

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS BARON TO MPA INTERROGATORIES
(MPA/USPS-T12-37-40)

The United States Postal Service hereby provides the response of witness Baron to the following interrogatories of the Magazine Publishers of America: MPA/USPS-T12-37-40, filed on March 14, 2000.

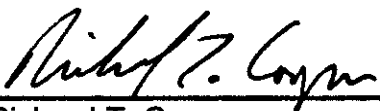
Each interrogatory is stated verbatim and is followed by the response.

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 28, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BARON TO
INTERROGATORIES OF THE MAGAZINE PUBLISHERS OF AMERICA**

MPA/USPS-T12-37. Please explain why you did not re-estimate the CAT/FAT (Curblin Access/Foot Access Test) split factors to reflect the 1998 possible stops coverage levels. With respect to the CAT split factors, please confirm the following. If you do not confirm, please explain why:

(a) Residential and Curblin SDR, MDR, and B&M stops coverages, estimated from the City Carrier Cost System (CCS), are used with the estimating models.

(b) That you assume that all stops on the routes described in (a) are curblin stops.

(c) Drive Time, as measured from Mr. Raymond's Engineered Standards database, is not reflected in the CAT models.

RESPONSE:

The CAT/FAT split factors were not reestimated because changes in coverage levels between BY 1996 and BY 1998 were considered insignificant.

(a) I confirm that SDR, MDR, and BAM coverage ratios calculated for the combination of all residential and mixed curblin routes are substituted into the curb running time model to derive CAT split factors.

(b) Not confirmed. The BY 1996 coverages are calculated in Docket No. R97-1, USPS-H-143. This analysis derives a separate set of coverages by stop type (SDR, MDR, and BAM) for each of three route groups – curb, foot, and park & loop. For each combination of a route group and stop type, coverage is calculated as the total number of actual stops divided by the total number of possible stops. Total actual and possible stops by stop type are calculated as total actual and possible stops recorded over all CCS tests conducted on all CCS routes falling within the given route group.

The curb-route group consists of all residential curblin and mixed curblin routes. Therefore, total actual and possible SDR stops in the curb-route group are calculated as total stops recorded over all CCS tests conducted on residential curb and

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mixed curb routes, including tests at stops accessed by foot as well as tests at stops accessed by vehicle. So the SDR coverage ratio for the curblines group is the coverage of all possible SDR stops on curblines routes, not just curb stops.

Similarly, MDR and BAM coverage ratios for the curb-route group do not equal the percentages of just the curblines stops that are accessed. Again, they equal the coverage percentages of all possible stops on curblines routes across all stop types.

(c) Confirmed. The CAT (i.e., curblines) regression is used to estimate route-access split factors that are applied solely to the cost of time carriers spend driving along the curblines sections of routes. These split factors are not applied to driving time costs.

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MPA/USPS-T12-38. With respect to the FAT Foot split factors, please confirm the following. If you do not confirm, please explain why:

(a) Business, Residential, and Mixed SDR, MDR, and B&M stops coverages, as estimated from the City Carrier Cost System (CCS), are used with the estimating models.

(b) That you assume that all stops on the routes described in (a) are FAT foot stops.

RESPONSE:

(a) I confirm that SDR, MDR, and BAM coverage ratios calculated for the combination all residential, business, and mixed foot routes are substituted into the foot-route running time model to derive foot-route split factors.

(b) Not confirmed. See my response to 37(b). The SDR, MDR, and BAM coverage ratios applied to the foot-route running time equation do not equal the percentages of just the total possible foot stops located on foot routes. These ratios equal the coverage percentages of all possible stops on these routes.

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MPA/USPS-T12-39. With respect to the Park & Loop FAT split factors, please confirm the following. If you do not confirm, please explain why:

(a) Business Motorized, Residential Park & Loop, and Mixed Park & Loop SDR, MDR, and B&M stops coverages, estimated from the CCS, are used with the estimating models.

(b) That you assume that all stops on the routes described in (a) are FAT Park & Loop stops.

(c) Drive Time, as measured from Mr. Raymond's Engineered Standards database, is not reflected in the Park & Loop FAT models.

RESPONSE:

(a) I confirm that SDR, MDR, and BAM coverage ratios calculated for the combination of all business motorized, residential park & loop, and mixed park & loop routes are substituted into the park & loop running time equation to derive park & loop split factors.

(b) Not confirmed. See my responses to 37(b) and 38(b). The SDR, MDR, and BAM coverage ratios applied to the park & loop running time equation do not equal the percentages of just the possible park & loop stops located on all business motorized and park & loop routes. The coverage ratios instead equal the coverage percentages of all possible stops on these routes.

(c) Confirmed. The park & loop running-time regression is used to estimate route-access split factors that are applied solely to the cost of time carriers spend walking along the park & loop sections of park & loop, curblines, and business motorized routes. These split factors are not applied to driving time costs.

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MPA/USPS-T12-40. With respect to the Drive Time category, as measured from Mr. Raymond's Engineered Standards:

- (a) Please confirm that it represents both Drive Time associated with Park & LOOP stops as well as the Drive Time associated with Dismount Stops. If this is incorrect, please explain.**
- (b) Does it also represent the Drive Time associated with motorized Central, NDCBU, and VIM stops? Please explain.**
- (c) Please confirm that the Drive Time described in (a) and (b) above is not reflected in any of the CAT/FAT models.**
- (d) Please confirm that the Drive Time described in (a) and (b) above, and as measured from Mr. Raymond's Engineered Standards database, is attributed by the USPS on the basis of the R97-1 analyses of Drive/Stop, Stop/Activity, Deviation Delivery/Piece, and Routine Loops and Dismounts/Volume Variabilities.**

RESPONSE:

- (a)-(b) Confirmed in the sense that the driving time activity category accounts for all carrier time spent driving along all sections of the route other than curblines sections. (However, driving time excludes time spent driving from delivery units to the beginning of routes or from routes back to delivery units). Moreover, the CAT/FAT models are not applied to driving time costs. They are applied solely to the costs of driving along curblines sections of routes and walking along non-curblines sections of routes.**
- (c). Confirmed. The CAT/FAT models apply only to time that carriers spend walking on routes or driving along the curblines sections of routes.**
- (d). Confirmed.**

DECLARATION

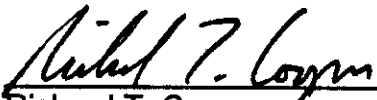
I, Donald M. Baron, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Donald M. Baron

Date: 3-28-00

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 28, 2000