

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

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POSTAL RATE AND FEE CHANGES, 2000

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS DAVIS
TO INTERROGATORIES OF DAVID B. POPKIN
(DBP/USPS-157(D), 168, 173-74, 189, AND 195), AND
REVISED RESPONSE TO INTERROGATORY DBP/USPS-79(N) [ERRATUM]

The United States Postal Service hereby provides the responses of witness Davis to the following interrogatories of David B. Popkin: DBP/USPS-157(d), 168, 173-74, 189, and 195, filed on April 12, 2000, and redirected from the Postal Service. The Postal Service also provides the revised response of witness Davis to interrogatory DBP/USPS-79(n), reflecting the results of additional inquiry by him. A replacement for page 4 of his original response is attached.

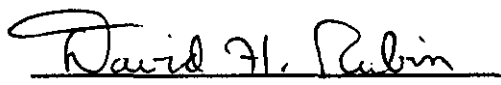
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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April 26, 2000

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DBP/USPS-157 Refer to the response to DBP/USPS-44. [d] By how much time will this increase the window time?

RESPONSE:

- d. Any increase in window time resulting from the window clerk writing the city, state, and ZIP Code in the upper field has not been quantified. Any such increase would only exist until a planned software update permits POS ONE to automatically complete the upper field.

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DBP/USPS-168 Please refer to your response to DBP/USPS-68. [a] The requests for level of confidence referred to in subparts c and f refers to a mathematical statistical calculation, such as there is a 95% likelihood that the value will be three minutes plus or minus one minute, and not to your personal belief. Please provide the two desired mathematical calculations. [b] Once the two mathematical calculations have been provided, please explain why you feel that the calculated level of confidence is appropriate. [c] Please clarify your response to subpart k in light of your response to subpart h. [d] Please indicate the number of vacation days per year that employees are entitled to.

RESPONSE:

[a,b]. I do not believe that appropriate or meaningful confidence intervals can be developed for this study given the manner in which data were reported.

Please see my response to DFC/USPS-T30-69 for a detailed explanation.

c. In my response to DBP/USPS-68(h), I confirmed that the month of July would be expected to be a high vacation period as compared to non-summer months. Two clarifying points should be made. First, I confirmed your assumption that July *would be expected to be* a relatively high vacation period; my response did not assert that this is necessarily the case. Second, I confirmed your assumption that that the month of July would be expected to be a high vacation period *as compared to non-summer months*; this is not to say that an employee is more likely than not to be on vacation during the month of July. Therefore, I reaffirm my response to DBP/USPS-68(k), that given that clerks receive limited annual leave, I would expect that the most clerks participating in the survey were the clerks who regularly performed the clearing activity.

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d. According to the Human Resources policy for annual leave,

Career employees earn leave based on years of creditable federal military and civilian service. For less than 3 years of service, they earn 13 days per leave year; for 3 years but less than 15 years, they earn 20 days per leave year; and for more than 15 years, they earn 26 days per leave year.

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DBP/USPS-173 Please refer to your response to DBP/USPS-79[1]. [a] Please confirm that the usual instance for this type of delivery is with Certified Mail. [b] Please confirm that a manifest is typically prepared for all pieces of accountable mail that are being delivered regardless of whether a return receipt has been requested or not. [c] Please confirm that the purpose of this manifest is to document the receipt of all of the pieces of accountable mail. [d] Please confirm that this manifest is signed by the addressee at the time of delivery. [e] Is a separate manifest also provided which lists only those pieces of accountable mail on which a return receipt has been requested? [f] If not, please reanswer subpart I. [g] Please describe all uses that are made of this second manifest which lists only the pieces having a return receipt.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. It is signed by the addressee or the addressee's agent.
- e. No. It is my understanding, however, that the manifest includes a section for a code that indicates whether or not a return receipt is requested for each individual mailpiece.
- f. DBP/USPS-79[1] is still not confirmed, as the delivering employee must indicate on the manifest each individual mailpiece which contains a return receipt.
- g. N/A.

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DBP/USPS-174 Please refer to your response to DBP/USPS-79[n]. While Witness Davis may not know to what extent the described practice may be permissible, there must be one employee of the USPS who does. If this practice is being utilized, then the costs of it must be accounted for in the service and if it is not being utilized then the costs should not be included. Please respond to the original subpart n and if appropriate to the succeeding subparts o, p, q, and r.

RESPONSE:

Please see my revised response (filed with this set) to DBP/USPS-79(n). My original responses to parts o, p, q, and r still apply.

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DBP/USPS-189 Please refer to your response to DBP/USPS-121. [a] The request for level of confidence referred to in subpart c refers to a mathematical statistical calculation, such as there is a 95% likelihood that the value will be three minutes plus or minus one minute, and not to your personal belief. Please provide the desired mathematical calculation. [b] Once the mathematical calculation has been provided, please explain why you feel that the calculated level is appropriate. [c] Please furnish details as to the meaning of the column headings of the attachment to DBP/USPS-121[e] including the questions that were asked. [d] What is the full heading for the column that starts "6B newly"?

RESPONSE:

[a,b]. I do not believe that appropriate or meaningful confidence intervals can be developed for this study given the manner in which data were reported.

Please see my response to DFC/USPS-T30-69 for a detailed explanation, which also applies to the post office box lock and key study.

c. The survey question that corresponds to each column heading appears below.

| # | Survey Question |
|----|--|
| 3A | How many total keys did you order today? |
| 3B | How much time [minutes] did you spend performing this task? |
| 4A | How many Forms 1099 (requests for key return) did you process today? |
| 4B | How much time [minutes] did you spend performing this task? |
| 5A | How many total locks did you order today? |
| 5B | How much time [minutes] did you spend performing this task? |
| 6A | How many P.O. box locks did you change today? |
| 6B | Of the locks you put on, how many were newly ordered? |
| 6C | How much total time [minutes] did you spend changing locks? |

d. The full heading is "6B Newly Ordered", referring to replacement locks that were newly ordered as opposed to retrieved from inventory.

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DBP/USPS-195 Please refer to your response to DFC/USPS-T30-57. [a] Are these 25 offices related to the offices that are referred to in your attachment to DFC/USPS-T30-12[a]? [b] If so, advise the numerical match between facilities numbers in each attachment. [c] If not, please advise the CAG level of each office in the DFC/USPS-T30-57 attachment. [d] Advise the specific days that each of Day 1 through 6 represent. [e] With respect to the number of PS3849 cards filed, do you have any concern with the validity of the data as follows: Facility #3 always takes 5 minutes whether there are 27 to 46 cards; Facility #10 takes time to file no cards; Facility #17 filing time is always a multiple of 5 minutes; and facility #25 filing time is always 30 seconds per filing from 83 to 210 cards. Please respond with respect to each item noted. [f] Please confirm that there are a total of 6640 cards filed on all six days at all 25 facilities. [g] What is the average time per card filed that you utilized in your rate design and provide the specific calculations that were utilized to achieve that value. [h] What is the total volume of cards that are filed in all offices nationwide. An approximation with justification may be provided. [i] What is the calculated statistical mathematical level of confidence that this data represents when utilized to represent a measurement of the time required for filing the form nationwide. Show your calculations. [j] Explain why you are satisfied that this level of confidence is satisfactory. [k] With respect to the number of PS3849 cards retrieved, do you have any concern with the validity of the data as follows: Facility #4 took time on day 4 to evaluate no cards; Facility #17 always took a multiple of 5 minutes; Facility #24 always took a multiple of 15 minutes; 87% of all cards retrieved were completed at only four facilities. Please respond with respect to each. [l] Please confirm that there are a total of 148 cards retrieved on all six days at all 25 facilities. [m] What is the average time per card retrieved that you utilized in your rate design and provide the specific calculations that were utilized to achieve that value. [n] What is the total volume of cards that are retrieved in all offices nationwide. An approximation with justification may be provided. [o] What is the calculated statistical mathematical level of confidence that this data represents when utilized to represent a measurement of the time required for retrieving the form nationwide. Show your calculations. [p] Explain why you are satisfied that this level of confidence is satisfactory.

RESPONSE:

- a. Yes.
- b. The facility ID numbers in the attachment to my response to DFC/USPS-T30-57 correspond to those in the attachment to my response to

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DFC/USPS-T30-12[a]. For example, facility ID #1 in the attachment to my response to DFC/USPS-T30-57 represents the same facility as facility ID #1 in the attachment to my response to DFC/USPS-T30-12[a].

- c. N/A.
- d. The survey instructed data collection to begin on Wednesday, July 21, 1999. With that start day, the table below indicates the specific days that Day 1 through Day 6 represent. Not every site started on July 21, however.

| Day # | Day of Week |
|--------------|--------------------|
| 1 | Wednesday |
| 2 | Thursday |
| 3 | Friday |
| 4 | Saturday |
| 5 | Monday |
| 6 | Tuesday |

- e. I trust these results and believe they are useful to the study, with one exception.
- **Facility #3:** Based on the range of unit productivities reported by other facilities, 5 minutes is a reasonable time required to file quantities within the stated range. The times reported are reasonable approximations.
 - **Facility #10:** While I instructed the field to report time taken when no cards were retrieved (for example, to search for a record not in their files), I am concerned about this particular case in which time was reported for no cards filed on two days. However, because the two observations account for only 3 minutes out of a total 1,013 minutes of filing time reported in the study, the inclusion of these two observations has no material effect on overall filing productivity.

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- Facility #17: Your assertion is incorrect. Facility #17 filing time is never a multiple of 5 minutes.
 - Facility #25: While the volume counts are precise, this facility apparently reported times by estimating 30 seconds per unit. On a unit productivity basis, these figures are not necessarily unreasonable. Other facilities with precise measurements of volumes and times demonstrated productivities very similar to those of facility 25. Facility 25's times appear to be reasonable approximations, and their volumes appear to be precise measurements. The fact that a given facility, facing budget constraints and demands to move the mail as quickly as possible, may report reasonable approximations as opposed to fully precise measurements over an extended period of time should not dismiss that facility's reported data per se. In fact, since I believe the reported data does represent reasonable approximations, the data should be incorporated into the study.
- f. Not confirmed. There are a total of 6,620 cards filed on all six days at all 25 facilities.
- g. The average time per card filed is 0.153 minutes (or 9.184 seconds). This mean unit time was calculated by dividing total filing time [1,013 minutes] by total cards filed [6,620 cards].
- h. While no exact count is available, approximately 300 million cards were filed in all offices nationwide in FY 1998. This approximation is based on the FY 1998 domestic volumes of certified, insured (value over \$50), registered, COD, and return receipt for merchandise.
- [i,j]. I do not believe that appropriate or meaningful confidence intervals can be developed for this study given the manner in which data were reported. Please see my response to DFC/USPS-T30-69 for a detailed explanation.

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- k. I trust these results and believe they are useful to the study.
- Facility #4: A facility may indeed spend time in the search and retrieval process even though no card was located. In fact, I specifically instructed the field to "include the number of PS Form 3849 cards that you searched for but did not locate". See survey instructions at USPS-LR-I-108, Section D, p.78 (electronic file name: "instructions for ret rcpt survey.doc") and survey at p.79 (electronic file name: "return receipt survey.xls").
 - Facility #17: While the volumes are precise measurements, the times appear to be reasonable approximations. The fact that a given facility, facing budget constraints and demands to move the mail as quickly as possible, may report reasonable approximations as opposed to fully precise measurements over an extended period of time should not dismiss that facility's reported data per se. In fact, since I believe that the reported data represent reasonable approximations, the data should be incorporated into the study. I expect that any rounding up would be offset by rounding down.
 - Facility #24: While the volumes are precise measurements, the times appear to be reasonable approximations. The fact that a given facility, facing budget constraints and demands to move the mail as quickly as possible, may report reasonable approximations as opposed to fully precise measurements over an extended period of time should not dismiss that facility's reported data per se. In fact, since I believe that the reported data represent reasonable approximations, the data should be incorporated into the study. I expect that any rounding up would be offset by rounding down.
 - I am neither concerned nor surprised that 87 percent of cards retrieved were completed at four facilities. This reflects the fact that in the population of postal facilities, certain sites serve as centralized storage facilities of delivery records.
- l. Confirmed.

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- m. The average time per card retrieved is 3.519 minutes. This mean unit time was calculated by dividing total retrieval time [521 minutes] by total cards retrieved [148 cards].
- n. In FY 1998, approximately 2 million cards were retrieved in all offices nationwide. This figure is based on the approximate number of inquiries received during FY 1998.
- [o,p]. I do not believe that appropriate or meaningful confidence intervals can be developed for this study given the manner in which data were reported. Please see my response to DFC/USPS-T30-69 for a detailed explanation.

REVISED April 26, 2000

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- n. I have been informed that there is no explicit authorization for a non-USPS recipient to enter into such an agreement for return receipt service. I note that with return receipt for merchandise service, the *sender* can elect to waive the signature requirement (as permitted in DMM Issue 55, S917.2.2(f)).
- m. N/A.
- n. N/A.
- q.,r. Not confirmed. I have not specifically studied what additional costs or cost savings might result from your scenario described in part [n].

DECLARATION

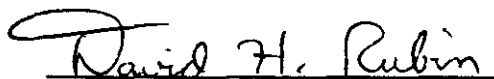
I, Scott J. Davis, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Scott J Davis

Dated: April 26, 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.


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April 26, 2000