

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 RENUMBERED OCA INTERROGATORIES
(OCA/USPS-T12-12-17)

The United States Postal Service hereby provides the response of witness Baron to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T12-12-17, filed on March 23, 2000. These interrogatories, originally filed as T12-11-16, have been renumbered to avoid redundancy with a previously-answered interrogatory T12-11.

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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April 21, 2000

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OCA/USPS-T12-11. Please refer to your testimony at page 32, lines 14-17, where you note that witness Raymond (USPS-T-13) assigned a variable defining the "street time activity category of each tally." Regarding the assignment of these variables:

- (a) Did you review the ES tallies to identify whether or not they could be accurately assigned to relevant street-time categories? If yes, please discuss in detail the extent and results of your review.
- (b) Of the various levels and codes used in the Outside/Street work-sampling hierarchy, did you identify any that could not be assigned readily to a particular street-time activity category? If yes, please identify them and discuss the resolution, if any, concerning appropriate assignment.
- (c) Did you discuss or establish with witness Raymond any protocols for assigning ES tallies to street-time activity categories? If yes, please describe fully these discussions or protocols.
- (d) In your opinion, is the nature of the ES tallies and their relation or assignment to street-time activity categories open to interpretation? If yes, please explain your answer in detail. If no, why not?

RESPONSE:

(a) Yes. I determined that the data collected for Levels 10, 11.1, 11.2, 11.3, 11.4, and 11.4.1 of the work-sampling data set provided the information that is required to assign tallies to the appropriate street-time activity categories. See Docket No. R2000-1, USPS-T-13 at 10-12 and Appendix D.

(b) I did in the sense that I observed several records in the ES database that showed what I initially considered to be questionable allocations of tallies to the load-time activity. However, I questioned Mr. Raymond to verify that the carriers being observed in these instances were correctly identified as 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) Yes. See my response to ADVO/USPS-T12-3 (a)-(c).

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(d) I see little reason for controversy concerning the allocation of street-time tallies to street-time activity categories. The definitions of the street-time activities are straightforward. Load time is time at a delivery stop devoted to loading or preparing to load mail, and it occurs after the carrier has physically stopped at a delivery point or set of delivery points. Route/access time is time spent driving along the curblines sections of a route or walking along a route. Driving time is spent driving along all sections of the route other than the curblines sections. Street support is driving time spent traveling to the route from the delivery unit or from the route back to the delivery unit. Street support time is also devoted to basic support functions. These functions include clocking in or out, obtaining, loading, and unloading the vehicle, checking or preparing the vehicle, preparing mail at the vehicle and at relay boxes, waiting for relay mail, unloading mail from relay boxes, obtaining mail or keys, attending safety meetings, and all training other than training specific to in-office activities (USPS LR-I-1, Summary Description of USPS Development of Costs By Segments and Components, Fiscal Year 1998, at 6-4 through 7-9).

In my view, these definitions leave little room for conflicting determinations of the activity categories one should assign tallies to. The information provided in levels 10, 11.1, 11.2, 11.3, 11.4, and 11.4.1 (defined in USPS-T-13 at pages 10-12 and Appendix D) identifies where the carriers were and what they were doing at the time tallies were recorded in sufficient detail to determine which activity categories should be chosen.

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OCA/USPS-T12-12. Based upon your knowledge and understanding of the 1986 Street Time Sampling (STS) study and the Engineered Standards/Delivery Redesign (ES) study:

- (a) Were the STS and ES studies designed for similar purposes? Please explain any similarities or dissimilarities you identify.
- (b) Were the route sampling procedures similar for both studies? Please explain any similarities or dissimilarities you identify.
- (c) Did the sampling procedures employed in the STS and ES studies yield a similar distribution of route types by ZIP code? Please explain any similarities or dissimilarities you identify.
- (d) Were the processes for observing and collecting data on carrier activities similar in both the STS and ES studies? Please explain any similarities or dissimilarities you identify.
- (e) In your opinion, assuming the Postal Service had implemented a "new STS" study between October 1996 and April 1998 using the same approach as in the 1986 STS study, would this new STS study have yielded results consistent with those of the ES study? Please explain your answer fully.

RESPONSE:

(a)–(e) The design, route sampling procedures, and data collection methods applied in the 1986 STS study are beyond the scope of my testimony:

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OCA/USPS-T12-13. Based upon your knowledge and understanding of the 1985 Load Time Variability (LTV) study and the Engineered Standards/Delivery Redesign (ES) study:

- (a) Were the processes for observing and collecting data on carrier activities similar in both the LTV and ES studies? Please explain any similarities or dissimilarities you identify.
- (b) Is the definition of load time under the ES study, as derived through the interpretation and assignment of ES tallies, consistent with the definition of load time applied in the LTV study? Please explain any similarities or dissimilarities you identify.

RESPONSE:

- (a) *The work-sampling procedure applied in the ES study to record tally data on carrier activities was different than the process used in the 1985 LTV study. The work-sampling procedure recorded data identifying the location and activity of the carrier only at the instant in time when the data collector received a signal to do the recording. In contrast, the LTV study directly measured the entire lengths of the time intervals that elapsed while the carrier conducted the preparation, load, and customer attend-time activities that occur during the load-time operation.*
- (b) Yes. Both studies define load time as strictly the time that a carrier spends at a delivery point or set of delivery points only while physically stopped at the place where the deliveries are located. Both studies exclude from load time all time expended while the carrier is moving between stops. (See Docket No. R97-1, Appendices to Opinion and Recommended Decision, Volume 2, Appendix K at 3 of 5; see also Docket No. R2000-1, USPS-T-13 at 11-12, 35).

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OCA/USPS-T12-14. Please provide estimates of Base Year 1998 accrued load time costs using street-time percentages developed from the 1986 STS study.

RESPONSE:

Base Year 1998 accrued load-time costs (in \$1,000) at 1986 street-time percentages are as follows:

Bus Foot	Bus Motorized	Res Foot	Res Curb	Res Park & Loop	Mixed Foot	Mixed Curb	Mixed Park & Loop	Total
37,851	14,509	291,917	362,455	952,323	20,919	49,660	153,403	1,883,038

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OCA/USPS-T12-15. Please provide estimates of Base Year 1998 accrued load time costs predicted by the LTV model.

RESPONSE:

Base Year 1998 accrued load-time costs (in \$1,000) predicted by the LTV model are as follows:

SDR STOPS	MDR STOPS	BAM STOPS	TOTAL
775,629	608,944	77,577	1,462,151

I derived these costs by multiplying the averages of the model-predicted load times per stop presented in Table 1, column 3, at page 18 of my testimony (R2000-1, USPS-T-12) by the BY 1998 aggregate annual actual stops estimates reported at lines 56-58 of cs06&7.xls, sheet 7.0.4.1, USPS LR-I-80, and by multiplying the resulting time estimates (converted into hours) by the average BY 1998 city carrier wage rate of \$25.04/hour.

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OCA/USPS-T12-16. Please refer to Docket No. R2000-1, USPS LR-I-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 1998. Confirm that the survey, "(1) Street Time Sampling (STS)" cited on page 7-2 refers to the 1986 STS study. Further confirm that the table appearing on page 7-3 shows the street time sampling percentages developed from the 1986 STS study. If you do not confirm, please explain.

RESPONSE:

Confirmed on both points.

DECLARATION

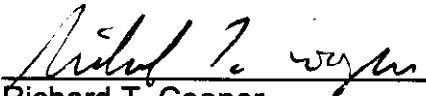
I, Donald M. Baron, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Donald M. Baron

Date: 7-21-00

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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