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

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POSTAL RATE COMMINSION OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS BARON TO NAA INTERROGATORIES (NAA/USPS-T12-1-7)

The United States Postal Service hereby provides the response of witness Baron

to the following interrogatories of the Newspaper Association of America.: NAA/USPS-

T12-1-7, filed on March 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

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Richard T. Cooper

475 L'Enfant Plaza West, S.W. (202) 268-2993; Fax: -5402 Washington, D.C. 20260-1137 April 5, 2000 NAA/USPS-TI2-1: Please refer to your testimony at page 33, footnote 43 and your response to MPAIUSPS-T12-18, referring to the A.T. Kearney Data Quality Study (April 16, 1999).

- a. Please explain specifically how the Engineered Resign data you received from Witness Raymond serve to update the "relatively old and highly imprecise carrier special studies" cited by the Data Quality Study.
- b. Please describe your understanding of whether collection of the ES data was appropriately designed and compiled, and whether the study serves as an acceptable substitution for the street time and street activity analyses previously relied upon for ratemaking purposes.
- c. Please identify your knowledge of any similarities between the ES study and the route measurement systems or engineering time studies of other postal administrations or courier companies used to design and attribute their delivery costs, as suggested by the Data Quality Study.
- d. Please provide your assessment of the appropriateness of the use of the ES data in the current R2000-1 docket, given the Data Quality Study's suggestions that such a project is a "potential alternative source of data" and "will take several years to fully develop," including any and all quality and validation steps you or others performed to merit its use.

RESPONSE:

- (a) Please see my testimony (Docket No. R2000-1, USPS-T-12) at 32-33, 36-37.
- (b) It is my understanding that the sample of routes selected for the collection of

data used to estimate new street-time percentages was designed to be

representative of the national system of city carrier letter routes.

(c) I have no knowledge of any such similarities or differences.

(d) In my view, the statement that the Delivery Redesign project will "take several

years to fully develop" means that it will take several years to fully analyze the

large amounts of data collected in that project. However, the tally data set

already extracted from the ES database is, in my view, superior to the 1986 data

set as a source for measuring the street-time percentages by activity category.

The basis for this view is explained at pages 32-33, 36-37 of my Docket No. R2000-1 testimony (USPS-T-12).

NAA/USPS-TI2-2. Please refer to your response to Interrogatory MPA/USPS-TI2-6 (b), that listed the number of city routes by area and delivery mode for PQ4 FY97. Please provide the same information for FY86. If FY86 is not available, please provide the information for the earliest time period that is.

RESPONSE:

NAA/USPS-TI2-3. Please refer to your response to Interrogatory MPA/USPS-TI2-6 (c) that listed the number of city routes by area and route type as defined in ES.CNTL for PQ4 FY97. Please provide the same information for FY86. If FY86 is not available, please provide the information for the earliest time period that is.

RESPONSE:

NAA/USPS-T12-4. Please refer to your response to Interrogatory MPAIUSPS-T12-20 that listed the average possible deliveries per route by delivery type category (residential curb, residential NDCBU, etc.) for the 166,107 routes in the PQ4 FY97 CRMF database. Please provide the same information for FY86. If FY86 is not available, please provide the information for the time period closest to FY86 that is available.

RESPONSE:

NAA/USPS-T12-5. Please refer to your response to Interrogatory MPA/USPS-T12-25, that listed the average number of deliveries by type (residential curb, residential NDCBU. etc.) and route type. Please provide the same information for FY86. If FY86 is not available, please provide the information for the earliest time period that is.

RESPONSE:

NAA/USPS-T12-6. Please confirm that for ZIP 98011, Route 32, the city carrier data set that you provided in response to MPA/USPS-TI2-26 (LR-I-219) lists 334 Curb, 195 Centralized, 26 NDCBU, and 73 Other possible deliveries.

- (a) Please refer to your response to MPA/USPS-T12-30 and confirm that the route type reported on the ES database was Residential Curb, and explain the basis for this.
- (b) Please refer to your response to MPA/USPS-T12-26 and confirm that the route type you utilized was Residential Loop, and explain the basis for this.

RESPONSE:

(a) Confirmed. It is my understanding that the basis for the residential curb

route-type selection was the large number of residential curbline possible

delivery points on this route.

(b) Confirmed. This route type was selected based on application of the

algorithm that assigns to the residential park & loop category all routes on which

70% or more of the possible deliveries are residential deliveries, and to which a

delivery mode of "park & loop" (P) has been assigned by the Carrier Route

Master File (CRMF). See Docket No. R2000-1, USPS LR-I-159 at page 9, SAS

lines 108-114.

NAA/USPS-T12-7. Please confirm that for ZIP 30087, Route 59, the city carrier data set that you provided in response to MPA/USPS-T12-26 (LR-I-219) lists 357 NDCBU, 266 Centralized, 138 Curb, and 4 Other possible deliveries for this same route.

- a. Please refer to your response to MPA/USPS-T12-30 and confirm that the route type reported on the ES database was Residential Loop, and explain the basis for this.
- b. Please refer to your response to MPA/USPS-T12-26 and confirm that the route type you utilized was Residential Loop, and explain the basis for this.

RESPONSE:

(a) Confirmed. It is my understanding that the basis of this allocation of the route

to the residential loop category was the large number of residential NDCBU and

residential centralized possible deliveries located on the park & loop sections of

the route.

(b) Confirmed. This route type was selected based on application of the

algorithm that assigns to the residential park & loop category all routes on which

70% or more of the possible deliveries are residential deliveries, and to which a

delivery mode of "park & loop" (P) has been assigned by the Carrier Route

Master File (CRMF). See Docket No. R2000-1, USPS LR-I-159 at page 9, SAS lines 108-114.

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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.

Date: 4-5-00

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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.

logm Richard T. Cooper

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 April 5, 2000