

DOCKET SECTION

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

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OFFICE OF THE CLERK

Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

UNITED STATES POSTAL SERVICE
FOLLOW-UP INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS TO OFFICE OF THE CONSUMER ADVOCATE WITNESS CALLOW
(USPS/OCA-T500-42-45)

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 follow-up interrogatories and requests for production of documents to Office of the Consumer Advocate witness Callow: USPS/OCA-T500-42-45.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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February 5, 1998

FOLLOW-UP INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE
DIRECTED TO OCA WITNESS CALLOW

USPS/OCA-T500-42. Please refer to your response to USPS/OCA-T500-17(b), where you state that you doubt that there are very many examples of this situation where CAG A-D non-city delivery offices may be very small offices in towns having a very large plant load mailer providing enough revenue to qualify the office for a CAG A-D classification.

- (a) Please confirm that there are 31 non-city delivery offices which are classified as CAGs A through D (if necessary, see LR-H-216, file "Rent.Data"). If you do not confirm, please provide the correct number.
- (b) Please confirm that 25 of the offices referenced in part (a) have rents of under \$10 per square foot. If you are unable to confirm, please provide the correct number.
- (c) Please confirm that 30 of the 31 of the offices referenced in part (a) have less than 10,000 square feet of interior space, and that 27 of the 31 have less than 5,000 square feet of interior space. If you are unable to confirm, please provide the correct numbers.
- (c) Please explain why post office box customers at these 31 facilities should face the 100 percent fee increase that you propose for fee group D-I.

USPS/OCA-T500-43. Please refer to your response to USPS/OCA-T500-28, part

- (a).
- (a) Please confirm that the coefficient of variation is a standard normalization that measures the dispersion of a set of measurements. If you do not confirm, please explain.
- (b) Please confirm that the coefficient of variation is calculated by dividing the standard deviation of such a group by the mean of the group, rather than the "mean...divided by the standard deviation" as stated in your response. If you do not confirm, please explain.
- (c) Please confirm that the percentages cited in your response to part (a) of USPS/OCA-T500-28 (*i.e.*, 76.3, 64.3, and 47.7) are the result of the correct calculation method identified in part (b) of this interrogatory. If you do not confirm, please explain and provide the correct data.

USPS/OCA-T500-44. Please refer to your response to USPS/OCA-T500-28, part (c) and your testimony at pages 16-17.

- (a) Please provide your definition of the term "rent-homogeneous."
- (b) Please confirm that this term refers to the range (or dispersion) of rental costs within a fee group. If you do not confirm, please explain fully.

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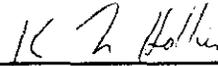
- (c) Please confirm that with respect to post office box fees "rent homogeneity" is a desirable property, with a smaller range of values being more desirable than a larger range. If you do not confirm, please explain fully.
- (d) Please confirm that the only statistics cited in the referenced response regarding CAGs are the average rental costs of CAG groups. If you do not confirm, please explain.
- (e) Please refer to your statement in the response to OCA/USPS-T500-28, part (c)), where you state that the "average rental cost for each new group was more rent-homogeneous than the average for their respective delivery groups as a whole." Please explain how a single number, an average, can be considered "homogeneous" when compared to other averages.
- (f) Assuming that the statement is intended to assert that post office box fee groups based on offices' CAGs are more homogeneous than groups based upon the type of carrier delivery, please explain how such an assertion can be based on group averages alone.

USPS/OCA-T500-45. Please refer to your response to USPS/OCA-T500-28, part (a) and Table 18 of your testimony.

- (a) Is it your testimony that a coefficient of variation of 76.6 percent for your Group CD1 (vs. 78.6 percent for Group C) is a significant or meaningful improvement? Please explain fully why or why not.
- (b) Is it your testimony that a coefficient of variation of 47.7 percent for your Group CD3 (vs. 48.1 percent for Group D) is a significant or meaningful improvement? Please explain fully why or why not.

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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February 4, 1998