

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

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF THE UNITED STATES POSTAL SERVICE
OF FILING OF REVISIONS TO THE REBUTTAL TESTIMONY OF WITNESS
STEVENS -- ERRATA

The United States Postal Service hereby gives notice that it is filing today revisions to the rebuttal testimony of witness Stevens.

In the testimony (USPS-RT-14), the changes are as follows:

Page 14, line 17: Change "7%" to "4.05%".

Page 15, line 3: Change " Letter Route W/S 1A PG1" to "USPS-T-13 Workpapers
Volume VII, LIOCATT ALB718P7"

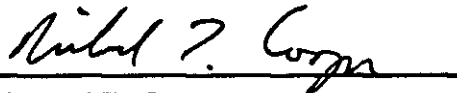
Page 15, Table 3: Change entries to last two columns as indicated.

These changes resulted from witness Stevens recent discovery that he had referenced a different source to Table 3 than he had intended. Table 3 now references the correct source from Docket No. R87-1. Revised pages of the testimony are attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:



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August 23, 2000

1 assumption that the 1986 STS was significantly superior in those areas where they
2 have concerns about the new data. In the next several paragraphs, I show where the
3 1986 STS data are significantly weaker in the most critical points that Hay and/or
4 Crowder have made regarding the ES data.

5 **1. Statistical Basis of Sample Design.** The ES Sample was made large
6 enough and broad enough (across all regions) to ensure representativeness. The 1986
7 STS sample of 100 sites was initially selected using conventional statistical sample
8 design principles. The original design was modified, however, because, of the 100 sites
9 originally selected, only 91 had beeper service. Although 2,400 routes were sampled in
10 the 91 cities, 1,019 (42%) were from only 11 (12%) cities.¹⁵ Also, beeps were limited to
11 3 per carrier to minimize interference with the carrier's workday. Many of the statistical
12 goals at the start of the project were compromised to ensure completion of the project.
13 Supervisors replaced trained data collectors, and implemented route substitution rules
14 when testing the selected route, for whatever reason, became impractical. Final
15 statistical representation of routes was not close to the goal of replicating the IOCS
16 eight route type proportions.¹⁶ For example, mixed business and residential park & loop
17 accounted for 26% of the 7,103 tallies, yet accounted for only 4.05% of the routes. See
18 Table 3. Also, certain travel time tallies ("margin"¹⁷) were discarded.

¹⁵ Docket No. R87-1, USPS-7B, Figure B3.

¹⁶ Tr. 32/16165. Contrary to witness Crowder's assumption, a statistically random sample does not always produce the desired results.

¹⁷ Docket No. R87-1, USPS-7B, pages 2-3. Margin deals with times when the carrier is sampled but is not on the street.

TABLE 3 - 1986 STS Tallies by Route Type*

IOCS Route Types	STS Tallies	Percent of Total	IOCS Street Costs (\$000's)	Street Costs Percentage (Expected STS Tally Distribution)
Business foot	113	1.59%	\$72,383,205	1.89%
Business motorized	109	1.53%	\$33,628,386	0.88%
Residential foot	563	7.93%	\$644,310,564	16.81%
Residential P&L	3458	48.68%	\$2,284,911,599	59.62%
Residential curb	761	10.71%	\$552,864,804	14.42%
Mixed foot	122	1.72%	\$61,894,130	1.61%
Mixed P&L	1863	26.23%	\$155,366,436	4.05%
Mixed curb	114	1.60%	\$27,329,189	0.71%
TOTAL	7103	100.00%	\$3,832,688,313	100.00%

*(Data developed from R87-1, USPS-T-13 Workpapers Volume VII, LIOCATT ALB718P7)

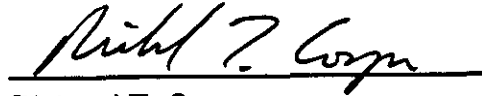
2
3
4
5 **2. Training of Observers.** The 1986 study used carriers to self-record the
6 data on the Street Time Sample Carrier Card.¹⁸ See ATTACHMENT 1. Supervisors at
7 each of the sites were provided instructions on how to conduct the survey. The
8 supervisors would determine when the carriers were to be paged; they were also
9 responsible for making the calls. These supervisors, using oral instructions, trained the
10 sampled carriers and the debriefing supervisors. The debriefing supervisors would
11 debrief the carriers at the end of the day, transcribing the carrier's data to a FOSDIC
12 (film optical scanning) form.

13 **3. Familiarity of Observers With "Precise Cost-Related Demarcations".**
14 Carriers in the 1986 STS used everyday terms (see ATTACHMENT 1) that were
15 mapped into street costing components (load, etc.). "...items of the carrier card are
16 designed to make it easy for carriers to record their activities in terms that they are

¹⁸ Docket No. R87-1, USPS-7B

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.

A handwritten signature in cursive script, appearing to read "Richard T. Cooper", is written over a horizontal line.

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