

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-T14-12-24)  
May 3, 2005

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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-T14-12. Please refer to your testimony, page 16, line 15 to page 17, line 11. You indicate that a typical mail route may have two to four sections, each of which has a dominant delivery technology. You further state in your testimony, page 20, lines 7-11, "Note that it was not feasible to measure volumes by individual route section but only by route. As a result, separate econometric models cannot be estimated for each of the different delivery technologies and only a single delivery time variability can be derived." In responding to OCA/USPS-T14-1(b)iii, you indicate that "only a single delivery mode [is] defined for each route in a Zip Code and this does not change."

- a. For every route, consisting of possibly two to four sections, is it correct that each section will have the same dominant delivery technology? If your answer is negative, please discuss in detail.
- b. Your testimony and interrogatory response appear contradictory. Could you please explain the matter further.

OCA/USPS-T14-13. You have presented Census data by ZIP Code for the square miles of territory covered. The ZIP Codes you have used are encoded. Independent research on the data and subsequent matching of data are accordingly impossible. Please provide the following data by encoded ZIP Code for the same year as your square-mile data:

- a. Number of households.
- b. Population
- c. Income per household (please state whether median, average, or whatever basis)

- d. Housing units
- e. Housing units in multiunit structures
- f. Pct of population with bachelor's degree
- g. Persons under 18
- h. Annual non farm payroll
- i. Number of employers
- j. Number of establishments
- k. Retail sales per capita
- l. Persons per square mile.
- m. FHP and TPF for the mail processing plant servicing the ZIP Code.

OCA/USPS-T14-14. Please refer to your testimony, page 22, lines 6-10:

This time pool contains the time required to sweep general and Express Mail mailboxes. . . . Its variability is the one developed by the Commission in Docket No. R2000-1 and thus is the same as in the established methodology.

Collection volumes are one of the independent variables used in the regular delivery time study. Presumably some of the delivery time includes collection time. Please explain the differences in times, volume variabilities, and the intent of your statements.

OCA/USPS-T14-15. Please refer to your testimony, page 29, lines 2- 6. You discuss the Box-Cox transformation. Did you develop any SAS programs and/or perform any analysis using the Box-Cox transformation? If your answer is yes, please provide all SAS or other programs, including both the output as well as the actual SAS or other computer code.

OCA/USPS-T14-16. Please refer to your testimony, page 31, lines 2-3, identifying the time period over which data were collected. How do you know that the data collected over the two week time period were representative of carrier data on a yearly basis?

OCA/USPS-T14-17. Please refer to Table 3, page 35 of your testimony. Please provide the calculations for the HC Standard Error and HC t-statistic.

OCA/USPS-T14-18. Please refer to your testimony, page 9, lines 2-5, where you indicate that the Postal Service's primary mechanism for adjusting street time to sustained increase or decreases in volume is through adjusting the route structure.

- a. How often does this type of adjustment typically happen for a route?
- b. Were any of the routes adjusted during the data collection effort? If so, please identify the routes adjusted.

OCA/USPS-T14-19. Please refer to your testimony, page 20, lines 14-16, where you state:

There is some fixed route time involved in traversing the route sections and this is included in the time pool. Its fixity will work into the estimated variability.

- a. Please further clarify the meaning of each sentence.
- b. Does the first sentence mean that transit time between two separate sections of a route was not scanned out?

- c. As a result of the activity associated with the second sentence, will volume variability be lower than would otherwise be the case?

OCA/USPS-T14-20. Please define and/or explain the following variables, mentioned as being in TIMEPOOL DATA.PRN in your Library Reference USPS-LR-K-81:

- a. MODE: please explain the meaning for various values.
- b. NTT, Network Travel Time: Please explain in view of your testimony, page 20, lines 14-16.
- c. NST, Non Street Time: To where does this aggregate?
- d. Prep, Preparation Time: To where does this aggregate?
- e. TTFT, Travel to and from time: Does this aggregate into Travel To/From route?
- f. TRVLT, Miscellaneous travel time.

OCA/USPS-T14-21. Please refer to your program "Estimating the Delivery Equations."

For the following computer code,

```
if rt = 'XX' then nrt=99.9;
if rt = '0A' or rt = '0B' or rt = '0D' or rt = '0E' or rt = '0W'
or rt = '1A' or rt = '4A' or rt = '4B' or rt = 'A7' or rt = 'C2' or rt = 'C3' or rt
= 'CA' or rt = 'CK' or rt = 'CT' or rt = 'CV' or rt = 'ES' or rt = 'EV' or rt =
'F1' or rt = 'G5' or rt = 'HK' or rt = 'IT' or rt = 'L1' or rt = 'L3' or rt = 'L7'
or rt = 'MD' or rt = 'MF' or rt = 'O1' or rt = 'O2' or rt = 'O5' or rt = 'O7' or rt
= 'OL' or rt = 'P1' or rt = 'P2' or rt = 'RE' or rt = 'UX' or rt = 'VY' or rt =
'W8' then nrt=11.1; else nrt=rt;
```

please explain the meaning of the various symbols 'XX', '0A', '0B', '0D', '0E', '0W', '1A', '4A', '4B', 'A7', 'C2', 'C3', 'CA', 'CK', 'CT', 'CV', 'ES', 'EV', 'F1', 'G5', 'HK', 'IT', 'L1', 'L3', 'L7', 'MD', 'MF', 'O1', 'O2', 'O5', 'O7', 'OL', 'P1', 'P2', 'RE', 'UX', 'VY', 'W8'.

OCA/USPS-T14-22. Please refer to Library Reference USPS-LR-K-81, page 5. The variable "ACT" is omitted from your definitions in PAVOLUME DATA.PRN but is referenced in your SAS program "Estimating the Delivery Equations". It appears that the variable "ACT" would fit between the variables SPRS and BLK in the database, based on the relevant data command in "Estimating the Delivery Equations". Please define the variable "ACT".

OCA/USPS-T14-23. Please refer to Library Reference USPS-LR-K-81, page 5. Please confirm that in the listing of variables for PAVOLUME DATA.PRN the variables DATE and RTENO are reversed from their positions in the database. If you do not confirm, please explain.

OCA/USPS-T14-24. Please refer to your response to OCA/USPS-T14-5. Please review the computer code for the calculations for the full quadratic model. Please also note the computer code below, which is identical to the computer code you presented except for one change, the addition of a "+" sign, which has been highlighted in 18 point type. Please confirm that this modification is correct.

**data** mtal1; **merge** coef1 regmean (drop=\_TYPE\_);

```
mtl=(let*mlet +2*let2*mlet*mlet +
lf*mlet*mcf+lse*mlet*mseq+lcvmlet*mcv+lspr*mlet*mspr
+ldp*mlet*mdp+ldns*mlet*mdens)/mlet;
mtf=(cf*mcf +2*cf2*mcf*mcf
+lf*mlet*mcf+fse*mcf*mseq+fcv*mcf*mcv+fspr*mcf*mspr
+fdp*mcf*mdp+fdns*mcf*mdens)/mcf;
mts=(seq*mseq +2*seq2*mseq*mseq
+lse*mlet*mseq+fse*mcf*mseq+scv*mseq*mcv+sspr*mseq*mspr
+sdp*mseq*mdp+sdns*mseq*mdens)/mseq;
mtc=(cv*mcv +2*cv2*mcv*mcv +lcvmlet*mcv+fcv*mcf*mcv+scv*mseq*mcv+csprr*mcv*mspr
```

```
+cdp*mcv*mdp+cdns*mcv*mdens)/mcv;  
mtp=(spr*mspr +2*spr2*mspr*mspr  
+lspr*mlet*mspr+fspr*mcf*mspr+sspr*mseq*mspr+cspr*mcv*mspr  
+spdp*mspr*mdp+spdns*mspr*mdens)/mspr;
```

```
proc print data=mtal1;
```

```
var mtl mtf mts mtc mtp ;
```