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

UNITED STATES POSTAL SERVICE
INTERROGATORY AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO MPA WITNESS CROWDER
(USPS/MPA-T5-29)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatory and request for production of documents to MPA witness Crowder: USPS/MPA-T5-29. To the extent that any particular question in this set may be read to require disclosure of confidential information in violation of Presiding Officer's Ruling No. R2000-1/27, it is requested that an unredacted response containing the confidential information be filed under seal in conformance with Ruling 27 and provided to the Postal Service.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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June 23, 2000

USPS/MPA-T5-29. Please refer to your Docket No. R2000-1 testimony at page 48, footnote 46, where you make the following statement:

> When there is less than 100% coverage, a volume increase causes an increase in coverage which reduces average volume per stop on the route. If there are stop/delivery-level load time scale economies (i.e., elemental load time variability is less than 100%), then average per piece load time actually increases (coverage-related load time is positive). On the other hand, if there are no such scale economies (i.e., elemental load time variability is 100% and there is no fixed stop/delivery time), then average load time per piece does not change and changes in coverage have no effect on per piece load time (i.e., coverage-related load time is zero).

Suppose a route has 300 SDR possible stops, and that at current route volumes and volume allocations, 280 of these stops are covered and 20 stops are not covered. Assume that volume now increases by one piece, and that this new piece goes to one of the previously uncovered 20 SDR stops. Assume further that "there are stop/delivery-level load time scale economies." Given these facts, please answer the following:

(a) Is it your view that "average per piece [SDR] load time" will increase because the additional load time generated by loading this new piece at this new SDR stop will exceed the average load time per piece over the original 280 actual SDR stops? If this is not your view, please explain why the presence of "stop/delivery-level load time scale economies" implies "that average per piece load time" will increase when volume growth causes a new mail piece to be delivered to a previously uncovered SDR stop.

(b) Suppose that the additional load time generated by the loading of this new mail piece at the previously uncovered SDR actual stop is 6 seconds, and that the average load time per piece over the original 280 actual stops is 4 seconds. Does the entire 6 seconds of additional load time caused by this coverage of the new SDR stop equal coverage-related load time? Alternatively, do only the 2 seconds by which this marginal 6 seconds exceeds the 4 seconds average load time per piece constitute coverage-related load time? Please explain fully.

(c) Suppose the additional load time that would be generated if the new mail piece is delivered to one of the pre-existing 280 SDR stops is 3.5 seconds. Suppose further that the reason this additional load time is less than the average pre-volume-increase load time per piece of 4 seconds over these 280 stops is the existence of load time scale economies. Consider the 2.5 second excess of the 6 seconds of load time resulting from loading the piece at a new stop over this marginal increase of 3.5 seconds from loading the new piece at the pre-existing SDR actual stop. Does this 2.5 seconds qualify as coverage-related load time? Please explain fully.

(d) Please refer to your answer to parts (b) and (c). If, in your view, neither the entire 6 seconds of additional load time from loading the new piece at the new stop, nor the 2 seconds by which this 6 seconds exceeds the initial average load time per piece at the 280 actual stops, nor the 2.5 seconds by which this 6 seconds exceeds the marginal load time of loading the piece at one of the pre-existing stops constitutes coverage-related load time, then please answer the following. Why does no part of the additional load time generated by the loading of a new mail piece at a new, previously uncovered stop qualify as coverage-related load time?

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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