

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS BRADLEY TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-ST55-62-63)

The United States Postal Service hereby provides responses of witness Bradley to the following interrogatories of United Parcel Service: UPS/USPS-ST55-62-63, filed on February 18, 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


Susan M. Duchek

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February 27, 1998

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-62. Please confirm that the results you present on page 9 of your response to Notice of Inquiry No. 4 indicate that the data do not support the hypotheses that the slope parameters (or volume variability) are equal across all sites (for the activities tested.)

UPS/USPS-T14-62 Response.

Not confirmed. The strict results of the statistical test indicate rejection of the null hypothesis of identical regression coefficients (slope or otherwise) at all of the individual sites. This result does not imply, nor is it a test of, the equality of the variabilities at all of the individual sites. Moreover, I would be cautious in asserting that the data, broadly speaking, do not support the restriction. It may be, for example, that the restriction would hold for many of the sites. In addition, the relative similarity between the variability calculated when the restriction is imposed with the variability calculated when the restriction is not imposed represents support for the restriction in the data.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

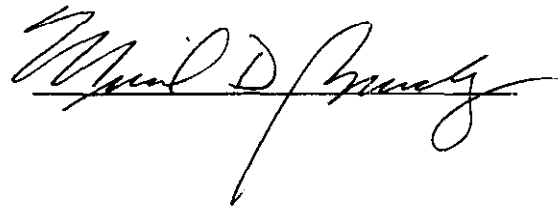
UPS/USPS-T14-63. Please confirm that in USPS-T-14 (and reiterated on page 2 lines 12 through 14 and page 13 lines 20 through 23 of your response to Notice of Inquiry No. 4) the estimated volume variabilities are derived from a model that imposes the restriction that the slope parameters are equal across all sites.

UPS/USPS-T14-63 Response:

Confirmed.

DECLARATION

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

A handwritten signature in cursive script, reading "Michael D. Bradley", written over a horizontal line.

Dated: 2/27/98

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.



Susan M. Duchek

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February 27, 1998