

Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes)

Docket No. R2005-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS MICHAEL D. BRADLEY (OCA/USPS-T14-7-11)
April 14, 2005

Pursuant to Rules 25 through 28 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 interrogatory OCA/USPS-T1-1, dated April 12, 2005, are hereby incorporated by reference.

Respectfully submitted,

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OCA/USPS-T14-7. The following interrogatory refers to your testimony at page 63, Table 19, “Estimating the Effects of the Proposed Methodology.”

- a. The following refers to the “Established Methodology” data, both columns titled “Percentage of Cost” and “Variability.”
 - (i) Please show the derivation of each percentage listed for: (1) Load Time, (2) Access Time, (3) Route Time, and (4) Total.
 - (ii) For each derived value provided in part a(i) of this interrogatory, cite all source documents, and provide copies of those documents not previously submitted in this docket.

- b. The following refers to the “Proposed Methodology” data, both columns titled “Percentage of Cost” and “Variability.”
 - (i) Please show the derivation of each percentage listed for: (1) Regular Delivery, (2) P/A Delivery, (3) Network Travel, and (4) Total.
 - (ii) For each derived value provided in part b(i) of this interrogatory, cite all source documents, and provide copies of those documents not previously submitted in this docket.

OCA/USPS-T14-8. Please refer to the testimony of witness Lewis (USPS-T-30), page 23, lines 13-15 (emphasis added), where he states that some “reasons [other than the eight-hour rule] to consider route adjustments include significant changes in *cased* volume or possible deliveries (PDs), building construction or demolition, and changes in authorized line of travel.”

- a. Given that witness Lewis does not mention DPSed volume as a cause of route adjustments, why do you include DPSed volume in your model?
- b. Please explain how the route adjustment process is related to your concept of a “sustained” change in volume (USPS-T-14, page 25, lines 4-8).
- c. Witness Lewis describes two types of route adjustment: a “Minor Adjustment Process, and, a Mail Count and Route Inspection Procedure.” (USPS-T-30, page 23, line 19.) Does your model account for both adjustment processes? If so, please explain. If not, why not?

OCA/USPS-T14-9. Please refer to your testimony at page 27, lines 3-4, where you state, “The delivery network will be modeled by the delivery points in the Zip Code” Given that “Network Travel” is a separate cost pool, why is it necessary to further account for network effects in your regular delivery time model? What, exactly, are the network effects you are attempting to control for?

OCA/USPS-T14-10. Please refer to your testimony (USPS-T-14), page 26, line 14, where you refer to “a sustained change in volume.”

- a. Would you agree that daily volume on a route exhibits volatility? (See, e.g., LR-K-80 at 2.) If not, why not?

- b. Would you agree that daily volume volatility can cause deviations from an eight-hour day for some routes? If not, why not?
- c. Would you agree that daily volume volatility can cause deviations from “daily authorized carrier hours” (USPS-T-30, page 22, line 19) for some ZIP Codes? If not, why not?
- d. Would you agree that the short-run technique (*i.e.*, short of route adjustment) for dealing with workload in excess of “daily authorized carrier hours” is overtime? If not, why not?
- e. Would you agree that your focus on “sustained” volume changes requires ignoring daily volume volatility at the route and ZIP Code levels? If not, why not?
- f. Would you agree that short-run (*i.e.*, constrained) elasticity of cost with respect to volume is greater than long-run (*i.e.*, unconstrained) elasticity of cost with respect to volume? If not, why not?

OCA/USPS-T14-11. Please refer to your testimony at pages 44-56. Please provide the SAS runs underlying the results you present. Please provide any SAS runs related to volume variability of city carrier costs that you performed but did not discuss in your testimony.