

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

DOUGLAS F. CARLSON
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SCOTT J. DAVIS
(DFC/USPS-T30-21-64)

March 13, 2000

Pursuant to sections 25 and 26 of the *Rules of Practice*, I hereby submit interrogatories to United States Postal Service witness Scott J. Davis.

If the witness is unable to provide a complete, responsive answer to a question, I request that the witness redirect the question to a witness who can provide a complete, responsive answer. In the alternative, I request that the question be redirected to the Postal Service for an institutional response.

Respectfully submitted,

Dated: March 13, 2000



DOUGLAS F. CARLSON

CERTIFICATE OF SERVICE

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



DOUGLAS F. CARLSON

March 13, 2000
Emeryville, California

DFC/USPS-T30-21. Please refer to your response to DFC/USPS-T30-12(a).

- a. Are the raw data that you provided the basis for the cost study presented in USPS-LR-I-108? If not, please explain the relationship of these cost data to this library reference.
- b. Do the data that you presented in response to DFC/USPS-T30-12(a) represent all the data that you used to calculate the time that postal employees spend completing and returning return receipts? If not, please explain and provide the missing data. For purposes of this question, please ignore mail-processing costs for returning the Form 3811.
- c. The original interrogatory asked for data on labor time for clerk and carrier review functions, clearing-clerk time, and window-clerk time. The data provided in your interrogatory response apparently were furnished in response to survey questions that asked "How many PS Form 3811 ('Return Receipt') cards did you review today?" and "How many minutes did you spend reviewing PS Form 3811 cards today?" Please explain the types of employees who completed the survey that asked this question (e.g., clearing clerk, carrier, etc.), and please provide any and all missing data necessary to provide a complete response to DFC/USPS-T30-12(a).
- d. For each facility, please discuss the extent to which the employees who participated in the survey processed all the return receipts for that office on each day of the survey. For example, might one office have had two clearing clerks, but only one clearing clerk participated in the survey, causing the return-receipt volume reported in the survey for that office to understate the facility's total volume?
- e. Please provide all raw data governing the window-clerk, carrier, and other time and costs associated with obtaining a signature on a return receipt.
- f. Please explain generally the differences in the results from the survey for Docket No. R2000-1 and the survey conducted for Docket No. R97-1.

DFC/USPS-T30-22. For each of the 24 facilities listed in the attachment to the response to DFC/USPS-T30-12(a), please provide the following information: city and ZIP Code, CAG level, number of city carrier routes that the facility serves, number of rural carrier routes each facility serves, and post-office delivery statistics.

DFC/USPS-T30-23. Please discuss the importance that you assigned to selecting a representative sample of postal facilities for estimating costs for return-receipt service.

DFC/USPS-T30-24. Please discuss the importance that you assigned to developing a statistically valid or statistically significant study of the costs for return-receipt service.

DFC/USPS-T30-25. Please describe the necessary characteristics of a representative sample of postal facilities that would lead to statistically valid survey results.

DFC/USPS-T30-26. Please describe the necessary characteristics of a statistically valid or statistically significant study of the costs for return-receipt service.

DFC/USPS-T30-27. Please provide a detailed analysis of the process by which you determined that your study of the costs for return-receipt service is reliable and statistically valid or statistically significant.

DFC/USPS-T30-28. Please discuss your education and training in designing surveys or cost studies to ensure that the results will be statistically valid or statistically significant.

DFC/USPS-T30-29. Please discuss the cost studies that you have conducted in the past and the process by which you confirmed that your results were statistically valid.

DFC/USPS-T30-30. Please discuss your understanding of whether a study of the cost for return-receipt service that sampled only postal facilities that received an average of five or fewer return receipts per day would be representative or statistically valid for purposes of determining average costs for return-receipt service system-wide.

DFC/USPS-T30-31. Please discuss your understanding of whether a study of the cost for return-receipt service that sampled only postal facilities that received an average of 100 or more return receipts per day would be representative or statistically valid for purposes of determining average costs for return-receipt service system-wide.

DFC/USPS-T30-32. Please refer to your response to DFC/USPS-T30-12(a).

- a. Please confirm that facility 5 reported 400, 630, 1000, 0, 600, and 1200 return receipts for day 1 through day 6. If you do not confirm, please explain.
- b. With the exception of 630, please confirm that each quantity greater than zero at facility 5 is a multiple of 100. If you do not confirm, please explain.
- c. With the exception of day 4, please confirm that the time reported by facility 5 for day 1 through day 6 is, for each day, a multiple of five minutes. If you do not confirm, please explain.
- d. For facility 5, do you have any concern about the reliability of either the number of Forms 3811 reported or the number of minutes spent completing the Forms 3811? Please explain your answer.
- e. Do you wonder about the accuracy of the data from facility 5 given that facility 5 reported data for five days, and the quantity of return receipts for four of those five days was a multiple of 100? Please explain.
- f. Please comment on the likelihood that a postal facility, on four of five days, will process a quantity of return receipts that is a multiple of 100.
- g. Did facility 5 truly process zero return receipts on day 4? Please explain.

DFC/USPS-T30-33. Please refer to your response to DFC/USPS-T30-12(a).

- a. Please confirm that facility 12 reported 40, 30, 30, 0, 50, and 40 return receipts for day 1 through day 6. If you do not confirm, please explain.
- b. Please confirm that each quantity greater than zero at facility 12 is a multiple of 10. If you do not confirm, please explain.

- c. With the exception of day 4, please confirm that the time reported by facility 12 for day 1 through day 6 is, for each day, a multiple of five minutes. If you do not confirm, please explain.
- d. For facility 12, do you have any concern about the reliability of either the number of Forms 3811 reported or the number of minutes spent completing the Forms 3811? Please explain your answer.
- e. Do you wonder about the accuracy of the data from facility 12 given that facility 12 reported data for five days, and the quantity of return receipts for each of those five days was a multiple of 10? Please explain.
- f. Please comment on the likelihood that a postal facility, on five of six days, will process a quantity of return receipts that is a multiple of 10.

DFC/USPS-T30-34. Please refer to your response to DFC/USPS-T30-12(a). Please discuss the likelihood that a postal facility such as facility 16 would receive no return receipts for six days.

DFC/USPS-T30-35. Please refer to your response to DFC/USPS-T30-12(a). Please discuss all functions that an employee completing this survey form is required to perform for return receipts. For example, please describe all information that a clearing clerk must review on each Form 3811 to ensure that it is completed accurately.

DFC/USPS-T30-36. Please refer to your response to DFC/USPS-T30-12(a).

- a. For facility 15, please confirm that the functions described in your response to DFC/USPS-T30-12(a) were completed on day 1 in an average of 3.2 seconds per return receipt. If you do not confirm, please explain.
- b. Do you believe that the employee can properly complete all necessary functions in an average of 3.2 seconds per return receipt at an acceptably low error rate? Please explain.
- c. Does an average of 3.2 seconds per return receipt suggest that the clerk is not making corrections on any Forms 3811? Please explain.

DFC/USPS-T30-37. Please discuss the extent to which economies of scale exist in the time involved in performing the functions for return receipts that your cost study measures. For example, should the time per return receipt be lower if an employee is processing 10 return receipts versus one return receipt?

DFC/USPS-T30-38. Please refer to your response to DFC/USPS-T30-12(a).

- a. For facility 25, please confirm that the time per return receipt is, for each day, within one return receipt (or one minute) of exactly 30 seconds (0.5 minutes) per Form 3811.
- b. Does the observation described in part (a) cause you to question the reliability of the data from facility 25 in any way? Please explain.

DFC/USPS-T30-39.

- a. Please confirm that the employees who responded to your survey were aware that data was being collected on their work output and speed.
- b. Were the employees who performed the work responsible for completing the response form?
- c. Please describe the involvement, if any, of the employees' supervisors in measuring the quantity of return receipts or the time or in verifying the accuracy of the information submitted on the response forms.
- d. Please provide all facts and information that you have or the Postal Service has discussing the effect on the reliability of a cost study such as the one you conducted for return receipt of the awareness of employees that their work output and speed are being measured. Do employees generally work faster or slower than they normally do?
- e. Please discuss the process by which data were verified to ensure that the information each facility provided was true and accurate.
- f. Did employees include the time spent counting the number of Forms 3811 in the total number of minutes spent reviewing Forms 3811? Please provide the instructions that employees received concerning this issue.

DFC/USPS-T30-40. Please refer to your response to DFC/USPS-T30-12(a).

- a. For facility 24, please confirm that the average time per Form 3811 ranged from 3.2 seconds (day 4) to 10.71 seconds (day 6). If you do not confirm, please provide the correct range.
- b. Does this wide range cause you any concern about the accuracy of the data that facility 24 reported? Please explain.

DFC/USPS-T30-41. Please refer to your response to DFC/USPS-T30-12(a).

- a. For facility 20, please confirm that the time reported for each day is a multiple of five. If you do not confirm, please provide the correct range.
- b. Do you wonder about the accuracy of the data from facility 20 given that facility 20 reported data for six days, and the time spent on each day was a multiple of five? Please explain.
- c. Please comment on the likelihood that a postal facility, on six of six days, will spend an amount of time on return receipts that is a multiple of five.

DFC/USPS-T30-42. Which percentage of total return-receipt volume does your cost study sample?

DFC/USPS-T30-43. Does the percentage reported in DFC/USPS-T30-42 constitute a statistically valid, reliable, and representative sample? Please explain.

DFC/USPS-T30-44. Did you weight either your data or your sample so that, for example, the data from large post offices are given more weight than the data from

small post offices since the large offices process a greater percentage of total return-receipt volume? Please discuss the wisdom of the weighting described in this interrogatory and the extent to which you performed weighting. Please describe your methods of weighting as well.

DFC/USPS-T30-45. Please refer to your response to DFC/USPS-T30-12(a). Please provide a detailed, step-by-step explanation of the process by which you used the raw data to develop a cost for return receipt. Please include citations to library references.

DFC/USPS-T30-46. Please refer to your response to DFC/USPS-T30-12(c).

- a. Please explain how the 26 non-randomly-selected facilities were selected for the old cost study to which you referred.
- b. Please discuss the benefits and disadvantages of the method used for selecting facilities for the new cost study versus the method used for selecting facilities for the old cost study. In your answer, please discuss issues of reliability and statistical validity.

DFC/USPS-T30-47. Please refer to your response to DFC/USPS-T30-12(e). Please identify the parts of the current cost study that are based on data obtained prior to Docket No. MC96-3.

DFC/USPS-T30-48. Please refer to your response to DFC/USPS-T30-12(f). Please confirm that mail sent with a return receipt attached is no more likely and no less likely to be UAA than mail sent without a return receipt. If you confirm, please provide facts and information supporting your confirmation. If you do not confirm, please explain.

DFC/USPS-T30-49. Please describe all circumstances that would cause a letter to be UAA.

DFC/USPS-T30-50. Please confirm that a new address will not be written on a Form 3811 that is UAA and returned to sender. If you do not confirm, please explain.

DFC/USPS-T30-51. Please provide the percentage of UAA mail that is returned to sender without being forwarded.

DFC/USPS-T30-52. If the percentage of mail that is UAA is 2.72 percent, please confirm that a percentage of mail smaller than 2.72 percent is forwarded. If you do not confirm, please explain.

DFC/USPS-T30-53. If the percentage of mail that is UAA is 2.72 percent, please confirm that 2.72 percent likely overstates the percentage of Forms 3811 on which a new address will be written. If you do not confirm, please explain and reconcile your answer with your response to DFC/USPS-T30-50 and DFC/USPS-T30-52.

DFC/USPS-T30-54. Please provide any standard deviations that you calculated for the time required to complete and review return receipts or the cost associated therewith. Please discuss the meaning of these standard deviations as they relate to the reliability of the study.

DFC/USPS-T30-55. Please explain in which way facility 7's data were incomplete.

DFC/USPS-T30-56. Please explain all proposed fees in this case that are based, in whole or in part, on survey data you collected for Forms 3849.

DFC/USPS-T30-57. Please provide the raw data from your survey for Forms 3849.

DFC/USPS-T30-58. Suppose a clearing clerk processed two Forms 3811 on day 4, but the clerk processed the Forms 3811 30 minutes apart, as carriers returned from the street. The clerk spent 10 seconds reviewing each Form 3811. Might the clerk have recorded the time for each Form 3811 as one minute, for a total of two minutes?

DFC/USPS-T30-59. Please refer to your response to DFC/USPS-T30-12(a).

- a. Please explain how facility 4 could properly have spent two minutes reviewing a total of zero Forms 3811 on day 2.
- b. Please explain how facility 4 could properly have spent zero minutes processing one Form 3811 on day 5.

DFC/USPS-T30-60. Please refer to your response to DFC/USPS-T30-12(a). For facility 17, the time always was five minutes, whether the quantity was 33, 39, 41, 29, 24, or 37. Do you trust this result? Please explain why or why not.

DFC/USPS-T30-61. Please provide any confidence intervals or error margins that you calculated for any data used to develop a cost for return receipt.

DFC/USPS-T30-62. Please refer to your response to DFC/USPS-T30-12(a). Please provide the raw data in an Excel spreadsheet.

DFC/USPS-T30-63. Why does the Postal Service collect data on costs of return receipt using a method different from the method used to collect data on certified mail?

DFC/USPS-T30-64. Please refer to your response to DFC/USPS-T30-12(a).

- a. Please refer to the data reported for day 6 by facility 5 and facility 25. Please confirm that facility 5 reviewed 1200 return receipts in 115 minutes, while facility 25 required 111 minutes to review only 221 return receipts. If you do not confirm, please explain.
- b. Does the observation in part (a) create any concern about the accuracy of the data being reported?
- c. Please discuss how the variation in time per return receipt discussed in part (a) affects the statistical validity and reliability of the survey results.
- d. How many facilities did you sample in the largest size stratum? Please identify each facility in the largest size stratum by number.
- e. Please confirm that the variation observed in part (a) requires a sample size of large offices larger than the sample size you used in order to obtain results that will be statistically valid, reliable, and significant. If you do not confirm, please explain.