

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2005-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 7

(Issued June 10, 2005)

The United States Postal Service is requested to provide the information described below to assist in developing a record for the consideration of the Postal Service's request for changes in rates and fees. In order to facilitate inclusion of this material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided within 14 days.

1. In Docket No. R2001-1, the Postal Service provided several library references which utilized mainframe-based FORTRAN programs. The Presiding Officer requested that the Postal Service convert those FORTRAN programs from a mainframe to a PC-executable format. See Docket No. R2001-1, Tr. 5/951-52. In a report to the Presiding Officer,¹ filed January 25, 2002, the Postal Service requested that it not be required to make the requested format conversion, arguing that the study supported by the documentation was not sufficiently germane to the settlement pending in that case to warrant the time and expense that conversion would likely entail. Again, in R2005-1, a number of library references have been submitted using mainframe based FORTRAN programs. For example, in LR-K-84, three FORTRAN programs [cadoc04_rep.f, mpproc04_wgt.f, and sumclass_wgt_ecr.f] use the full FY 2004 IOCS data set [iocdata.2004.dat.] to develop estimates of

¹ Docket No. R2001-1, Report of United States Postal Service on Status of Response to Questions Raised at the Close of Oral Cross-Examination of Witness Schenk, January 25, 2002.

cost savings for ECR saturation mail. The program documentation included with LR-K-84 reflects the use of this full IOCS data set. The Postal Service submitted an edited data set [prc04flt.dat] with its filing (see USPS-LR-K-9) rather than the full data set required.²

- a. In order to allow the FORTRAN programs in LR-K-84 to be run and verified on a PC, please provide the following additional documentation:
 - i. A revised header file for the edited data set that is analogous to the iocs2004.h header file for the full data set. The header file shows the length and location of the various data fields in an IOCS data set record;
 - ii. Listings of the print statement output for all three programs. These listings are analogous to the SASLOGs included with the documentation for SAS programs;
 - iii. Electronic versions of the following intermediate and final data files created by the three above-cited FORTRAN programs: clk_mh_mp04.dat, clk_mh_aw04.dat, mp04_cra_wgt.data, and mp04cra_ecr.csv;
 - iv. Listings of the revised programs.

- b. Using the LR-K-84 example and items “i.” through “iv.” provided above as a guide, please provide a PC-executable program, the relevant input data, and the related logs and files for the following library references:
 - i. USPS-LR-K-107 - PRC Version/Development of ECR Mail Processing Saturation Savings;
 - ii. USPS-LR-K-83 - Window Service Costs by Shape;
 - iii. USPS-LR-K-106 - PRC Version of Windows Service Costs by Shape;
 - iv. USPS-LR-K-86 - Bound Printed Matter and Parcel Post Mail Processing and Parcel Post Window Service Costs;

² The edited data set contains fewer data fields than the full data set, as evidenced by the fact that the record length of the edited data set is 528 characters compared with 1,167 characters for the full data set.

- v. USPS-LR-K-109 - PRC Version/Bound Printed Matter Mail Processing Costs and Parcel Post Window Service Costs.
2. Please provide the IOCS SAS tally analysis program which produced the variability estimate of 59.4% listed in response to POIR No. 4, question 9.
 3. Please refer to the response to POIR 4, question 6. The table included in the response contains productivities adjusted to TY 2006 for sack activities. Refer also to USPS-LR-K-85, worksheet "Table 1." Please explain and reconcile the differences in productivities for the same activities.
 4. Please update the volumes by zone and weight in the Billing Determinants, USPS-T-28A, PM-1, based on witness Taufique's response to POIR No. 5, Question 3, part e.
 5. Please refer to MC2004-2. Please provide volume data by weight increment and zone for the experimental Priority Mail Flat-Rate Box. Also, please provide any estimated or actual costs associated with these volumes, and explain the derivation of these costs.
 6. In response to interrogatory MMA/USPS-T16-17, witness Kelley provides a set of revised volumes for 'Delivery Volumes' worksheet in LR-K-101. Please explain why the BY City Carrier volumes (listed below) for First-Class Single-Piece and Presort listed in your response to MMA/USPS-T16-17 are different from the volumes listed in 'Delivery Volumes' worksheet, columns F, G, and H in LR-K-101.

LR-K-101.xls Worksheet Delivery Volumes				
CS7 Distribution Key Inputs				
<u>First-Class</u>	<u>CCS Letters</u>	<u>CCS Flats</u>	<u>CCS Parcels</u>	Total CCS
Single-Piece	17,565,046	1,701,042	237,599	19,503,687
Presort	29,355,620	470,464	11,121	29,837,205
Witness Kelley's response to MMA/USPS-T16-17				
<u>First-Class</u>	<u>CCS Letters</u>	<u>CCS Flats</u>	<u>CCS Parcels</u>	Total CCS
Single-Piece	17,548,389	1,634,457	320,840	19,503,687
Presort	29,201,824	630,826	4,555	29,837,205

The initial filing of LR-K-101 did not include all the relevant spreadsheets used to create LR-K-101.xls. Please provide a revised version of LR-K-101.xls reflecting the changes proposed in response to MMA/USPS-T16-17 including all related supporting spreadsheets that are linked to LR-K-101.xls.

7. A number of the SAS programs filed in LR-K-100 and LR-K-55 contain hard-coded figures such as those listed in the SAS program 'm5allied' in LR-K-100. Please identify the source of all hard-coded numbers used in LR-K-100 and LR-K-55.

8. In USPS-T-13 at 24, witness Smith notes that the Postal Service further analyzed survey data when there was a 10% difference between FMSWIN data and surveyor data. Please provide a rationale for selecting a 10 percent difference as the threshold for further investigation.

9. In USPS-T-13 at 26, lines 1 – 2, witness Smith states that “[t]here were 15 cases where the survey data couldn’t be reconciled with FMSWIN and/or the data appeared unreliable so the data for these facilities was discarded.”
 - a. Please discuss in more detail what data in each survey were irreconcilable with FMSWIN data and the underlying cause.
 - b. What benchmarks or quantitative assessments were used to determine an appearance of unreliability?
 - c. Of the 15 discards, how many were discarded because of FMSWINS data problems, how many were discarded because the data were unreliable, and how many were discarded for both problems?
10. Please refer to the four survey questionnaires that support the facility study described in USPS-T-13. On each of the surveys, question P32 refers to space appropriation variations throughout the year (specifically from summer to fall). How many facilities reported there would be differences? What differences were reported? What was the effect of these differences on the study?
11. Please refer to the facility study described in USPS-T-13. Please provide the non-response rate for the study and show your calculations. Please state whether the basis for this calculation is the number of finance units or the number of facilities.
12. Please refer to LR-K-62, Extrapolation.Factors.Final.xls. What is the source for the numbers in column F, ‘adjustment for non-response,’ for the set of data labeled ‘USPS interior square feet’?
13. Please refer to LR-K-62, other1.Revised.Vers.Of.6.23.04.xls. The carrier annex exterior platform area is listed as 358,862 (See cell G12). The cell formula is shown as SPACEVA2a.xls, G10 + 57951. What is the source and derivation of

the latter figure? What is the rationale for including it in the carrier annex exterior platform area?

14. Please refer to LR-K-115, USPST28Cspreadsheets, sheet SS30 Return Receipts. The “Electronic” volume projections are all listed as zero. Endnote number three on this page explains, “Electronic return receipt volume for 2004 is not available because of the delayed implementation of the product. No volume projections have been made to the test year.”
 - a. Please describe the implementation status of this service.
 - b. Since completing this study, has Electronic Return Receipt volume for 2004 been made available? If so, please provide the information.

15. Refer to the item “other income” in Exhibit USPS-27B, “Summary of Estimated Test Year After Rates Finances Revenue and Volume Variable Cost.” Please provide an itemized list of the components which make up this sum. Also include account numbers, descriptions, and base year amounts.

16. Please refer to LR-K-115, USPST28Cspreadsheets. In sheet “SS-37 Zip Coding,” the AC #43381 “FY 2004 Revenue” is listed as \$322,462, whereas in sheet “SS-13 Correction of Mail. Lists”, the AC #43381 “FY 2004 Revenue” is listed as \$107,756. Please reconcile these figures.

George Omas
Presiding Officer