

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 15

(Issued June 30, 2000)

The Postal Service is requested to provide the information described below to assist in developing a record for the consideration of its request for changes in rates and fees. In order to facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers at our hearings. The answers are to be provided within 10 days.

1. Table 2 in the Attachment to the response to Interrogatory UPS/USPS-T5-2 presents a coefficient of variation (C.V.) of 0.96 percent for the FY 1998 BRPW-estimated Parcel Post volume of 234,892 thousand pieces. Please show how the value of C.V. was calculated.
2. The Postal Service initially estimated FY 1998 Parcel Post volume to be 266,479 thousand pieces (FY 1998 RPW, 11/5/98). In FY 1999, it retroactively adjusted the FY 1998 Parcel Post volume to be 316,148 thousand pieces (FY 1999 RPW, 11/19/99). The initial estimate of FY 1998 Parcel Post volume is based solely on the DRPW system and the adjusted estimate on a new BRPW/DRPW method. The difference between the two FY 1998 Parcel Post estimates is an increase of about 50 million pieces, or 19 percent.

- a. Please explain why the long-accepted DRPW sampling system was underestimating Parcel Post volume by such a large proportion in FY 1998.
 - b. Please identify all aspects of the RPW sample design as well as the data collection, processing, and estimation methods that account for the difference between the two estimates in FY 1998. Do not include the sampling error in your investigation. For the procedures identified, please explain how their implementation may have occasioned or contributed to the discrepancy.
 - c. Please provide the coefficient of variation (C.V.) for the initial FY 1998 Parcel Post volume estimate of 266,479 thousand pieces.
3. In the June 26th issue of the *Business Mailers Review* the article "USPS Works on Transition Plan for Priority Mail Processing" (at pages 3-4) asserts that the Postal Service is developing a transition plan for terminating its contract with Emery Worldwide to operate a dedicated Priority Mail system for the Northeast and Florida. If the contract is terminated, what impact would this have on Priority Mail's attributable cost for the test year and Fiscal Year 2002?



Edward J. Gleiman
Presiding Officer