

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-8001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

## RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WADE TO INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA (MPA/USPS-T20-13-15)

The United States Postal Service hereby provides responses of witness Wade to the following interrogatories of Magazine Publishers of America: MPA/USPS-T20-13-15, filed on October 3, 1997.

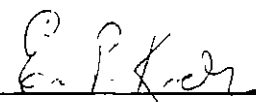
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Eric P. Koetting

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October 8, 1997

**RESPONSE OF USPS WITNESS WADE TO INTERROGATORY OF THE  
MAGAZINE PUBLISHERS OF AMERICA**

**MPA/USPS-T20-13.** Please refer to your response to MPA/USPS-T20-10e and LR-H-261, Spreadsheet Fac\_03b, Worksheet Fac\_3 and assume three things for a particular row: 1) TOTLDISP (Column P) is equal to 100, 2) PCENDISP (Column V) is equal to 50, and 3) TRIPS (Column ER) is equal to 2.

- a. Please confirm that the spreadsheet would calculate the value for Total Trips Daily (Column GH) for that row as 3.
- b. Please confirm that the entry in Column P indicates that 100 percent of scheduled trips for Facility 3 are dispatches (sorted mail) to stations/branches. if not confirmed, please explain fully.
- c. Please confirm that the entry in Column V indicates that 50 percent of dispatches (sorted mail) to stations/branches for Facility 3 are scheduled on the PS Form 4533. if not confirmed, please explain fully.
- d. Please confirm that if 50 percent of trips are scheduled and 2 trips per day are scheduled, then there are actually four total trips per day. If not confirmed please explain fully.
- e. If subpart a and subpart d are confirmed, please confirm that if the value of Total Trips Daily (Column GH) is calculated incorrectly, then the value for CFM is also calculated incorrectly because inputs to the CFM equation are calculated based upon the Total Trips Daily variable (Column GH). If not confirmed, please explain fully.
- f. If subpart a and subpart d are confirmed, please list all variables which are calculated using the Total Trips Daily variable.
- g. Would the "preferred estimate of volume variability" be based upon a regression after correcting your method for calculating Total Trips Daily? If so, what is this preferred estimate of volume variability?

**Response:**

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.

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- e. Confirmed. However, the error in the calculation is actually what I would call an approximation error. For most facilities, the error from the approximation is quite small, since the approximate trips will be close to a precise calculation when the percentage of routes scheduled with the form is large (e.g., 90 percent or more of routes scheduled using form 4533, which applies to most facilities). The revised formula at line 14 of Workpaper C, page 2 is:

$$= 1 \div \sum_i P_i \cdot PctSched_i$$

- f. The only variable used in the regressions affected by this approximation is CFM.
- g. Yes, the revised variability for plant and distribution facilities is now 66.1%. Before making the correction, the estimate for plant and distribution facilities was 67.1% (see response to DMA/USPS-T20-2b).

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**MPA/USPS-T20-14.** Please refer to your response to MPA/USPS-T20-10e, DMA/USPS-T20-2b, LR-H-150, Spreadsheet Data\_sum, and LR-H-261, Spreadsheet LR\_H261. Please provide an updated Spreadsheet Data\_sum and an updated Spreadsheet LR\_H261 reflecting all data corrections made since they were filed, including any corrections necessitated by your response to MPA/USPS-T20-13.

**Response:**

The corrected information is provided in LR-H-292. This information includes an updated spreadsheet data\_sum (named datasum2.xls), an updated spreadsheet comparable to LR-H-261 which provides the regression data, regression results, and updated diskettes for the 49 facilities used in the analysis. The other facility spreadsheets which were not used in either LR-H-261 or LR-H-292 have not been updated and can be found in LR-H-150. A revised Exhibit 2 is provided on page 22 of the testimony.

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**MPA/USPS-T20-15.** Please refer to your response to MPA/USPS-T20-8b where you confirm that there is an error in the Form 4533 you use as a sample on Workpaper C, Page 5 and your response to MPA/USPS-T20-8c where you state, "As far as I know, the USPS has no general process for checking the quality of data entered in Form 4533."

- a. Has the Postal Service performed any analysis or study of the quality of Form 4533 data? If so, please summarize and provide a copy of all such analyses and studies.
- b. Has the Inspection Service or Inspector General performed any analysis or study of the quality of Form 4533 data? If so, please summarize and provide a copy of all such analyses and studies.

**Response:**

- a. To the best of my knowledge, no.
- b. To the best of my knowledge, no.

DECLARATION

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

Date: 9-8-97

Stu M. Wink

## 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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Eric P. Koetting

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October 8, 1997