Postal Rate Commission
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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006	Docket No. R2006-1

UNITED STATES POSTAL SERVICE FOLLOW-UP INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO OFFICE OF CONSUMER ADVOCATE WITNESS ROBERTS: USPS/OCA-T1-45 THROUGH 47
October 6, 2006

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following follow-up interrogatories and requests for production of documents to Office of Consumer Advocate witness Mark Roberts: USPS/OCA-T1-45 through 47.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 6, 2006

UNITED STATES POSTAL SERVICE FOLLOW-UP INTERROGATORIES TO OFFICE OF CONSUMER ADVOCATE WITNESS ROBERTS

USPS/OCA-T1-45.
Please refer to your response to USPS/OCA-T1-14(b). That question sought information on the composition of your FHP measures by cost pool—i.e., "manual letters, OCR, aggregate BCS, manual flats, FSM 1000, and AFSM 100"—not by presort level. Please also refer to your response to USPS/OCA-T1-2, where you agreed that the cost of sorting a piece of mail in the Postal Service's automation mailstream is lower than that of sorting an otherwise identical piece in the Postal Service's manual mailstream.

a. Please refer to your description of mapsfinal.dta in OCA-LR-2, file description.pdf. Please confirm that the "K56" variable identifies the cost pools enumerated in USPS/OCA-T1-14(b). If you do not confirm, please explain.
b. Please confirm that the groups you list in response to USPS/OCA-T1-14(b) do <u>not</u> provide a one-to-one correspondence to the cost pools listed above and in USPS/OCA-T1-14(b). If you do not confirm, please provide a crosswalk of your categories to cost pool.
c. Please confirm that using the "K56" variable, it is possible to disaggregate your FHP measures to the cost pools listed above and in USPS/OCA-T1-14(b). If you do not confirm, please explain.
d. If your response to part (c) confirms that producing the disaggregated FHP by cost pool is possible, please provide the disaggregated FHP data by cost pool requested in USPS/OCA-T1-14(b).
e. Are the shares of outgoing letter FHP in categories 111-114 you present in response to USPS/OCA-T1-14(b) intended to fully partition outgoing letter FHP? If not, why not?
f. Please explain to which of group(s) 111-114 you assign outgoing manual letter FHP.

USPS/OCA-T1-46.
Please refer to your response to USPS/OCA-T1-15.

a. Does the 0.079 R-squared from your OCA-T-1 "base model" suggest to you that your model specification may be failing to include major factor(s) that explain manual flats workhours? If not, why not?
b. Do the lower R-squared and/or higher standard errors of the output elasticities you confirm in response to USPS/OCA-T1-15(e)-(f) indicate that your flats model developments did not improve your results? If not, why not?
c. Please compare the R-squared of the manual flats "base model" with that of the manual flats models from your "USPS Model" implementation, reported in Table 1 of OCA-T-1. Please provide output log(s) to support your answer, or indicate where in OCA-LR-2 the results may be found.

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USPS/OCA-T1-47.
Please refer to your response to USPS/OCA-T1-15.

a. Does the 0.333 R-squared from your OCA-T-1 “base model” suggest to you that your model specification may be failing to include major factor(s) that explain FSM 1000 workhours? If not, why not?
b. Do the lower R-squared and/or higher standard errors of the output elasticities you confirm in response to USPS/OCA-T1-15(e)-(f) indicate that your flats model developments did not improve your results? If not, why not?
c. Please compare the R-squared of the FSM 1000 “base model” with that of the FSM 1000 models from your “USPS Model” implementation, reported in Table 1 of OCA-T-1. Please provide output log(s) to support your answer, or indicate where in OCA-LR-2 the results may be found.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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