

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, 2001

Docket No. R2001-1

FURTHER RESPONSE OF UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 6

The United States Postal Service hereby provides its response to
Presiding Officer's Information Request No. 6, question 11 (a through r). Answers to
questions number 7 and 11(s) are forthcoming.

The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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December 21, 2001

Response of United States Postal Service Witness Bozzo
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11 .The worksheets attached to USPS-LR-J-179 already provide data for 321 mail processing sites disaggregated by postal accounting period (AP) from AP01 1993 through AP13 2001 for selected TPH (Total Pieces Handled), TPF (Total Pieces Fed), FHP (First-Handled Pieces) and HRS (mail processing labor hours) variables. The Postal Service is requested to provide the following additional information for the 321 mail processing sites for which data were supplied in the worksheets accompanying USPS-LR-J-56, USPS- LR-J-161 and USPS-LR-J-179. The additional data should be correctly matched to the data already provided. Therefore, the MODS operations, time periods, and sites reflected in the additional data provided should be defined in a manner that is consistent with the data in worksheet reg9300.xls from USPS-LR-J-56.

(a) Please supply data disaggregated by AP for the remaining variables shown by quarter in the worksheet reg9300.xls attached to USPS-LR-J-56.

(b) Please provide any additional accounting period data that may have been used by Postal Service witnesses to fit econometric models of mail processing activities.

(c) Please provide complete descriptions of any procedures used to screen for errors and/or to correct errors in the data supplied with USPS-LR-J-179 and in response to requests (a) and (b) above.

(d) Please provide complete descriptions of any procedures used to interpolate or transform the data supplied with USPS-LR-J-179, and in response to requests (a) and (b) above.

(e) Please describe any econometric models developed by Postal Service witnesses using the data supplied with USPS-LR-J-179, and in response to requests (a) and (b) above, and summarize the results of any fits made of such models.

(f) For each site that started regular mail processing operations after the beginning of AP01 1993, please provide the site ID and the date when regular mail processing operations began.

(g) For each site that ceased regular mail processing operations before the end of AP13 2001, please provide the site ID and the date when regular mail processing operations ceased.

(h) For each site that suspended regular mail processing operations between the beginning of AP01 1993 and the end of AP13 2001, please provide the site ID and the starting and ending dates for each such suspension.

(i) Please provide documentation, other than the internal evidence of zero TPH, TPF, FHP, and HRS found in the data, that confirms the dates supplied in response to requests (f), (g) and (h) above.

(j) Please describe the time period (e.g. day, week, accounting period) for the observations of TPH, TPF, FHP and HRS originally reported by the 321 sites.

(k) Please describe any steps taken to verify or to correct errors in the data as originally reported by the 321 sites.

(l) Please describe any steps taken to identify and/or to restore any missing observations in the data as originally reported from by the sites.

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(m) Please describe the time period (e.g. day, week, accounting period) for the TPH, TPF, FHP, and HRS observations originally provided by the Postal Service to witness Bozzo.

(n) Please describe any steps taken to verify or to correct errors in the data originally provided to witness Bozzo, other than the screens and scrubs described in USPS-T-14 and in response to request © [sic] above.

(o) Please describe any steps taken to identify and/or to restore any missing observations of TPH, TPF, FHP, or HRS in the data as originally provided to witness Bozzo.

(p) Please provide a tabulation by Site ID, by AP, and by MODS operation, as reflected in reg9300.xls, of the number of observations that were reported and the number of observations that were missing when the observations reported by the sites were aggregated to obtain the values provided for TPH, TPF, FHP, and HRS in the worksheets attached to USPS-LR-J-179.

(q) Did the Postal Service treat missing observations as zero values when aggregating the data originally reported by the sites into the dataset provided to witness Bozzo? If not, fully describe how the data were aggregated, and how missing observations were treated.

(r) Did witness Bozzo treat missing observations as zero values when he aggregated the data provided to him by the Postal Service to obtain TPH, TPF, FHP, and HRS by AP, as shown in the worksheets attached to USPS- LR-J-179. If not, fully describe how he aggregated the data and how he treated missing observations.

Response.

- a. The requested data will be provided in LR-J-206. Please note that the requested "other variables" in the LR-J-56 dataset that are not reported by accounting period (AP) in USPS-LR-J-179 are variables obtained from data sources other than MODS. Certain of those variables are not available by AP. The highest available frequency for each group of variables is shown below. I have not studied, and therefore cannot recommend, interpolation procedures that would be required to construct an AP-level data set comparable to the reg9300.xls file in USPS-LR-J-56. Please see also Docket No. R2000-1, Tr. 15/6267-6274.

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Data sources and available frequencies for variables (other than MODS data) in USPS-LR-J-56, file reg9300.xls

Variables	Data System	Highest Available Frequency	Missing Time Periods
curb, ndcbu, cent, other, hct, pobox	AIS	AP through AP06, FY 1994; monthly thereafter (through October 2001)	Aug-Sep 1995
Rb	RRMAS	AP	None
lgpo, smpo, sb, n5dzip	ALMS	Monthly	Jan-Feb 1993, Oct 1993, Sept 1995, Mar-Apr 1996, June 1996, Aug 1997, Oct 1997, Aug 1999, Nov 1999, Feb-Mar 2000, Jul 2000, Oct 2000, Dec 2000, Feb 2001, May 2001
dletters, dflats, dparcels	ODIS	Quarterly	None
hours11, hours12, hours13, hours14, hours17, dollars11, dollars12, dollars13, dollars14, dollars17	NWRS	AP	APs 01-02, FY 1994
qiahe, qimhe, qipse, qibld, qipdbld, qicap	Various; depends on National TFP analysis	Quarterly (limited by price index data)	None

- b. No accounting period mail processing data have been used in econometric modeling by myself or, to my knowledge, any other Postal Service witness in Docket No. R2001-1. Note, however, that additional accounting period data were employed in econometric modeling by Prof. Bradley in Docket No. R97-1. Prof. Bradley's econometric input data were provided in Docket No. R97-1, USPS-LR-H-148.

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- c. I did not employ any data screening or correction procedures other than those described in USPS-T-14 (or referenced in Docket No. R2000-1, USPS-T-15).
- d. The data provided in USPS-LR-J-179 are not interpolated. I did not transform the data other than to aggregate (sum) it to site and MODS operation group.
- e. Please see the response to part (b). Prof. Bradley's models and results using AP-frequency MODS data are presented in Docket No. R97-1, USPS-T-14.
- f. Please see Docket No. R2000-1, Tr. 15/6389.
- g. To my knowledge, no sites have ceased operations altogether, but some sites have ceased reporting to MODS for various reasons; please see Docket No. R2000-1, Tr. 15/6390.
- h. To my knowledge, no sites have temporarily suspended operations altogether, but at least one site suspended reporting MODS during the period; see Docket No. R2000-1, Tr. 15/6391.
- i. The materials cited in the responses to parts (f)-(h) were derived from discussions with Postal Service headquarters and area personnel, and not based on the MODS data set.
- j. Please see Handbook M-32, section 1-7. Handbook M-32 has been filed as USPS-LR-J-165.
- k. It is my understanding that MODS reports are regularly reviewed by local managers and/or supervisors, and that based on those reports,

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corrections may be (and, in practice, are) made to the data by the MODS offices themselves. See Handbook M-32, section I-7.3 (USPS-LR-J-165).

- l. Please see the response to part (k).
- m. The original periodicity of the observations of MODS data I obtained from the Postal Service was AP.
- n. I did not employ any data screening or correction procedures other than those described in USPS-T-14 (or referenced in Docket No. R2000-1, USPS-T-15). Please note that the econometric procedures I employ do not require that erroneous observations be corrected (as opposed to being dropped). In my opinion, the correction methods themselves would potentially be an area of controversy. Therefore, I generally chose to drop rather than correct the observations identified by the screens as erroneous.
- o. In general, I do not treat missing data differently from other erroneous data. However, in the informal technical conference on November 6, 2001, it was brought to my attention that data dropouts occurred at an unusually high frequency in AP 13, FY 2000. Upon reviewing the data, I determined that the MODS data for AP 13, FY 2000 had been downloaded from the Postal Service's Corporate Database (in early FY 2001) before all sites had reported their data. I commissioned a fresh download of the AP 13, FY 2000 MODS data, which are reflected in USPS-LR-J-179. I also expect to file related revisions to LR-J-56 and LR-J-161.

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- p. It is not possible to specifically distinguish missing values from other zero values in the LR-J-179 data set. Please see also the responses to parts (p) and (q), below.
- q. It is my understanding that missing MODS data (i.e., data that have not been reported to the Postal Service's Corporate Database for some reason) appear as zero values in the results of Corporate Database queries.
- r. I did not re-code any missing MODS data as zeros in the course of processing the MODS data reported in USPS-LR-J-179. Please note that a screening procedure similar to that employed in my econometric analysis would delete the missing observations from the analysis.

DECLARATION

I, A. Thomas Bozzo, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A. Thomas Bozzo

Dated: December 21, 2001

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.



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