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

Postal Rate and Fee Changes, 2000 — Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS BARON TO ADVO INTERROGATORIES (ADVO/USPS-T12-12-15)

The United States Postal Service hereby provides the response of witness Baron to the following interrogatories of Advo, Inc.: ADVO/USPS-T12-12-15, filed on April 4, 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.
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April 21, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BARON TO INTERROGATORIES OF ADVO, INC.

ADVO/USPS-T12-12. Please refer to the table in your response to MPA/USPS-TIO-21 (redirected from witness Kingsley) concerning estimated access time per actual stop for foot, park & loop, and dismount stops.

(a) Provide the full set of data and calculations, including your sources, used to develop the estimated access times per actual stop for foot, park & loop, and dismount stops.

(b) Are the figures in the first table (18.45 seconds in 1989 and 13.19 seconds in 1998) an average for foot, park & loop, and dismount stops combined, or an average for only foot/park & loop? Please explain.

(c) Provide your explanation or opinion of why the average access time for such stops in (b) has declined so much in nine years (from 18.45 to 13.19 seconds per stop).

RESPONSE:

(a) The requested data set will be provided in USPS-LR-I-305, to be filed shortly.

(b) Each of these figures is an estimate of the ratio of total access time summed over the foot and park & loop segments of all routes (including routes that are classified as curb routes) divided by the estimated number of actual stops of all types on these segments.

(c) The primary reason for this reduction is the large reduction in the route/access FAT street-time percentage that resulted from substitution of the new street-time proportions derived from the ES database for the proportions derived from the 1986 STS study. The average route/access FAT percentage in the 1989 access cost analysis was derived from the 1986 proportions, and it equaled 47.3% of total accrued street-time cost. The average route/access FAT percentage in the 1998 analysis was derived from the new street-time proportions, and it equaled 29.5% of total accrued street-time cost.

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ADVOIUSPS-T12-13. Please refer to the table in your response to MPA/USPS-TIO-21 concerning estimated access time per actual stop for curbline stops.

(a) Provide the full set of data and calculations, including your sources, used to develop the estimated access times per actual stop for curbline stops.

(b) Provide your explanation or opinion of why the average access time for such stops in (e) has declined from 12.06 seconds in 1989 to 4.91 seconds per stop in 1998.

RESPONSE:

(a) The requested data set will be provided in USPS-LR-I-305, to be filed shortly.

(b) The primary reason for this reduction is the large reduction in the route/access CAT street-time percentage that resulted from substitution of the new street-time proportions derived from the ES database for the proportions derived from the 1986 STS study. The average route/access CAT street-time percentage in the FY 1989 city carrier worksheets was derived from the 1986 proportions, and it equaled 8.8% of total accrued street-time cost. The average route/access FAT percentage in the FY 1998 city carrier worksheets was derived from the new street-time proportions, and it equaled only 3.9% of total accrued street-time cost.

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ADVOIUSPS-T12-14. Please refer to your response to MPA/USPS-TIO-22, where you state that the deliveries data required to answer the interrogatory could not be located. Do you have any opinion or knowledge (as opposed to actual data) as to:

(a) whether the average run time among curbline deliveries has changed as much as the average access time has changed (as indicated in your response to MPA/USPS-TIO-21)? Please explain fully.

(b) whether the average run time among park & loop, foot, or dismount deliveries has changed as much as the average access time has changed (as indicated in your response to MPAAJSPS-TIO-21)? Please explain fully.

(c) whether the average run time among central deliveries has changed between FY89 and FY98? Please explain fully.

RESPONSE:

(a) In my opinion, average running time per delivery point on the curbline segments of routes declined from FY89 to FY98 for the same reason that average access time per stop declined, as shown in my response to MPA/USPS-T10-21. This decline was the result of large reductions in the route/access CAT percentages of total street time cost. Furthermore, the ratio of route/access CAT access time to total route/access CAT running time changed very little between FY89 and FY98 because curb running time elasticities were virtually constant over that period. Therefore the percentage reduction in route/access CAT running time was nearly the same as the percentage reduction in route/access CAT access time between FY89 and FY98, as is shown in the following table.

ESTIMATED ACCESS AND RUNNING TIME HOURS
ON CURBLINE ROUTE SEGMENTS
(Costs and Hours are in 1,000)

BASE YEAR	CURB ACCESS TIME COST	CURB ACCESS TIME HOURS	PERC. CHANGE IN CURB ACCESS TIME HOURS	CURB RUNNING TIME COST	CURB RUNNING TIME HOURS	PERC. CHANGE IN CURB RUNNING TIME HOURS
1989	$201,595	10,391		409,036	21,084	
1998	$142,257	5,484	-47.23%	291,719	11,246	-47.66%

(b) and (c) In my opinion, average running time per delivery point on the park & loop segments of routes also declined from FY89 to FY98 for the same reason that average access time per stop declined on these segments. This decline was the result of large reductions in the route/access FAT percentages of total street time cost. Furthermore, the ratio of route/access FAT access time to total route/access FAT running time changed very little between FY89 and FY98 because park & loop and foot running time elasticities were virtually constant over that period. Therefore the percentage reduction in route/access FAT running time was nearly the same as the percentage reduction in route/access FAT access time between FY89 and FY98, as is shown in the following table.

ESTIMATED ACCESS AND RUNNING TIME HOURS ON
FOOT/PARK & LOOP ROUTE SEGMENTS
(Costs and Hours are in 1,000)

BASE YEAR	FOOT/ PARK & LOOP ACCESS TIME COST	FOOT/ PARK & LOOP ACCESS TIME HOURS	PERC. CHANGE IN FOOT/ PARK & LOOP ACCESS TIME HOURS	FOOT/ PARK & LOOP RUNNING TIME COST	FOOT/ PARK & LOOP RUNNING TIME HOURS	PERC. CHANGE IN FOOT/ PARK & LOOP RUNNING TIME HOURS
1989	$1,099,118	56,656		$2,213,716	114,109	
1998	$1,066,415	41,111	-27.44%	$2,207,996	85,119	-25.41%

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ADVO/USPS-TI2-15. Please refer to your response to MPA/USPS-TIO-23.

(a) Provide the full set of data and calculations, including your sources, used to develop the estimated travel times for each route group (foot, park & loop, curbline) in 1989 and 1998.

(b) Aside from the fact that the FY89 data were collected by the Street Time Survey and the FY98 data were collected by the Engineered Standards Activity Sampling, do you have any explanation or opinion of:

(1) Why the average travel time per possible stop on foot routes has declined from 9.67 seconds in 1989 to 4.80 seconds per stop in 1998.

(2) Why the average travel time per possible stop on park & loop routes has increased from 3.09 seconds in 1989 to 3.94 seconds per stop in 1998.

(3) Why the average travel time per possible stop on curbline routes has increased from 1 .I4 seconds in 1989 to 1.86 seconds per stop in 1998.

(c) Explain fully your understanding of whether the FAT (foot and park & loop Foot Access Test) models from which the proportions of foot/park & loop/dismount access and route time are derived show such a major decline in amount of foot and park & loop access time.

(d) Explain fully your understanding of whether the CAT (Curbline Access Test) model from which the proportions of curbline access and route time are derived shows such a major decline in amount of curbline access time.

RESPONSE:

(a) The requested data set will be provided in USPS-LR-I-305, to be filed shortly.

(b) (1) There are two possible changes that could have contributed to this decline. First, it is possible that possible stops per foot route increased substantially from 1989 to 1998, while travel time per route remained relatively unchanged. Second, it is possible that the average distance between the delivery unit and the beginning of the route decreased substantially from 1989 to 1998. The data required to test these conjectures are not available.

(b) (2) and (3) In this case, it is possible that possible stops per route decreased from 1989 to 1998, or that the average distance between the delivery unit and beginning of the route increased over the same period. Again, the data needed to conduct the required analysis are unavailable.

(c) and (d) The FAT and CAT models are not sources of any observed changes in street-activity times per stop. These models are used solely to estimate the elasticities of running time with respect to actual stops. Moreover, these elasticities are functions solely of coverage ratios, that is, the percentages of stops that are accessed. Since these coverage ratios changed very little from 1989 to 1998, the running time elasticities also changed very little over the same period. Therefore, the models themselves are not responsible for any observed large changes in absolute or relative carrier times.

DECLARATION

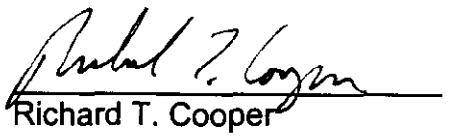
I, Donald M. Baron, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Donald M. Baron

Date: 4-21-00

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.



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