

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

STATUS REPORT OF THE UNITED STATES POSTAL SERVICE
WITH RESPECT TO DMC REQUEST FOR IMPACT OF
ALTERNATIVE ANALYSIS BY WITNESS CRUM
(April 21, 2000)

At hearings on Wednesday, April 19th, counsel for District Photo, Mystic Color Lab, and Cox Sampling (DMC) made inquiries about the impact of the change in proposed mail processing variabilities between Docket Nos. R97-1 and R2000-1 on the analysis presented by witness Crum. See Tr. 8/3476-79. The Presiding Officer requested a status report by the end of the week regarding those inquiries, and the Postal Service hereby responds.

Consultation with other personnel who would have to provide revised inputs in order for Mr. Crum to recalculate his results under alternative assumptions has revealed the following. In order to comprehensively reconstruct the analysis as it would appear if the Docket No. R97-1 proposed variabilities were substituted for the ones actually proposed by the Postal Service in this case, an effort of several weeks work would be required. Specifically, a variety of witnesses would have to begin a series of sequential hand-offs in which revised outputs by each witness become revised inputs for the next downstream witness. The net result would be several work-weeks of effort, with actual calendar completion dependent upon how quickly each link in the chain could direct his or her efforts and attention to the task when the new inputs they would need become available. That, in turn, is a function of the other pressing responsibilities of the same individuals, both including and in addition to their activities in this case, which in most instances include preparation for and participation in upcoming hearings. (The effort involved in this undertaking would be roughly comparable to, although somewhat less

than, the corresponding effort described at some length by the Postal Service with reference to a similar request to witness Miller in OPPOSITION OF THE UNITED STATES POSTAL SERVICE TO ABA&NAPM MOTION TO COMPEL FURTHER RESPONSE TO ABA&NAPM/USPS-T24-1, filed on March 29, 2000.)

There is, however, a less onerous alternative. Rather than initiate a comprehensive reconstruction, it should be possible to develop a shortcut estimate of the impact by making simplifying assumptions regarding the effects of changed variabilities on intermediate inputs. Such an approach could conceivably be done with one or two workdays of effort. The results would not represent the actual impact of the change, but would provide a good order-of-magnitude estimate.

Based on statements made by counsel at hearings, such as "we are just trying to find out whether it is significant or insignificant, and, if so, how much" (Tr. 8/3479), it appears that the shortcut methodology should be sufficient. Therefore, barring any objections to the contrary, the Postal Service will undertake the shortcut methodology, with a target completion of no later than one week from today, Friday, April 28th. If the results are completed sooner, they will be filed when available.

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.
Washington, D.C. 20260-1137
(202) 268-2993 Fax -5402
April 21, 2000

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.



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992 Fax -5402
April 21, 2000