

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS BARON TO ADVO INTERROGATORIES
(ADVO/USPS-T12-1-5)

The United States Postal Service hereby provides the response of witness Baron to the following interrogatories of Advo, Inc.: ADVO/USPS-T12-1-5, filed on February 22, 2000.

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


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
(202) 268-2993; Fax: -5402
Washington, D.C. 20260-1137
March 7, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BARON TO
INTERROGATORIES OF ADVO, INC.

ADVO/USPS-T12-1. With respect to the FY98 accrued activity time proportions developed in LR I-159 from the Engineered Standards (ES) data collection, please provide any information you have on the following:

- (a) Statistical measures of accuracy or reliability available on the estimates of annual proportions of accrued activity time for each route sampled.
- (b) Statistical measures of accuracy or reliability available on the estimates of the annual proportions of accrued activity time for each route type for each zip sampled.
- (c) Statistical measures of accuracy or reliability available on the estimates of the annual proportions of accrued activity time for each route type for each region sampled.
- (d) Statistical measures of accuracy or reliability available on the estimates of the annual proportions of accrued activity time for each route type for the USPS city carrier system in its entirety.

RESPONSE:

- (a) through (d). I have not produced any statistical measures of accuracy or reliability.

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ADVO/USPS-T12-2. With respect to the FY98 accrued activity time proportions developed in LR-I-159 from the Engineered Standards (ES) data collection, did you, in any way, attempt to quantitatively validate these proportions with data from other sources? If so, please explain fully, and provide your analyses and results.

RESPONSE:

No.

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ADVO/USPS-T12-3. On page 31 of your testimony, you provide explanations for the terms Loading, Driving, Route-Access (FAT), Route-Access (CAT), and Collection Activity Categories. Prior to performing your analysis and submitting your testimony, did you review the Engineered Standards data set and attempt to:

- (a) Ensure that the Engineered Standards tally assignments to those activities matched precisely your definitions? If so, please explain what you did, and identify any concerns you may have with respect to the precise matching of any Engineered Standards tally (or set of tallies) with your ratemaking definitions.
- (b) Check Mr. Raymond's assignments to various activity times in order to determine whether they were consistently applied? If so, please explain fully and identify any concerns you may have with respect to consistency of application.
- (c) Ensure that the definitions applied to the Engineered Standards data (and the times that were ascribed to them) correctly matched the ones used in the FAT, CAT, and LTV data collections? If so, please explain them.

RESPONSE:

(a) I did conduct such a review. I communicated to Mr. Raymond the definitions of the six street activity categories: load time, driving time, street support, route/access FAT, route/access CAT, and collection box. I observed that these definitions are the ones summarized in the "Cost Segment 7" section of what is now Docket R2000-1, USPS LR-I-1, Postal Service's Summary Description of USPS Development of Costs By Segments And Components, FY 1998.

The major concerns I discussed with Mr. Raymond were the need to define load time as time that begins only after the carrier has completed accessing a delivery stop, and to define the activity of walking to or driving up to a delivery stopping point as something other than load time (specifically, as route/access FAT walking time, driving time, or route/access CAT time). In particular, I wanted to ensure that Mr. Raymond would define street-time tallies as load-time tallies only in those instances in which the carrier is physically stopped at a delivery stopping point doing one of the following:

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- (1) putting mail into a receptacle, or preparing to do so through the handling of mail pieces, bundles, or mail-related equipment (e.g., by fingering mail to get it ready for delivery).
- (2) collecting mail from receptacles.
- (3) obtaining signatures from and communicating with customers in the process of delivering accountable services.

My communications with Mr. Raymond also emphasized that any activity of handling mail or mail-related equipment that occurs at a stopping point other than a customer delivery location should be identified as a street support or route-access FAT activity, not as load time. An example is the handling of mail or mail-related equipment at a vehicle stopping point in preparation for the activity of walking on the loop section of a route.

(b) I did perform such a check. I observed several records in the ES database that showed questionable allocations of tallies to the load-time activity. I questioned Mr. Raymond in particular to verify that the carriers being observed in these instances were correctly identified as being located at a delivery stopping point in the process of either putting mail into receptacles or preparing to do so. I received assurances from Mr. Raymond that this was indeed the case in all such instances.

(c) It is my understanding that the definitions I communicated to Mr. Raymond are consistent with the definitions that had been used in the CATFAT and load time studies.

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ADVO/USPS-T12-4. With regard to the Engineered Standards data set and its use in this rate case:

- (a) Please describe all issues that you discussed with Mr. Raymond and when they were discussed.
- (b) Please provide all written guidance and describe all oral guidance you gave Mr. Raymond on how to ascribe tallies to the Drive, Load, FAT, CAT, Collection, and Street Support categories.
- (c) Please describe the types of Engineered Standards tallies that you assisted Mr. Raymond to identify in terms of Drive, Load, CAT, FAT, Collection, Street Support.

RESPONSE:

- (a) The issues I discussed with Mr. Raymond were the definitions of the street-time activity categories, alternative methods of using data from the ES database to estimate percentages for these categories, and the application of these percentages to the distribution of accrued street-time cost across activities. These discussions were held from March through April 1999, and again from November 1999 through January 2000.
- (b) It is my understanding that all written guidance provided to Mr. Raymond came from USPS staff. The oral guidance I provided Mr. Raymond consisted of review and clarification of the street-time activity definitions to help ensure that Mr. Raymond would accurately assign work-sampling tallies across the six major street-activity categories.
- (c) The types of tallies that I assisted Mr. Raymond in identifying were those that raised questions regarding the relationship between the location and activity of the carrier and the allocation of activity tallies to street-activity categories. My assistance consisted of guidance relating to how the combination of the physical location and the activity conducted by the carrier at the time a tally was being recorded should be interpreted for purposes of allocating the tally to the appropriate activity category.

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ADVO/USPS-T12-5. Did you independently review the Engineered Standards data set, prior to Mr. Raymond's activity category assignments, and attempt to assign them yourself? If so, please explain how many route-days of data you reviewed and whether you had any difficulties in making the assignments.

RESPONSE:

I did independently review the Engineered Standards data set prior to Mr. Raymond's activity category assignments. I reviewed 861 route-days of data. I did not attempt to independently assign tallies to activity categories prior to Mr. Raymond's decisions on these assignments.

DECLARATION

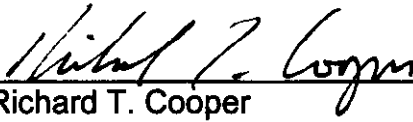
I, Donald M. Baron, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Donald M. Baron

Date: 3-7-00

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.


Richard T. Cooper

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March 7, 2000