

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, 1997 )

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
(OCA/USPS-1-7)  
(July 16, 1997)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, production should be made for inspection at the Office of the Consumer Advocate, 1333 H Street, N.W., Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

The term "documents" includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets,

charts, tabulations, and workpapers. The term "documents" also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

"All documents" means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

"Communications" includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

"Relating to" means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests for explanations or the derivation of numbers should be accompanied by workpapers. The term "workpapers" shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should "show what the numbers were, what numbers were added to other numbers to achieve a final result." The witness should "prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and

developed that data to achieve his final results." Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, please provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



EMMETT RAND COSTICH

Assistant Director

Office of the Consumer Advocate

OCA/USPS-1. Please refer to pages 10-11 of the transcript of the June 3, 1997, Board of Governors meeting. The following discussion between Governor Dyhrkopp and Chief Inspector Kenneth Hunter concerns a review of volume measurement systems presented in the semi-annual report of the Inspector General.

MR. DYHRKOPP: -- at the very top -- the very top paragraph, it's mail volume measurement and reporting systems. The thing that bothers me about it, and I'd like you to discuss it briefly, is, you were talking about how the data is collected. And it says, causes were inherent in the system errors, human errors, and deliberate fabrication of data.

Now, that bothers me, because we depend on the data that we get. And if we're getting fictitious data, we really can't make sound decisions. What -- would you explain that?

MR. HUNTER: We agree. We looked at some of the major measurement systems that provide numbers that you use for a number of your decisions, such as investments. And we do have concerns for the reasons outlined there.

Now, the Audit Committee, which you chair, has asked for a full report on that at the next meeting. The written report has been issued. We can provide a copy for you through the secretary of the Board. And it will be discussed at that Committee meeting.

- a. Please provide a copy of the written report referred to by Mr. Hunter, above.
- b. Please provide a copy of the semi-annual report of the Inspector General (including back-up papers) referred to at page 9 of the June 3, 1997, transcript.
- c. Please provide copies of all Postal Inspection Service reports relating to data measurement and reporting systems (whether draft or final) prepared since October 1, 1991.
- d. Do problems involving system errors, human errors, deliberate fabrication of data, or fictitious data occur in data systems other than the volume measurement and reporting systems? Please explain and quantify the extent of each type of data measurement and reporting problem for each data system affected.

- Provide copies of all reports (whether draft or final) relating to such data problems prepared by or for any subdivision of the Postal Service since October 1, 1991.
- e. Please list the "major measurement systems" that Mr. Hunter referred to in his response to Governor Dyhrkopp, above.
  - f. If any of the other major measurement systems have not been recently evaluated by the Inspection Service, please describe any plans (and time tables) for evaluating those systems.
  - g. Please describe the auditing or quality control steps routinely taken to identify fabricated or fictitious data, to measure data fabrication rates, to discourage the practice of falsifying data, or to correct any data identified as fabricated or fictitious for the major measurement systems.
  - h. What proportion of fabricated data is actually detected as fabricated data?
  - i. Does the Postal Inspection Service have, or has it had at any time since October 1, 1991, an ongoing role in auditing the data collection process to ensure that procedures are followed and that data is not falsified for the major statistical measurement systems? If so, please explain. If the Inspection Service routinely monitors or audits these systems, please describe any periodic reports issued and provide copies of all reports prepared since October 1, 1991. Please include in your response a description of the role of the Inspector General in auditing the data collection process.
  - j. Please provide all transcripts, notes, or reports relating to the "full report" provided to the Audit Committee. Please list the dates since October 1, 1991, of

all meetings of the Audit Committee at which data measurement and reporting problems were addressed.

- k. Please describe the auditing or quality control steps routinely taken to identify systematic and system errors for the measurement and reporting systems, to measure those error rates, to discourage those types of errors, and to correct any data affected by systematic or system errors.
- l. What proportion of data subject to systematic or system errors is identified as erroneous?
- m. Please describe the auditing or quality control steps routinely taken to identify human errors (innocent mistakes) in the data collection process, to measure those error rates, to discourage those errors, and to correct any data affected by human errors.
- n. What proportion of data subject to human errors in the measurement and reporting systems is identified as erroneous?
- o. For each type of ongoing audit or quality control test performed to ensure validity of data collected for the measurement and reporting systems, please identify the Postal Service department or office that performs the audit or quality control test. Are these audits or tests performed by entities independent of the data collection staff? If a test or audit is performed by the data collection staff or directed by the managers of the data collection staff, please confirm that there could be an incentive to underestimate the extent of falsified or erroneous data. If you do not confirm, please explain.

- p. Does an independent organization audit data collection and editing (e.g., CODES) software for system errors? Please describe the audit process and provide any summaries or reports produced by software audits.

OCA/USPS-2. Please describe all steps taken to comply with the requests referred to in OCA/USPS-1. Your response should include, but not be limited to, answers to the following questions:

- a. What person or persons were assigned responsibility for gathering information pertinent to the requests? Provide the position description of each such person and what responsibility each such person was given.
- b. What instructions were given to the persons identified in part "a" of this interrogatory? If the instructions were given in writing, supply any such document.
- c. What instructions did anyone else responsible for complying with the request give or receive? If the instructions were given in writing, supply any such document.
- d. Whose offices were searched for documents responsive to the request? Please provide the person's name and his or her position description.

OCA/USPS-3. Please provide responses to all outstanding Docket No. MC97-2 OCA interrogatories to witnesses Bradley and Lyons.

- a. Witness Bradley's testimony (USPS-T-13) appears to be almost identical to his testimony in Docket No. MC97-2. Please provide responses to OCA/USPS-T13-11-48.
- b. Witness Lyons does not appear to be a witness in Docket No. R97-1. However, the outstanding interrogatories in Docket No. MC97-2 are still relevant. Please provide responses to OCA/USPS-T1-21-33.

OCA/USPS-4. The following interrogatory refers to Postal Service library reference H-7, data filename FY96mods.dat. Within the data file FY96mods.dat there are non-numeric characters.

- a. Please confirm that each of the following characters found in the data file converts to a numeric value as follows:

<u>Character</u>	<u>converts to</u>	<u>Numeric Value</u>	<u>Confirmed</u>	<u>Not Confirmed</u>
"{"		0	_____	_____;
"A"		1	_____	_____;
"B"		2	_____	_____;
"C"		3	_____	_____;
"D"		4	_____	_____;
"E"		5	_____	_____;
"F"		6	_____	_____;
"G"		7	_____	_____;
"H"		8	_____	_____;

"I"	9	_____	_____;
"J"	-0	_____	_____;
"K"	-1	_____	_____;
"L"	-2	_____	_____;
"M"	-3	_____	_____;
"N"	-4	_____	_____;
"O"	-5	_____	_____;
"P"	-6	_____	_____;
"Q"	-7	_____	_____;
"R"	-8	_____	_____;
"R"	-9	_____	_____;

b. For each conversion that was not confirmed in part "a" of this interrogatory, please state the correct interpretation of each non-numeric character.

OCA/USPS-5. The following interrogatory refers to the Postal Service's Base Year data file format in USPS library reference H-7.

- a. Please explain why the Postal Service provides base year data (FY96mods.dat) that includes non-numeric data.
- b. Please explain why the Postal Service does not provide a base year data file containing only numeric characters.

OCA/USPS-6. Please identify the Postal Service library reference that provides the base year data file format specifications and any required character conversion algorithm. Include in your response section identifiers and page numbers as appropriate. If there is no such library reference, please provide one.

OCA/USPS -7. In reference to the Washington Post article of Monday June 30, 1997, by Bill McAllister, p A11:

- a. Please provide the recent Postal Service memorandum warning that remittance mail is "likely to be the first to suffer the effects of electronic substitution".
- b. Please provide the studies by Arthur D. Little consulting firm quantifying the risk to the USPS of the electronic diversion of bill payments and other mail.
- c. Please provide the internal postal study or studies stating electronic banking and bill paying, "is not expected to materialize prior to the turn of the century". Please provide all internal postal studies relating to the impact of electronic banking and bill paying prepared since October 1, 1991.
- d. Please provide the "March postal memorandum" in which it states, "less than 10 percent" of the 8.3 billion payments sent from households are believed at risk.
- e. Please provide a study or other document prepared in whole or part by Arthur D. Little which discusses the losses the USPS has suffered in business to business mail payments.
- f. Please provide a transcript or other recitation or summary of the remarks of Deputy Postmaster General Coughlin to a meeting in May and /or June 1997 of commercial mailers.

- g. Please provide a copy of the 1872 report of the Postmaster General referenced by Mr. Michael Riley, Chief Financial Officer and Senior Vice President, which notes that drastically reduced postal rates from 25 cents to 3 cents together with certain management efforts successfully met competition from new technology of the time, the telegraph.

If any of the above requested documents have been filed as library references please provide the appropriate designation or citation.

#### 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 section 12 of the rules of practice.



EMMETT RAND COSTICH  
Attorney

Washington, D.C. 20268-0001  
July 16, 1997