

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
WITNESS MICHAEL D. BRADLEY
(OCA/USPS-T14-2-8)
September 3, 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. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

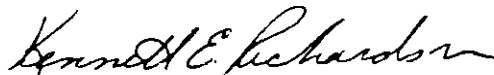
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



KENNETH E. RICHARDSON

Attorney

OCA/USPS-T14-2. Suppose that an operation is so poorly managed or inefficient that workhours do not vary regardless of expected mail volumes to be processed. Under this scenario, is it possible that estimated variabilities would be lower than an otherwise similar operation that is well-managed? Please explain.

OCA/USPS-T14-3. Please refer to page 2 of the December 1996 National Coordination Audit of Allied Workhours contained in library reference H-236. This report states, "Our review of opening unit operations (110-117 and 180-189) at the 25 P&DCs disclosed management inefficiencies regarding these workhours representing 36 percent of total LDC 17 workhours." Table 8 of your testimony indicates that the elasticities for "Opening Pref." and "Opening BBM" to be 0.720 and 0.741, respectively.

- a. If opening unit inefficiencies account for 36 percent of workhours, please confirm that your elasticity estimates would understate variabilities for well-managed opening unit operations. If you do not confirm, please explain.
- b. Suppose that at an average volume level about a third of the workhours in opening unit operations are not utilized. If expected mail volumes for the next day are up by ten percent, then please confirm that there is no need to increase staffing level for that day.
- c. Do your econometric models take into account the fact that some operations are run inefficiently? If so, how do you model this inefficiency?

OCA/USPS-T14-4. Please refer to page 4 of your response to OCA/USPS-T14-1. This breaks out accrued cost by Non-MODS sub-pools. Please break out these accrued costs by:

- a. Facilities with mechanized mail processing equipment but no automated mail processing equipment.
- b. Facilities with automated mail processing equipment but no mechanized mail processing equipment.
- c. Facilities with neither mechanized mail processing equipment nor automated mail processing equipment.
- d. Facilities with both mechanized mail processing equipment and automated mail processing equipment.

OCA/USPS-T14-5. Please refer to page 4 of your response to OCA/USPS-T14-1. This breaks out accrued cost by Non-MODS sub-pools. Please break out these accrued costs by:

- a. Facilities with mechanized mail processing dollars but no automated mail processing dollars.
- b. Facilities with automated mail processing dollars but no mechanized mail processing dollars.
- c. Facilities with neither mechanized mail processing dollars nor automated mail processing dollars.
- d. Facilities with both mechanized mail processing dollars and automated mail processing dollars.

OCA/USPS-T14-6. Please refer to page 10 of the December 1996 National Coordination Audit of Allied Workhours contained in library reference H-236. This states, "At the P&DCs, LDC 17 supervisors generally expressed that their focus was to keep the employees in budgeted positions 'busy', and minimize overtime hours."

- a. Please confirm that LDC 17, Other Direct Operations, refers to MODS allied activities in your testimony. If you do not confirm, please explain the differences between the terms "allied activities" and "LDC 17 operations."
- b. Please confirm that if the above quote reflects the typical LDC 17 supervisor focus, the effect on variabilities would be to decrease them from what they otherwise would be if employees were clocked in to LDC 17 operations only when really needed.

OCA/USPS-T14-7. Please refer to the December 1996 National Coordination Audit of Allied Workhours contained in library reference H-236.

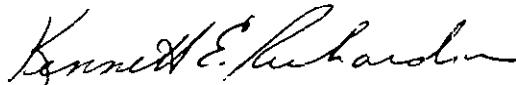
- a. Are the data at any of the 25 sites reviewed in this audit so unreliable that they should be excluded from your variability analysis? Please explain.
- b. Are the data scrubs described at pages 31-33 of your testimony designed to identify and eliminate the types of errors identified by this audit? Please explain.

OCA/USPS-T14-8. Please refer to page 2 of the December 1996 National Coordination Audit of Mail Volume Measurement and Reporting Systems, included in library reference H-220.

- a. Are the data at any of the 20 sites reviewed in this audit so unreliable that they should be excluded from your variability analysis? Please explain.
- b. Are the data scrubs described at pages 31-33 of your testimony designed to identify and eliminate the types of errors identified by this audit? Please explain.

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.



KENNETH E. RICHARDSON
Attorney

Washington, D.C. 20268-0001
September 3, 1997