct formula.
- d. Please confirm that the formula provided in response to part (c) of this interrogatory is the formula used to compute  $C_{ik, \text{stratum}, \text{quarter}}$  for the FY 1995 IOCS estimates provided in Tables 4-6 of SSR-90. If you do not confirm, please explain and provide the correct formulas for FY 1995.

OCA/USPS-31 Response:

- a. Not confirmed.

The variance estimation formulas used to produce Tables 4-6 of SSR-90 are basically the same as the R94-1 formulas. Although most tallies have a weight of 1, the variables  $n_{kj}$ ,  $n_k$ ,  $a_{ikj}$ ,  $a_{ik}$ ,  $a_{ikj}$ , in Tr. 1/57-58 are weighted counts from which it follows that  $p_{ikj}$ ,  $p_{ik}$  are weighted percentages.

An additional stratum for mail processing offices that were split from CAG C customer service offices was established for variance computation, using the formula in

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5), Tr. 1/58.

- b. Confirmed.
- c. Confirmed with  $p_{ik}$  as defined in a) above.
- d. Confirmed.

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OCA/USPS-T-32. Please refer to pages 20-21 of SSR-22. This document lists possible values of entries for item F35 of the FY 1995 IOCS data set. In a review of the data set, it appears that item F35 can take the value "Z" in addition to the values listed on pages 20-21 of SSR-22. Please explain the significance of this value and any other item values not documented in SSR-22.

OCA/USPS-32 Response:

Pages 20-21 of SSR-22 list all possible values assignments for item F35 received via CODES data collection. At the end of each quarter, any PDC sample record for which no matching IOCS-CODES reading has been received is written to the output file with a "Z" in field F35. These records are subsequently assigned to basic function "4" (SAS item F261), activity code "9200 - Scheduled Sample Not Received" (SAS item F262), and a dollar value of zero (SAS Item F9250). In addition to item F35, only those items listed in SSR-22 pages 19 and 50 contain data. Value "Z" is assigned by program ALB019C1. Refer to SSR-17 page 61 for the program narrative and SSR-19 page 506 lines 6052-6072 for the source code.

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OCA/USPS-33. Please refer to item F263 (tally finance number) of the SSR-22 IOCS data set and the accompanying documentation.

- a. Please confirm that the tally finance number (item F263) has been suppressed or recoded. If you do not confirm, please explain why only a small number of unique finance numbers appear in this field. If you do confirm, please explain why these finance numbers had to be suppressed, considering that all sample finance number locations were listed in response to OCA/USPS-T5-15.
- b. Please confirm that F263 takes only values "xxxxxx" (for example "666666" or "777777") on the data file provided with SSR-22. If you confirm, please explain the rationale for the various choices for "x".

OCA/USPS-33 Response:

- a. Confirmed. The listing of locations that was provided in response to OCA/USPS-T5-15 cannot be used to link data from the IOCS file to specific locations.
- b. Confirmed. Item F263 is used to separate CAG A / B tallies into three strata: '666666' for the BMC's, '555555' for the group of large offices, and '777777' for the remaining offices in CAG A and B.

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OCA/USPS-34

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OCA/USPS-34. Please refer to the attachment to the response to OCA/USPS-T5-15. The note on the last page indicates that six of the listed "offices either closed or the finance numbers associated with them were not used."

- a. For each of these six offices, please indicate whether the office closed or whether the associated finance number was not used for other reasons.
- b. For each finance number that was not used (and the office did not close) please explain why the office was excluded from the sample.

OCA/USPS-34 Response:

- a. All six finance numbers were discontinued finance numbers with no employees assigned to them.
- b. Not applicable.

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OCA/USPS-35

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OCA/USPS-35. Please refer to the responses to OCA/USPS-T5-15 and OCA/USPS-T5-13. The attachment to OCA/USPS-T5-15 shows 1019 sampled offices (1025 less 6 that closed or were not used), and the response to OCA/USPS-T5-13 shows 1018 sample offices. Please explain this minor discrepancy.

OCA/USPS-35 Response:

The 7th office (see line #132) is not in the FY95 sample.

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OCA/USPS-36

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OCA/USPS-36. Please refer to the response to OCA/USPS-T5-22. This response stated that a programming error caused incorrect c.v. estimates to be produced for the Rural Carrier System in USPS-LR-G-127.

- a. Please provide a table of FY 1993 Rural Carrier System c.v.'s correcting the ones filed in G-127.
- b. If the corrected FY 1993 Rural Carrier System c.v.'s are still small relative to those of SSR-90, please explain any additional reasons that could account for the reliability decreases.
- c. Other than the discovered programming error, were there other changes to the estimation methodology (or to the sampling error estimation methodology) that could account for the difference in magnitude of sampling error reported?

OCA/USPS-36 Response:

- a. Objection filed August 26, 1996.
- b. Objection filed August 26, 1996.
- c. There were no changes.



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OCA/USPS-37

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OCA/USPS-T-37. Please refer to Tables 4-6 of USPS-LR-SSR-90.

- a. Please provide the programs used to produce the cost and c.v. estimates presented in these tables. If they have already been provided, please provide a citation to the appropriate MC96-3 library reference.
- b. Please confirm that the IOCS FY 1995 data file provided as USPS-LR-SSR-22 is the only input file required by the programs used to produce Tables 4-6 of SSR-90. If you do not confirm, please provide the additional files.

OCA/USPS-37 Response:

- a. Objection filed August 26, 1996.
- b. Objection filed August 26, 1996.

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OCA/USPS-38

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OCA/USPS-38. Please refer to Tables 7-10 of USPS-LR-SSR-90.

- a. Please provide the programs used to produce the proportions of total and corresponding c.v. estimates presented in these tables. If they have already been provided, please provide a citation to the appropriate MC96-3 library reference.
- b. Please confirm that the City Carrier Cost FY 1995 data file provided as library reference SSR-36 is the only input file required by the programs used to produce Tables 7-10 of SSR-90. If you do not confirm, please provide the additional files.

OCA/USPS-38 Response:

- a. The programs are provided in electronic form as Library Reference SSR-144, filed on August 28, 1996.
- b. The input data files used to compute the c.v.s were not the same as the data file provided in Library Reference SSR-36A, but are derived from the same files. However, the edited City Carrier data in SAS format provided in Library Reference SSR-36A is the only input file needed to run these programs.

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OCA/USPS-T-39. Please refer to Tables 11-12 of USPS-LR-SSR-90.

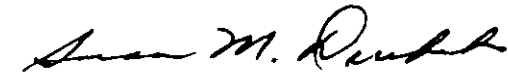
- a. Please provide the programs used to produce the cost and c.v. estimates presented in these tables. If they have already been provided, please provide a citation to the appropriate MC96-3 library reference.
- b. Please confirm that the Rural Carrier System FY 1995 data file provided as library reference SSR-36 is the only input file required by the programs used to produce Tables 4-6 of SSR-90. If you do not confirm, please provide the additional files.

OCA/USPS-39 Response:

- a. The programs are provided in electronic form as Library Reference SSR-144, filed on August 28, 1996.
- b. The input data files used to compute the c.v.s were not the same as the data file provided in Library Reference SSR-36A, but are derived from the same files. The Rural Carrier data provided in Library Reference SSR-36A, in conjunction with the RURALMSC.GRP file provided in Library Reference SSR-144 are the only input files needed to run these programs.

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, reading "Susan M. Duchek", written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
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August 28, 1996