

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20068-0001

Postal Rate and Fee Changes, 2006)

Docket No. R2006-1

FIRST SET OF INTERROGATORIES OF THE NATIONAL NEWSPAPER
ASSOCIATION TO POSTAL SERVICE WITNESS CZIGLER, USPS-T-1
(NNA/USPS-T1-1-10)

Pursuant to the Commission's Rules, National Newspaper Association hereby submits interrogatories to United States Postal Service Martin Czigler and requests full and complete responses. If the witness is not able to respond to any interrogatory, the witness is requested to refer the interrogatory to the United States Postal Service for a response by a competent witness.

Respectfully submitted,

Tonda F. Rush
KING & BALLOW
PO Box 50301
Arlington, VA 22205
(703) 812-8989
(703) 812-4555(fax)
trush@americanpressworks.com
Counsel to National Newspaper
Association, Inc.
June 20, 2006

NNA/USPS-T1-1 On page 5 of your testimony (USPS-T-1) at lines 4-6, you state that “The amount of variation one could expect due to sampling alone is quantified by the coefficient of variation (CV).” With respect to this statement, please define what you mean by “amount of variation” in this statement and explain fully how this “amount of variation” is quantified in a CV.

NNA/USPS-T1-2 On page 5 of your testimony (USPS-T-1) at lines 4-6, you state that “The amount of variation one could expect due to sampling alone is quantified by the coefficient of variation (CV).” With respect to this statement, please confirm that, *all else equal*, statistical estimates that are based on samples with a higher amount of variation (as measured by the CV) are less reliable than statistical estimates that are based on samples with a lower amount of variation (as measured by the CV). Explain fully any answer other than a confirmation.

NNA/USPS-T1-3 On page 5 of your testimony (USPS-T-1) at line 6, you state that “CVs can be used to produce confidence intervals for estimates.” With respect to this statement, please explain fully why you have used CVs to produce confidence intervals for the cost data by subclass that is shown in Tables, 1, 2 and 3 of USPS-T-1.

NNA/USPS-T1-4 On page 5 of your testimony (USPS-T-1) at line 6, you state that “CVs can be used to produce confidence intervals for estimates.” With respect to this statement, please explain fully why you have estimated 95% confidence intervals for the cost estimates by subclass that are shown in Tables, 1, 2 and 3 of USPS-T-1.

NNA/USPS-T1-5 On page 12 of your testimony (USPS-T-1) at lines 10-11, you state that, “Strong evidence of data quality improvement for IOCS comes from decreases in the coefficients of variation (CV) that measure the precision of

the estimates.” With respect to this statement, please explain fully why decreases in coefficients of variation provide “strong evidence of data quality improvement.”

NNA/USPS-T1-6 On page 12 of your testimony (USPS-T-1) at lines 10-11, you state that, “Strong evidence of data quality improvement for IOCS comes from decreases in the coefficients of variation (CV) that measure the precision of the estimates.” With respect to this statement, please define the term “precision” of the IOCS cost estimates as used in this sentence and explain how the coefficient of variation measures the “precision” of these estimates.

NNA/USPS-T1-7 In Table 1 on page 14 of your testimony (USPS-T-1) you show CVs by subclass for Cost Segment 3.1. The CV for Within County Periodicals is reported as 11.58% while the CV for Outside County Periodicals is reported as 1.56%. Please explain fully why the Within County CV shown in Table 1 is so much higher than the Outside County CV reported in the same table.

NNA/USPS-T1-8 In Table 1 on page 15 of your testimony (USPS-T-1) you show 95% Confidence Levels by subclass for Cost Segment 3.1. The 95% Upper Limit for Within County Periodicals is reported as \$24,422,000, while the 95% Lower Limit for Within County Periodicals is reported as \$15,429,000. Please confirm, that by this estimate, the USPS is 95% confident that in BY 2005, the actual cost (in Cost Segment 3.1) for Within County Periodicals lies somewhere between \$15.4 million and \$24.4 million. Please explain fully any answer other than a confirmation.

NNA/USPS-T1-9 In Table 2 on page 15 of your testimony (USPS-T-1) you show CVs by subclass for Cost Segment 6.1. The CV for Within County Periodicals is reported as 11.66% while the CV for Outside County Periodicals is reported as 2.65%. Please explain fully why the Within County CV shown in

Table 2 is so much higher than the Outside County CV reported in the same table.

NNA/USPS-T1-10 In Table 2 on page 15 of your testimony (USPS-T-1) you show 95% Confidence Levels by subclass for Cost Segment 6.1. The 95% Upper Limit for Within County Periodicals is reported as \$11,905,000, while the 95% Lower Limit for Within County Periodicals is reported as \$7,480,000. Please confirm, that by this estimate, the USPS is 95% confident that in BY 2005, the actual cost (in Cost Segment 6.1) for Within County Periodicals lies somewhere between \$11.9 million and \$7.5 million. Please explain fully any answer other than a confirmation.