

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON DC 20268-0001

RECEIVED  
JUL 3 1 46 PM '00  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

\_\_\_\_\_  
POSTAL RATE AND FEE CHANGES, 2000 )  
\_\_\_\_\_) )

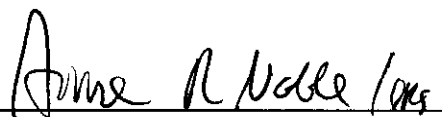
Docket No. R2000-1

\_\_\_\_\_  
RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA, INC.  
WITNESS HAY TO FIRST SET OF INTERROGATORIES  
OF UNITED PARCEL SERVICE  
(UPS/MPA-T4-1)  
\_\_\_\_\_

(JULY 3, 2000)

Magazine Publishers of America, Inc. hereby provides the response of witness Hay to the following interrogatories of United Parcel Service: UPS/MPA-T4-1, filed on June 19, 2000. The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

  
\_\_\_\_\_  
James R. Cregan  
Anne R. Noble  
Counsel  
Magazine Publishers of America, Inc.  
Suite 610  
1211 Connecticut Avenue NW  
Washington DC 20036  
(202) 296 7277

**RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA WITNESS HAY  
TO INTERROGATORIES OF UNITED PARCEL SERVICE  
(UPS/MPA-T-4-1)**

**UPS/MPA-T-4-1.** At page 13 of your testimony you discuss the difference between an engineering study and cost estimates. You also refer to the A.T. Kearney Data Quality Study to support your conclusions about the ES study data. MPA-T-4, pages 18-19.

(a) Did you consider the following passage in the Data Quality Study (Summary Report, page 82) when developing your conclusions about engineering data?

Other Postal Administrations (Canada, Australia, New Zealand, Netherlands, Sweden) and Courier Companies (Federal Express and United Parcel Service) use route measurements systems to design and attribute their delivery costs. These organizations design their delivery routes based on engineering time studies that allow the organizations to design routes to fit an eight-hour workday....

These organizations not only design and manage their delivery personnel using this system but they also assign costs to delivery activities based on this system.

(b) If so, describe how your conclusion regarding the use engineering data for costing purposes is consistent with these statements?

**Response:**

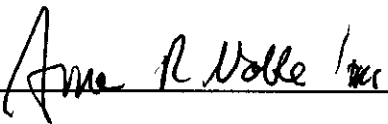
(a) Yes. I did consider this statement. The other postal administrations appear to set up engineering time studies before they are implemented with a view to also using them for cost estimation. This approach assures that relevant random sampling methodologies are employed and enumeration standards are adhered to.

(b) There are two points here:

- i) Another postal administration may be prepared to accept the joint collection of engineering and cost data when it is a pre-ordained objective of the study and the usual scientific standards are observed; and
- ii) In other postal administrations the results from cost and engineering cost studies are usually employed in managing the actual operations of the administration. In the US there is a suggestion that the USPS may never use the ES data. Reference "Opposition of the United States Postal Service to the UPS Motion to Compel Answers to Interrogatories to Witness Raymond", dated 6 March, 2000, at page 5.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.

Anne R. Noble 

Washington DC  
July 3, 2000