

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
Box, 2004

Docket No. MC2004-2

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE
OFFICE OF THE CONSUMER ADVOCATE,
REDIRECTED FROM WITNESS SCHERER
(OCA/USPS-T1-21-25)
(July 8, 2004)

The United States Postal Service hereby files institutional responses to interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-21-25, filed on June 24, 2004, and redirected from witness Scherer.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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OCA/USPS-T1-21. Please refer to your testimony at page 13. You explain that tabulation of flat-rate box volume will come from the ODIS-RPW sampling system.

- a. Please describe how the ODIS-RPW system will be used to generate total Priority Mail (PM) flat-rate box volumes for each 6-month period.
- b. How accurate will such volume counts be if the PM flat-rate box volume is quite low?
- c. For what annual volumes, by rate category, is ODIS-RPW considered to be robust?
- d. Is it possible that the PM flat-rate box volumes will be below the level considered to be robust?

RESPONSE:

- a. ODIS-RPW mail volume estimates are generated on a monthly and quarterly basis. Sampled mailpieces that are Priority Mail flat-rate boxes will be weighted by the inverse of the probabilities of selection, summed to the national level, and aggregated to the appropriate 6-month time period.
- b. Table 2 of the testimony of witness Pafford, USPS-T-3/R2001-1, provides estimated coefficients of variation (CV) for FY2000 mail volume estimates. The Priority Mail volume estimated CV for FY2000 was 1.10%. This would be an approximate upper bound on the accuracy if every Priority Mail piece was a flat-rate box. The level of accuracy will be lower than this (larger CV), the value of which will be determined by the number of flat-rate boxes and their distribution across the country. With no demand forecast, there is no way of knowing in advance how precise the estimates for the Priority Mail flat-rate box will be.
- c. The level at which statistical estimates are “robust” depends on the uses of the data. For example, in Docket No. R2001-1 (the most recent omnibus case), postal rates were established, in part, using base-year FY

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2000 estimates and associated coefficients of variation provided in witness Pafford's Tables 1-3 (USPS-T-3). These estimates would then be considered "robust" for that purpose.

- d. Yes.

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OCA/USPS-T1-22. You state at page 13 of your testimony that “some ODIS-RPW system changes will be required.” Please describe fully all of the required changes.

RESPONSE:

The ODIS-RPW Priority Mail Marking screen requires redesign to capture Priority Mail flat-rate boxes. This new screen would need to be implemented in the ODIS-RPW laptop data collection software. The underlying ODIS-RPW laptop data record would thus be modified to accommodate the potential for Priority Flat-Rate Box entries. When this work is complete, the ODIS-RPW SAS mainframe software would also require modification to accept these new values and report the results to the RPW Adjustment Model.

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OCA/USPS-T1-23. Please provide a copy of the section of the questionnaire that will be used by ODIS-RPW personnel to report PM flat-rate box data.

RESPONSE:

ODIS-RPW data are collected via laptop computer software, not hardcopy questionnaire. The laptop software data entry screen for recording flat-rate boxes has not been completed. However, the concept is not complex. The screen that asks for Priority Mail type (or shape) will gain two options, one for each of the two Priority Mail flat-rate boxes.

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OCA/USPS-T1-24. Please provide a copy of the instructions that will be given to the ODIS-RPW personnel with respect to PM flat-rate box data collection.

RESPONSE:

These instructions have yet to be prepared.

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OCA/USPS-T1-25. Please list fully all data that will be collected by the ODIS-RPW system with respect to PM flat-rate boxes.

RESPONSE:

Data elements could include: revenue (postage), volume, weight, mail type, indicium, type of mailer (*i.e.*, private sector, federal government, or the Postal Service), origin three-digit ZIP Code, destination three-digit ZIP Code (where the mailpiece is sampled), special services, forwarded/return status, postmark date, type of barcode, barcode source, whether the address is handwritten, meter number, and meter manufacturer. Some of these, of course, will not be applicable to all mailpieces (revenue, for example, should not require separate entry). Some data, in keeping with standard practices, would be commercially sensitive.

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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