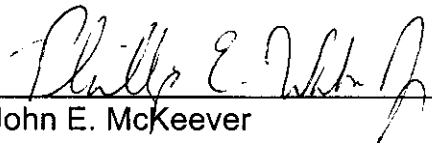BEFORE THE
POSTAL RATE COMMISSION

POSTAL RATE AND FEE CHANGES, 2000 : DOCKET NO. R2000-1

INTERROGATORIES FROM UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BOZZO
(UPS/USPS-T15-21 through 35)
(March 23, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby

serves the following interrogatories directed to United States Postal Service witness

Bozzo: UPS/USPS-T15-21 through 35.

Respectfully submitted,

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INTERROGATORIES OF UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS BOZZO

UPS/USPS-T15-21. Section II of Library Reference USPS-LR-I-107 describes the output of program file *ais.f* as the data file *aispos.q<q><y>* which contains quarterly data on all possible (installed) delivery points by 3-digit zip code. Provide an Excel data file with the total number of nationwide-delivery points (curb + ndcbu + cent + other + rb + hct + pobox) for each quarter from the first quarter of FY1993 to the last quarter of FY1998.

UPS/USPS-T15-22. Section II of Library Reference USPS-LR-I-107 describes an EPL data file called *usps.qtfp* with annual national prices for postal equipment from FY1968 to FY1998, and a program file *asset.prices.epl* which uses *usps.qtfp* to output a text file called *prices* containing annual national prices for four postal asset types (CSE, PSE, AHE, and MHE).

    (a)   Does *usps.qtfp* contain more price information than that contained in *prices*?

    (b)   If your answer to part (a) is yes, provide an Excel data file containing the data in *usps.qtfp*, along with a description of the variables contained in this file.

    (c)   Provide an Excel data file containing the data in *prices*, along with a description of the variables contained in this file.

UPS/USPS-T15-23. The FOCUS data dictionary, provided in Library Reference USPS-LR-I-201 in response to UPS/USPS-T15-3(a), shows that the MODS data contain information on machine downtime (DOWNTIME), number of machines (MACHINE), and machine run time (RUNTIME). Provide an Excel data file containing

DOWNTIME, MACHINE, and RUNTIME by MODS operating group for each quarter from the first quarter of FY1993 to the last quarter of FY1998, for each of the 321 sites examined in your testimony.

UPS/USPS-T15-24. Refer to pages 93 through 94 of your testimony, where you state, "Since each PPAM equipment category encompasses a variety of equipment types, there is no simple correspondence between the categories and specific mail processing cost pools." However, the PPAM data contain the PCN or property code number for each piece of equipment. Handbook F-26, provided in Library Reference USPS-LR-I-201, describes each of the six-digit PCNs used to classify capital equipment.

(a)   Explain whether all, some, or none of the equipment can be classified by mail processing cost pools using the equipment PCN.

(b)   If your answer to part (a) is either all or some, explain why you did not create separate capital indices for each mail processing cost pool.

(c)   If your answer to part (a) is none, explain why the PCN cannot be used to classify equipment by mail processing cost pool.

UPS/USPS-T15-25. The Personal property formats descriptions of the PPAS master file, provided in Library Reference USPS-LR-I-201 in response to UPS/USPS-T15-7(a), show that for each piece of equipment, the PPAM data contain the finance number (FINANCE), the general ledger account category (G/L ACCT), the PCN-number (PCN), the cost (COST), the year of acquisition (YAQ), years of service life (YRSSL), depreciation status key (DEPRKEY), undepreciated balance (UNDEPBAL), and original

activity code (ORGACT). Further, Section II of Library Reference USPS-LR-I-107 describes *posrtoreg.map*, a mapping of BA 1 finance numbers to REGPOs.

(a) Provide an Excel file or files containing a list of equipment for each of the 321 sites examined in your testimony, along with GL/ ACCT, PCN, COST, YAQ, YRSSL, DEPRKEY, UNDEPBAL, and ORGACT for each piece of equipment, for each quarter from the first quarter of FY1993 to the last quarter of FY1998.

(b) Provide a mapping of PCNs to the four equipment categories CSE, PSE, AHE, and MHE used to construct the capital index in your testimony.

UPS/USPS-T15-26. Section II of Library Reference USPS-LR-I-107 describes an EPL data file called *usps.qcap* containing NCTB national quarterly values of land, buildings, and equipment by equipment category CSE, PSE, MHE, and AHE, a set of data files called *sqft<y>zip* containing Postal Service owned square footage by 3 digit zip code, a set of data files called *sqft<y>fld* containing Postal Service owned square footage by BA 1 finance number, a set of data files called *zip<y>.stk* containing stocks for each of the four equipment categories by 3 digit zip code, and a set of data files called *fld<y>.stk* containing stocks for each of the four equipment categories by finance number.

(a) Provide an Excel file containing the data in *usps.qcap*, along with a description of the variables contained in this file.

(b) Provide an Excel file with the total nationwide square footage of building space owned by the Postal Service and the total nationwide stock of equipment by each of the four equipment categories for each quarter from the first quarter of

FY1993 to the last quarter of FY1998.

(c)   Provide an Excel file containing the annual share of owned

buildings for each of the 321 sites examined in your testimony.

(d)   Provide an Excel file containing the annual share of each

equipment category owned by each of the 321 sites examined in your testimony.

UPS/USPS-T15-27. Chapter 3, page 13 of Postal Service Handbook F-26,

provided in Library Reference USPS-LR-I-201, explains that "The Postal Service uses

the straightline method of depreciation to allocate the cost of an item in equal

increments over service life." In your testimony, you explain that in your calculation of

the capital index, "the value of each year's equipment is depreciated using a 1.5

declining balance rate of relacement." USPS-T15, at 94, lines 1-3. Explain why you do

not adopt the Postal Service's convention of straight line depreciation.

UPS/USPS-T15-28. For the National Consolidated Trial Balance (NCTB) Data

referred to at pages 92-93 of your testimony:

(a)   List the full set of variables contained in the file, along with their

definitions;

(b)   Indicate the time period covered by the file;

(c)   Describe the unit of observation;

(d)   Describe the universe of installations contained in this file; and

(e)   Provide any manuals or other documentation available for the file

UPS/USPS-T15-29. Programs *load.fms.epl*, *load.ppam.epl*, *load.qindex.epl*, in

Section II of Library Reference USPS-LR-I-107, all read in EPL data file *usps.qcap*.

(a)   Confirm or deny that *usps.qcap* contains NCTB data.

(b)   If you deny in part (a), describe the data source for *usps.qcap* and provide manuals or other documentation for the source file.

(c)   Provide the program file or files which process the original source data to create the EPL data file *usps.qcap*.

(d)   Provide a complete list with definitions of all variables contained in *usps.qcap*.

UPS/USPS-T15-30. The actual program *asset.prices.epl*, contained in Section II of Library Reference USPS-LR-I-107, uses as an input the EPL data file *usps.tfp*, yet on pages 27-28 of Library Reference USPS-LR-I-107, in your description of asset.prices.epl, you describe the input file as *usps.qtfp*. Is *usps.tfp* the same as *usps.qtfp*? Which is the correct name for this file? The remainder of this and other questions, refer to the EPL data file used by *asset.prices.epl* by the name *usps.qtfp*.

(a)   Confirm or deny that *usps.qtfp* contains NCTB data.

(b)   If you deny in part (a), describe the data source for *usps.qtfp* and provide manuals or other documentation for the source file.

(c)   Provide the program file or files which process the original source data to create the EPL data file *usps.qtfp*.

(d)   Provide a complete list with definitions of all variables contained in *usps.qtfp*.

UPS/USPS-T15-31. In the program file *load.qindex.epl* (contained in Section II of Library Reference USPS-LR-I-107), the comment included immediately above the

statement "IN usps.qcap," reads "open database with national capital prices, quantities, and values."

(a)   Are the prices contained in *usps.qtfp* the same as the prices contained in *usps.qcap*?

(b)   What are the units of the capital prices contained in *usps.qcap* (read in *load.qindex.epl* as *pahe, pmhe, ppse, pland,* and *pbuild*)?

(c)   What are the units of the capital quantities contained in *usps.qcap* (read in *load.qindex.epl* as *qahe, qmhe, qpse, qland,* and *qbuild*)?

(d)   What are the units of the values contained in usps.qcap (read in *load.ppam.epl* as *vcse, vpse, vmhe,* and *vahe,* and in *load.fsm.epl* as *vbld0,* and *vlnd*)?

(e)   If prices and values from parts (b) and (d) are in dollars, are they adjusted for inflation or do they reflect nominal levels?

UPS/USPS-T15-32. In *fms.f* and *ppam1.f* (contained in Section II of Library Reference USPS-LR-I-107), you read only end of year *FMS* and end of year *PPAM* tapes. Further, you use AP 13 data files from the previous year for current year information.

(a)   By using only the end of year tapes, are you in effect using annual data for square footage (from *FMS*) and equipment (from *PPAM*)?

(b)   If your answer to part (a) is yes, what was your reason for not using quarterly data for square footage and equipment?

(c)   Why do you use end of year tape from the previous year for current year data.

UPS/USPS-T15-33. In both program files *load.fms.epl* and *load.ppam.epl* (contained in Section II of Library Reference USPS-LR-I-107), you create the total square footage or equipment stock owned by the Postal Service nationally, by three digit zip (under the comment SUM 3-DIGIT ZIP CODE DATA) and the total square footage or equipment stock owned by the Postal Service, by BA 1 finance numbers (under comment SUM BA 1 FINANCE NUMBER DATA). By adding together square footage by finance number and by zipcode (as you do after the comment ADD ZIP and BA 1 DATA TOGETHER), are you double counting square footage?

      (a)   If your answer is no, explain why not.

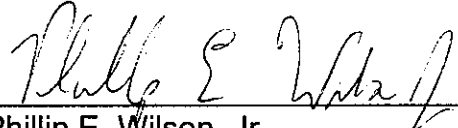   (b)   If your answer is yes, explain why you double count.

UPS/USPS-T15-34. In the program file load.qindex.epl in Section II of Library Reference USPS-LR-I-107, explain what the line of code: "multilat (t,p,pq) pcap2 qcap2;" does.

UPS/USPS-T15-35. Provide a reference source for the multilateral quantity index you create for the capital variables.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.

Phillip E. Wilson, Jr.
Attorney for United Parcel Service

Dated: March 23, 2000
Philadelphia, Pa.

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