

DOCKET SECTION

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

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POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO  
THE RECORDING INDUSTRY ASSOCIATION OF AMERICA WITNESS ANDREW  
(USPS/RIAA et al.-T1-7-31)

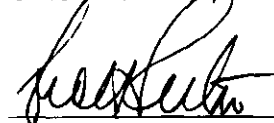
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Recording Industry Association of America et al. witness Andrew: USPS/RIAA et al.-T1-7-31.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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January 27, 1998

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TO RIAA ET AL. WITNESS ANDREW

USPS/RIAA et al.-T1-7. Please refer to page 7 of your testimony.

- (a) Please explain in detail what logic or rationale you use to suggest that it is appropriate to compare costs that have been adjusted by the differing level of presort for parcels versus flats with revenues that have not been adjusted by the differing level of presort of parcels versus flats.
- (b) Is it your testimony that Standard Mail (A) that is more deeply dropshipped and/or finely presorted pays the same rate as identical mail that is less deeply dropshipped and/or less finely presorted?

USPS/RIAA et al.-T1-8. Please confirm that your analysis is predicated on Base Year 1996 and not Test Year 1998 data.

USPS/RIAA et al.-T1-9. Please refer to page 9 of your testimony. Please confirm that you have done no analysis examining the varying levels of dropship and presort over time for the data contained in Exhibit RIAA, et. al.-1A. Please also confirm that you have done no analysis examining the impact of any rate changes over that time period.

USPS/RIAA et al.-T1-10. Please confirm that the parcel density numbers you cite on page 27, line 22 of your testimony are based on survey data not statistically stratified for Standard Mail (A) parcels and on samples of only 42 containers of mail. Please explain any different understanding you might have.

USPS/RIAA et al.-T1-11. Please refer to pages 24-26 of your testimony and Exhibit RIAA, et al.-1F. Please also refer to the CD/ROM version of LR-PCR-38 presented in Docket No. MC97-2. Are you aware that the Check Boxes and CD Boxes which appear to dominate your "study" have the first and third highest densities of the ten Standard Mail (A) parcel types sampled for the study presented in MC97-2?

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USPS/RIAA et al.-T1-12. Is it your testimony that the data provided by RIAA, et al. and summarized in Exhibit RIAA, et al.-1F is statistically representative of

- (a) the total Standard (A) parcel population?
- (b) of all Standard (A) mailers
- (c) of all Standard (A) products?
- (d) If you answer yes to any of these, please explain your answer and provide the sample design, sampling weights, and all other supporting data.

USPS/RIAA et al.-T1-13. Please refer to page 25, lines 14 and 15, of your testimony. Please confirm that the pieces underlying the RIAA data (representing 33 percent of total pieces and 45 percent of total weight) may have a significantly different profile than pieces not in the RIAA data in terms of:

- (a) mailers,
- (b) products,
- (c) piece weights,
- (d) piece dimensions,
- (e) number of pieces,
- (f) total weight,
- (g) volumes,
- (h) densities, and
- (i) total cube.
- (j) For any part above that you cannot confirm, please provide all analyses indicating that the profile of the RIAA pieces is similar to that of the non-RIAA pieces.

USPS/RIAA et al.-T1-14. Please confirm that the RIAA, et al. parcel average weight is 137% of the USPS parcel average weight (11.4 ounces / 8.3 ounces). Do you have any reason to believe that the RIAA, et al. parcel sample is

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statistically different than the USPS parcel population? Please explain your answer.

USPS/RIAA et al.-T1-15. Please refer to page 25, line 21, of your testimony. As you have provided "one method to correct this difference in weight," please indicate other possible methods. Please explain the merits and faults of your "one method" and other possible methods.

USPS/RIAA et al.-T1-16. Please refer to page 25, footnote 18, of your testimony. Please confirm that each and every parcel in the RIAA, et al. sample has the exact same proportion of 0.522 ounces per piece / 0.712 ounces per piece to linearly adjust its density to account for the difference in weight. Please explain your answer.

USPS/RIAA et al.-T1-17. Please refer to the 1996 parcel data from 14 mailers, page 24, line 10, of your testimony.

- (a) How were the data "provided?" Please indicate time frames, formats, data elements, software, etc. for the data provided.
- (b) What was asked for from each mailer?
- (c) How many mailers were asked for data?
- (d) How many mailers provided data that were not summarized in Exhibit RIAA, et al-1F?
- (e) Please confirm that all data are from 1996.
- (f) Did you or someone under your supervision have to process, clean, scrub, etc. the data for use in your testimony? If yes, please explain the processing steps.

USPS/RIAA et al.-T1-18. Please confirm that data are missing from Exhibit RIAA, et al.-1F, column 10, lines 1, 4, 6, and 8, and column 11, line 27. If confirmed, please provide the data or explain why the data are missing.

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USPS/RIAA et al.-T1-19. Please provide the Number of Pieces, Weight (pounds), and Volume (lbs./cu. ft.) data from Exhibit RIAA, et al.-1F to allow us to calculate and validate other data that you provide.

USPS/RIAA et al.-T1-20. Please provide data supporting your assumption that the density of film in Exhibit RIAA, et al.-1F, line 27, is 18.

USPS/RIAA et al.-T1-21. Please refer to Exhibit RIAA, et al.-1F of your testimony. Please explain how 14 mailers provided parcel data yet there are greater than 14 distinct observations in Mailer, column 1, of the referred exhibit.

USPS/RIAA et al.-T1-22. Please refer to page 23 of your testimony. Please describe what you mean by a “convective condition”, a “convection cycle”, and a “connective cycle”.

USPS/RIAA et al.-T1-23. Please refer to pages 23-24 of your testimony and explain your reason for stating that the physics of granular materials imply that less dense pieces move to the top of a container. Assuming that this theory applies to mail, is it your testimony that larger Standard Mail (A) parcels have a *lower average density than smaller Standard Mail (A) parcels*? Please provide any data to support this claim including nationally representative surveys you have conducted or commissioned.

USPS/RIAA et al.-T1-24. Please refer to Tr. 11/5357 (response of witness Bradley to OCA/USPS-T14-1) and Tr. 12/6319 (response of witness Degen to OCA/USPS-T12-31).

- (a) Please explain why you believe MODS variabilities are not a good means to estimate non-MODS variabilities.

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(b) Is it your testimony that the lack of the MODS work-hour and volume reporting system in a given facility means that flats and parcels are handled in identical or identically costly ways? If your answer is yes, please provide support for your contention.

USPS/RIAA et al.-T1-25. Please explain how the Standard Mail (A) parcel versus flat cost differential would change from your proposal if all non-MODS costs were completely ignored.

USPS/RIAA et al.-T1-26. Please confirm that the volume variability assumptions for mail processing implicit in current rates is 100 percent. If not confirmed, please state your understanding fully. What impact do you believe using this assumption would have on the stated cost difference between parcels and flats in Standard Mail (A) as compared to estimates in the current case? Please explain why did you not use this as the default assumption for non-MODS offices.

USPS/RIAA et al.-T1-27. Please refer to page 21, lines 3 and 4 of your testimony. Please confirm that misinterpretation or tabulation error could also result in an *overstatement of estimated density*.

USPS/RIAA et al.-T1-28. Interrogatory USPS/RIAA et al.-T1-5 asked about your familiarity with "studies or experimental observations of the flow characteristics, convection or trapping which occurs when faceted objects of a size and shape similar to those found in the mailstream are subjected to vibrations similar to those normally supplied by transportation and handling of mail containers," and asked for you to provide information regarding such studies or experiments. Your response to this interrogatory spoke only about your "personal experience with loose, heterogeneous materials in containers." Please provide a direct and more responsive answer to the original interrogatory.

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USPS/RIAA et al.-T1-29. Please see your testimony at page 5, lines 7-9. Suppose that it was concluded that shape was the sole reason for the cost difference between flats and parcels, and that weight played no role. However, the difference in weight between the two shapes resulted in a revenue difference which exactly equaled the cost difference. Under those circumstances, would you oppose a shape-based rate element? If not, why not.

USPS/RIAA et al.-T1-30. Please see your testimony at page 4, lines 18-22, which is point 5 in your "summary and findings" section.

- (a) Is this finding explained elsewhere in your testimony? If so, please identify where this finding is discussed.
- (b) Is it your testimony that the only surcharge that can be "justified" is one that results in revenues equal to costs?
- (c) Please confirm that if revenue equals costs there is no contribution from that group of pieces.
- (d) Is it your testimony that parcels, as a group, should make no contribution?
- (e) Is it "unjustifiable" that parcels make some positive contribution?
- (f) If you believe contribution from parcels is justifiable, what level of contribution would you recommend: higher than the average per piece contribution for the subclass, lower than average, or about the same? Please explain your answer.

USPS/RIAA et al.-T1-31. Please see your testimony at page 11, lines 1-2. Explain the meaning of these two lines, and how they relate to Table 3.

**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.

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

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