DOCKET SECTION

POSTAL RATE AND FEE CHANGES, 1997   Docket No. R97-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO LIBRARY REFERENCE H-142
(October 17, 1997)

The United States Postal Service hereby provides notice that it is today filing errata to page 38 of library reference H-142. The change, which is made in anticipation that this library reference may be entered into evidence, consists of the following:

On page 38 of USPS LR-H-142, the first sentence of the final paragraph reads:

> The final step is to sum grand averages 1, 2, and 4, and to then add this sum to the estimate of the model's constant term, α_0, to calculate a grand average predicted running time over all CATFAT routes within the route group. Finally, the running time elasticity is calculated as grand average number 3 multiplied by grand average number 1, divided by this grand average predicted running time.

This excerpt should read as:

> The final step is to sum grand averages 2, 3, and 5, and to then add this sum to the estimate of the model's constant term, α_0, to calculate a grand average predicted running time over all CATFAT routes within the stop type - route group. Finally, the running time elasticity is calculated as grand average number 4 multiplied by grand average number 1, divided by this grand average predicted running time.
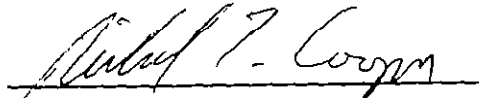
A corrected page for this library reference is being filed with this notice. The revision is one of clarification, and has no effect on the conclusions or estimates of the witness.

Respectfully submitted,
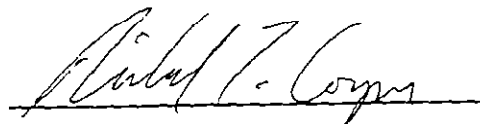
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260–1137
(202) 268–2986; Fax –5402
October 17, 1997

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.

Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260–1137
(202) 268–2986; Fax –5402
October 17, 1997

coefficient for the route.   Grand averages, over all CATFAT routes within the route group, are then computed for the following components:

1. the product of each route's average actual stops and its β_{1i} estimate

2. the product of each route's average squared actual stops and its β_{2i} estimate. .

3. the product of each route's predicted derivative of running time with respect to actual stops and its average actual stops.[4]

4. each route's estimated route intercept coefficient, α_i.

The final step is to sum grand averages 1, 2, and 4, and to then add this sum to the estimate of the model's constant term, α_0, to calculate a grand average predicted running time over all CATFAT routes within the stop type - route group. Finally, the running time elasticity is calculated as grand average number 3 divided by this grand average predicted running time. That is, the elasticity equals $((\partial RUNTIME/\partial STOPS)*STOPS)/RUNTIME$.

To calculate elasticities using the second method, the mean number of actual stops, calculated for each CATFAT route within a given stop type - route group, is again multiplied by β_{1i} , the estimated STOPS coefficient for the route.[5] In the same manner, the square of the average number of actual stops is multiplied by β_{2i}, the estimated $STOPS^2$ coefficient for the route. Grand averages, over all CATFAT routes within the route group, are then computed for the following components:

1. each route's average actual stops.

2. the product of each route's average actual stops and its β_{1i} estimate.

3. the product of each route's average squared actual stops and its β_{2i} estimate.

4. each route's predicted derivative of running time with respect to actual stops.

5. each route's estimated route intercept coefficient, α_i

The final step is to sum grand averages 2, 3, and 5, and to then add this sum to the estimate of the model's constant term, α_0 , to calculate a grand average predicted running time over all CATFAT routes within the route group. Finally, the running time elasticity is calculated as grand average number 4 multiplied by grand average number 1, divided by this grand average predicted running time. That is, the elasticity equals $(\partial RUNTIME/\partial STOPS)*(STOPS/RUNTIME)$.

---

[4] Note that each route's predicted derivative is also calculated at the average actual stops for the route.

[5] These elasticities are listed in the second data column of USPS-T-7, Table 20.