

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Priorities for Future Data Collection
And Analytical Work Relating to
Periodic Reporting

Docket No. RM2011-3

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued April 13, 2012)

A technical conference was held in this docket on January 12, 2010. At that conference, the Postal Service described extensive changes that have occurred in the operating environment for city delivery carriers since the volume variability of that function was last modeled by Dr. Bradley in 2002 that imply a need to update the Bradley model. The Postal Service described several issue areas that a successful update of the 2002 carrier cost volume variability model would need to resolve. These include

1. identifying relevant changes in the delivery environment and reflecting them in a model, including the effects of
 - (a) introducing carrier pickup service, Every Door Direct service, and the Flat Sequencing System;
 - (b) the recent contraction of the delivery route network as a result of the Carrier Optimization Routing program; and
 - (c) reducing the share of the delivery network served by foot routes.

2. model specification choices, including
 - (a) whether to aggregate the volume variables to overcome multi-collinearity;
 - (b) whether to disaggregate the time variables to reflect different route types (foot, curb, business, residential);

- (c) whether parcels that cause deviations from the route should be continue to be separately modeled; and
 - (d) how to incorporate the accountable mail delivery and the collection functions into the model.
3. whether standard operational databases can be used in place of special data collection efforts, including
- (a) whether time data from Form 3999 route evaluations that have been matched with volume data in the Carrier Optimization Routing process can be used as the basis of cost pool formation and/or variability measurement;
 - (b) whether product-specific data on delivered volumes from the City Carrier Cost Survey can be used to supplement the volume data taken from End of Run reports, to obviate the need for special volume data collection efforts; and
 - (c) whether Managed Service Point Data can be used to supplement time data from DOIS.

At the technical conference, the Postal Service expressed its intent to explore these issues in a Scoping Study. The Commission requests the Postal Service to file a progress report on or before May 11, 2012 that indicates to what extent the Postal Service has completed its Scoping Study, and what the results of that study are. If it has not completed its Scoping Study, the Commission requests that the Postal Service describe the status of its Scoping Study and indicate whether it has reached tentative conclusions concerning how any of the issues described above can best be resolved.

By the Chairman.

Ruth Y. Goldway