

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

SIX-DAY TO FIVE-DAY STREET DELIVERY
AND RELATED SERVICE CHANGES

DOCKET NO. N2010-1

RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO UNITED STATES POSTAL SERVICE INTERROGATORY
(USPS/PR-T-2-28)

The Public Representatives hereby provide the responses of witness Edward Luttrell (PR-T-2) to United States Postal Service interrogatories USPS/PR-T2-28. The interrogatory is set out in its entirety and followed by a response. Two Excel files are being submitted in conjunction with this response.

Respectfully submitted,

PUBLIC REPRESENTATIVES

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**RESPONSE OF PUBLIC REPRESENTATIVES' WITNESS LUTTRELL
TO INTERROGATORY OF UNITED STATES POSTAL SERVICE USPS/PR-T2-28.**

Please refer to page 3, line 26 of your testimony where you state:

Rural America has the highest proportion of individuals (compared to urban and suburban communities) who are either self employed or who work for someone who is self employed.

Provide data reflecting the relative proportions of rural, suburban and urban Americans who are either self-employed or who work for someone who is self-employed.

Response:

In the December 31, 2007 issue of *The Editors Desk*, the U.S. Bureau of Labor Statistics reported that "Farmers and ranchers are projected to have the highest levels of self-employment in 2016. According to BLS projections, close to one million persons are expected to be working as self-employed farmers and ranchers that year."

Although the Grange cannot illustrate the contrast of these statistics to those in urban and suburban areas, it is a safe assumption that the majority of the Grange's members who are self-employed in the farming and ranching sectors, do so in rural areas.

Additionally, in Oregon where I live, Oregon State University's Rural Community Explorer project collects certain data, including some related to employment. These data can be linked to counties by virtue of a coding system. This system, developed by the Economic Research Service (ERS) of the United States Department of Agriculture, uses "1" for the most urban counties and progresses to "9" for the most rural counties. Specifically, counties in metro areas with a population of 1 million or more (the most urban counties under the ERS approach) are assigned a "1." Counties that are completely rural or have less than 2500 urban persons who are not adjacent to a metro area (the most rural counties) are assigned a "9." Under ERS's coding approach, Fairfax County, Virginia and Montgomery County, Maryland, which might be considered "suburban" counties with some remaining rural areas, are both assigned a "1."

Table 1 accompanying this response (filed electronically) organizes some of the Rural Explorer data (mainly drawn from the 2000 Census) by showing population, percent of total population in rural areas, percent of households with wage and salary income, net job loss or growth, percent of jobs at non-employer establishments, and percent of households with employment income.

In terms of percent of households with wage and salary income (a proxy for those are not self-employed), data in the table show that rural counties generally have a lower percentage than the more urban counties and the average percentage for the state as a whole. In addition, rural counties tend to show a higher percentage of jobs at non-employer establishments (a proxy for self-employed persons) than the more urban counties and the state average. The same trends hold true for the percentage of households receiving self-employment income.

A comparison of data from Table 1 for Multnomah County, Wallowa County and the State of Oregon shows that Multnomah County had 79.45% of its households with wage and salary income versus Wallowa County with 65.91% and state of Oregon with 76.49%. In terms of jobs at non-employer establishments, Multnomah County had 10.33% versus 23.48% for Wallowa County and 12.97% for the state as a whole. Finally, Multnomah County had 14.18% of households with self-employment income versus 27.82% for Wallowa County and 15.47% for the state as a whole.

The ERS provides some data on the requested breakdown using Census Bureau data. The Census Bureau's County Business Pattern data provides the number of paid employees by state and county for calendar year 2008. For purposes of this question, which seems to seek an objective standard to support the referenced statement in my testimony, I think these data can serve as an acceptable proxy for the number of workers that are not self-employed. The Census Bureau's Nonemployer Statistics provides data on the number of businesses without paid employees. These data, similarly, can serve as a proxy for self-employed persons or for a person who works for someone who is self-employed.

Census data for Fairfax and Montgomery counties, and for states in which some of the Grange State Presidents live, provide support for my statement. In particular, Table 2-A accompanying this response (filed electronically) shows that the most highly

rural counties (“ERS 9s”) had 37 percent of workers, on average, in establishments that had no paid employees. In contrast, Table 2-B (also filed electronically) shows that the most highly urban and suburban counties (ERS “1s”) had 13 percent of workers, on average, in establishments with no paid employees.