

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

COMPLAINT OF TIME WARNER INC ET AL.  
CONCERNING PERIODICALS RATES

Docket No. C2004-1

NOTICE OF THE UNITED STATES POSTAL SERVICE OF  
REVISED RESPONSE OF WITNESS TANG TO PRESIDING  
OFFICER'S INFORMATION REQUEST NO. 2 – ERRATA  
(October 28, 2004)

The United States Postal Service hereby provides the revised response of witness Rachel Tang to Presiding Officer's Information Request No. 2, issued on September 23, 2004. Her original response, which this revised response replaces entirely, was filed on October 15 2004. The changes in this response all relate to four small changes in the underlying data base, explained and identified in witness Tang's October 22 response to TW et al./USPS-RT2-24. In Tables 1 and 8 to this response, the TW Postage/pc column has been corrected for Publication L7, and in Table 8, for Publications QHS32, QHS43, and QHS95. These corrections cause very minor changes in the regression results reported in Tables 2-3, 5-6, and 7, which, accordingly, have all been revised as well. A correspondingly revised version of USPS-LR-1/C2004-1 is being filed separately, subject to the established protective conditions.

Each item is stated verbatim and is followed by the revised response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel, Ratemaking

/s/  
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October 28, 2004

REVISED RESPONSE OF POSTAL SERVICE WITNESS TANG  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

**Item 1.** Attachments 1 and 2 represent the data from Tables 2, 3 and 4 in USPS-RT-2. We have run the regression that appears in Attachment 2, using dummy variables for "Publication ID" (size) and "Density."

Please run this regression replacing the dummy variables identified as "Small" and "Medium" with the natural log of the actual values for size, and replacing the dummy variable for "Low" density with the natural log of the actual values used to categorize publications as low or high density.

Please provide the regression results within two weeks.

**RESPONSE:**

First of all, I would like to present a revised summary for the 55 observations (see, attached to this response, Table 1: Revised 55 Observations). Shaded area indicates revised values. Corrections have been made that alter some of results, including the postage change percentages, though deviation from the previous data appears moderate. Revisions to my rebuttal testimony have been filed separately.

Using the revised values, I reran the regression that appears in Table 2 (see Table 2: Regression with Dummy Variables – 55 Observations) that replicates Attachment 2 in POIR No.2.

I then replaced the dummy variables identified as "Small" and "Medium" with the natural log of the actual values for issue size. I also replaced the dummy variable for "Low" density with the natural log of the actual values previously used to categorize publications as low or high density, that is, the percentage of mail pieces paying the 5-digit and/or Carrier Route rates. With all the dummy variables replaced, I ran the regression once again, and the results are presented in Table 3 (see Table 3: Regression with Actual Values – 55 Observations). Please note that (1+Density) is used to avoid taking the natural log of zero.

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Although I have attempted to provide the type of results requested in Items 1-3, the POIR does not provide a sufficient basis to understand fully why those particular results were requested. No explanation was provided in terms of issues such as the model specification, the choice of variables, the functional form, or similar matters commonly associated with regression analysis. Without the appropriate context, I cannot endorse or comment on the methodology.

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**Table 1: Revised 55 Observations**

<b>Number of Observation</b>	<b>Publication ID</b>	<b>Density</b>	<b>Editorial Content</b>	<b>Piece Weight</b>	<b>Postage per Piece</b>	<b>TW Postage per Piece</b>	<b>% Change</b>
1	S1	Low	65%	0.276	0.301	0.503	67.18%
2	S2	Low	75%	0.275	0.286	0.424	47.98%
3	S3	Low	69%	0.181	0.325	0.429	32.01%
4	S4	Low	100%	0.357	0.266	0.345	29.55%
5	S5	Low	100%	2.639	0.767	0.989	28.86%
6	S6	Low	86%	1.221	0.491	0.553	12.53%
7	S7	Low	100%	0.107	0.244	0.273	12.00%
8	S8	Low	59%	0.195	0.304	0.315	3.52%
9	S9	Low	100%	0.197	0.337	0.341	1.27%
10	S10	Low	97%	0.110	0.229	0.230	0.55%
11	S11	High	68%	0.161	0.292	0.526	80.00%
12	S12	High	47%	0.190	0.222	0.335	50.80%
13	S13	High	60%	0.465	0.256	0.352	37.29%
14	S14	High	71%	0.405	0.255	0.338	32.64%
15	S15	High	97%	0.389	0.261	0.316	21.00%
16	S16	High	41%	0.282	0.231	0.260	12.51%
17	S17	High	96%	0.460	0.283	0.317	11.99%
18	S18	High	100%	0.075	0.214	0.234	9.35%
19	S19	High	75%	0.150	0.186	0.203	8.98%
20	S20	High	26%	1.903	0.647	0.674	4.10%
21	S21	High	35%	0.127	0.250	0.242	-3.18%
22	S22	High	90%	0.061	0.134	0.132	-1.38%
23	S23	High	42%	0.483	0.324	0.310	-4.26%
24	S24	High	33%	1.200	0.416	0.393	-5.46%
25	M1	Low	100%	0.452	0.283	0.350	23.66%
26	M2	Low	96%	0.383	0.274	0.311	13.29%
27	M3	Low	50%	0.696	0.446	0.501	12.36%
28	M4	Low	40%	0.529	0.406	0.414	2.04%
29	M5	Low	27%	1.996	0.933	0.911	-2.34%
30	M6	Low	45%	1.195	0.533	0.507	-4.86%
31	M7	Low	61%	0.649	0.309	0.272	-11.82%
32	M8	Low	50%	0.488	0.261	0.229	-12.44%
33	M9	Low	62%	0.418	0.198	0.153	-22.87%
34	M10	Low	57%	0.556	0.241	0.186	-22.65%
35	M11	High	85%	0.396	0.275	0.336	22.31%
36	M12	High	100%	0.574	0.268	0.307	14.63%
37	M13	High	62%	0.184	0.222	0.253	13.73%
38	M14	High	41%	0.980	0.473	0.506	7.04%
39	M15	High	51%	0.758	0.425	0.452	6.49%
40	M16	High	50%	0.418	0.309	0.327	5.73%
41	M17	High	50%	0.491	0.280	0.254	-9.28%
42	M18	High	61%	0.414	0.215	0.186	-13.26%
43	M19	High	51%	0.581	0.248	0.204	-17.78%
44	M20	High	58%	0.544	0.228	0.177	-22.26%
45	L1	Low	55%	0.389	0.330	0.334	1.44%
46	L2	High	85%	0.461	0.273	0.280	2.48%
47	L3	High	75%	0.470	0.271	0.255	-6.02%
48	L4	High	50%	0.410	0.242	0.217	-10.52%
49	L5	High	67%	0.278	0.179	0.160	-10.56%
50	L6	High	64%	0.417	0.210	0.180	-14.60%
51	L7	High	60%	1.481	0.479	0.426	-11.06%
52	L8	High	60%	0.591	0.239	0.209	-12.36%
53	L9	High	57%	0.531	0.235	0.188	-19.69%
54	L10	High	45%	0.896	0.312	0.253	-18.98%
55	L11	High	61%	0.427	0.199	0.154	-22.51%

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**Table 2: Regression with Dummy Variables – 55 Observations**

**Regression Output:**

Constant	0.3385						
Std Error of Y Est	0.1455						
R Squared	0.5026						
# of Observations	55						
Degrees of Freedom	48						
	<b>Small</b>	<b>Medium</b>	<b>Low</b>	<b>Ln (%Editorial)</b>	<b>Ln (Weight)</b>	<b>Ln (Postage)</b>	
X Coefficients	0.2028	0.0861	-0.0638	0.1803	-0.0991	0.3194	
Std Err of Coef.	0.0640	0.0583	0.0493	0.0679	0.0489	0.1095	
t-value	3.1685	1.4760	-1.2928	2.6572	-2.0250	2.9178	
	<b>Standard Residual</b>						
<b>Ln (1+%Change)</b>	<b>Small</b>	<b>Medium</b>	<b>Low</b>	<b>Ln (%Editorial)</b>	<b>Ln (Weight)</b>	<b>Ln (Postage)</b>	
0.5139	1.0000	0.0000	1.0000	-0.4320	-1.2883	-1.2013	2.6988
0.3919	1.0000	0.0000	1.0000	-0.2865	-1.2917	-1.2502	1.7296
0.2777	1.0000	0.0000	1.0000	-0.3694	-1.7101	-1.1228	0.4076
0.2589	1.0000	0.0000	1.0000	0.0000	-1.0313	-1.3224	0.7400
0.2536	1.0000	0.0000	1.0000	-0.0030	0.9702	-0.2647	-0.3120
0.1181	1.0000	0.0000	1.0000	-0.1543	0.1998	-0.7110	-0.6184
0.1133	1.0000	0.0000	1.0000	0.0000	-2.2387	-1.4119	-0.9846
0.0346	1.0000	0.0000	1.0000	-0.5265	-1.6344	-1.1913	-0.9439
0.0127	1.0000	0.0000	1.0000	0.0000	-1.6236	-1.0875	-2.0294
0.0054	1.0000	0.0000	1.0000	-0.0305	-2.2073	-1.4740	-1.5636
0.5878	1.0000	0.0000	0.0000	-0.3857	-1.8264	-1.2310	2.3925
0.4108	1.0000	0.0000	0.0000	-0.7546	-1.6607	-1.5046	2.3437
0.3169	1.0000	0.0000	0.0000	-0.5188	-0.7661	-1.3614	1.6620
0.2825	1.0000	0.0000	0.0000	-0.3420	-0.9038	-1.3668	1.0920
0.1907	1.0000	0.0000	0.0000	-0.0288	-0.9442	-1.3439	-0.0714
0.1179	1.0000	0.0000	0.0000	-0.8846	-1.2656	-1.4642	0.5706
0.1133	1.0000	0.0000	0.0000	-0.0367	-0.7765	-1.2623	-0.6939
0.0894	1.0000	0.0000	0.0000	0.0000	-2.5927	-1.5418	-1.5770
0.0860	1.0000	0.0000	0.0000	-0.2877	-1.8966	-1.6818	-0.3949
0.0402	1.0000	0.0000	0.0000	-1.3453	0.6433	-0.4349	-0.4078
-0.0323	1.0000	0.0000	0.0000	-1.0586	-2.0614	-1.3863	-1.0509
-0.0139	1.0000	0.0000	0.0000	-0.1059	-2.7924	-2.0087	-1.2479
-0.0435	1.0000	0.0000	0.0000	-0.8636	-0.7277	-1.1277	-1.0281
-0.0562	1.0000	0.0000	0.0000	-1.1180	0.1820	-0.8771	-0.7130
0.2124	0.0000	1.0000	1.0000	0.0000	-0.7947	-1.2618	1.2814
0.1248	0.0000	1.0000	1.0000	-0.0396	-0.9590	-1.2933	0.6496
0.1165	0.0000	1.0000	1.0000	-0.6931	-0.3621	-0.8068	0.7468
0.0202	0.0000	1.0000	1.0000	-0.9165	-0.6361	-0.9022	0.3627
-0.0237	0.0000	1.0000	1.0000	-1.3068	0.6913	-0.0693	-0.4251
-0.0498	0.0000	1.0000	1.0000	-0.7984	0.1782	-0.6299	-0.3489
-0.1258	0.0000	1.0000	1.0000	-0.5019	-0.4325	-1.1759	-0.4626
-0.1328	0.0000	1.0000	1.0000	-0.6931	-0.7174	-1.3422	-0.0806
-0.2597	0.0000	1.0000	1.0000	-0.4779	-0.8724	-1.6205	-0.7530
-0.2568	0.0000	1.0000	1.0000	-0.5626	-0.5865	-1.4231	-0.8735
0.2014	0.0000	1.0000	0.0000	-0.1662	-0.9274	-1.2910	0.9273
0.1365	0.0000	1.0000	0.0000	0.0000	-0.5557	-1.3165	0.5634
0.1286	0.0000	1.0000	0.0000	-0.4757	-1.6935	-1.5045	0.7474
0.0681	0.0000	1.0000	0.0000	-0.8809	-0.0202	-0.7496	0.2892
0.0629	0.0000	1.0000	0.0000	-0.6666	-0.2764	-0.8566	0.0340
0.0557	0.0000	1.0000	0.0000	-0.6976	-0.8718	-1.1747	0.3329
-0.0974	0.0000	1.0000	0.0000	-0.6931	-0.7121	-1.2735	-0.4436
-0.1422	0.0000	1.0000	0.0000	-0.4901	-0.8831	-1.5385	-0.5436
-0.1957	0.0000	1.0000	0.0000	-0.6686	-0.5428	-1.3954	-0.7865
-0.2518	0.0000	1.0000	0.0000	-0.5408	-0.6087	-1.4784	-1.2172
0.0143	0.0000	0.0000	1.0000	-0.5898	-0.9431	-1.1098	0.7791
0.0245	0.0000	0.0000	0.0000	-0.1574	-0.7744	-1.2976	0.3796
-0.0620	0.0000	0.0000	0.0000	-0.2935	-0.7550	-1.3052	-0.0408
-0.1112	0.0000	0.0000	0.0000	-0.6931	-0.8916	-1.4181	0.2905
-0.1116	0.0000	0.0000	0.0000	-0.3965	-1.2800	-1.7216	0.3239
-0.1578	0.0000	0.0000	0.0000	-0.4439	-0.8747	-1.5583	-0.0381
-0.1172	0.0000	0.0000	0.0000	-0.5143	0.3928	-0.7368	-0.6469
-0.1319	0.0000	0.0000	0.0000	-0.5188	-0.5252	-1.4324	0.2083
-0.2193	0.0000	0.0000	0.0000	-0.5602	-0.6324	-1.4500	-0.4106
-0.2105	0.0000	0.0000	0.0000	-0.8068	-0.1103	-1.1656	-0.3077
-0.2551	0.0000	0.0000	0.0000	-0.4918	-0.8516	-1.6142	-0.5374

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**Table 3: Regression with Actual Values – 55 Observations**

**Regression Output:**

Constant	0.7005
Std Error of Y Est	0.1469
R Squared	0.4822
# of Observations	55
Degrees of Freedom	49
	<b>Ln (Issue Size)   Ln (1+Density)*   Ln (%Editorial)   Ln (Weight)   Ln (Postage)</b>
X Coefficients	-0.0320      0.1667      0.1872      -0.1352      0.3555
Std Err of Coef.	0.0107      0.1209      0.0686      0.0478      0.1079
t-value	-2.9941      1.3782      2.7286      -2.8302      3.2959

<b>Ln (1+% Change)</b>	<b>Ln (Issue Size)</b>	<b>Ln (1+Density)*</b>	<b>Ln (%Editorial)</b>	<b>Ln (Weight)</b>	<b>Ln (Postage)</b>	<b>Standard Residual</b>
0.5139	8.2204	0.2393	-0.4320	-1.2883	-1.2013	2.6482
0.3919	7.1713	0.0900	-0.2865	-1.2917	-1.2502	1.6404
0.2777	8.8716	0.2037	-0.3694	-1.7101	-1.1228	0.4615
0.2589	10.3722	0.2252	-0.0396	-0.9590	-1.2933	1.3626
0.2536	9.1931	0.0127	0.0000	-1.0313	-1.3224	1.2589
0.1181	8.8975	0.2222	-0.0030	0.9702	-0.2647	-0.7756
0.1133	8.4537	0.1522	-0.1543	0.1998	-0.7110	-0.2360
0.0346	8.5054	0.0320	0.0000	-2.2387	-1.4119	-1.4252
0.0127	8.7147	0.0921	-0.5265	-1.6344	-1.1913	-0.8778
0.0054	4.5841	0.0000	0.0000	-1.6236	-1.0875	-2.7225
0.5878	7.4413	0.2390	-0.0305	-2.2073	-1.4747	2.2678
0.4108	5.9890	0.3030	-0.3857	-1.8291	-1.2305	0.8147
0.3169	5.7193	0.2820	-0.7546	-1.6607	-1.5046	1.4596
0.2825	7.5513	0.6131	-0.5188	-0.7661	-1.3614	1.4236
0.1907	6.7158	0.5906	-0.3420	-0.9038	-1.3668	0.2474
0.1179	7.2872	0.1924	-0.0288	-0.9453	-1.3439	-0.1845
0.1133	7.7218	0.6399	-0.8846	-1.2656	-1.4642	0.4896
0.0894	6.2382	0.1631	-0.0202	-0.7765	-1.2609	-0.6528
0.0860	7.9039	0.3457	0.0000	-2.5927	-1.5400	-1.5853
0.0402	8.0881	0.5777	-0.2877	-1.8966	-1.6818	-0.7296
-0.0323	5.2919	0.4797	-1.3453	0.6433	-0.4349	-1.0700
-0.0139	8.5588	0.3642	-1.0586	-2.0614	-1.3873	-0.6300
-0.0435	9.1220	0.6279	-0.1059	-2.7924	-2.0087	-1.4288
-0.0562	8.1309	0.4293	-0.8636	-0.7277	-1.1277	-0.7398
0.2124	8.1286	0.5832	-1.1180	0.1820	-0.8774	1.5783
0.1248	10.2592	0.2483	0.0000	-0.7947	-1.2618	0.3768
0.1165	11.0904	0.2350	-0.6931	-0.3621	-0.8068	0.7130
0.0202	8.1794	0.2541	-0.9165	-0.6361	-0.9022	-0.3875
-0.0237	10.7949	0.2395	-1.3068	0.6913	-0.0693	-0.3969
-0.0498	9.9932	0.1437	-0.7984	0.1782	-0.6299	-0.4043
-0.1258	11.3041	0.2611	-0.5019	-0.4325	-1.1759	-0.3868
-0.1328	10.0496	0.0789	-0.6931	-0.7174	-1.3422	-0.1037
-0.2597	9.8751	0.0325	-0.4779	-0.8724	-1.6205	-0.7262
-0.2568	9.8296	0.0108	-0.5626	-0.5865	-1.4231	-0.8020
0.2014	11.3456	0.4876	-0.1662	-0.9274	-1.2910	1.0562
0.1365	11.2458	0.5105	0.0000	-0.5557	-1.3165	0.7437
0.1286	11.2313	0.4407	-0.4757	-1.6935	-1.5045	0.7821
0.0681	11.2922	0.3595	-0.8809	-0.0202	-0.7496	0.7007
0.0629	11.2917	0.4433	-0.6666	-0.2764	-0.8566	0.3015
0.0557	10.4952	0.4026	-0.6976	-0.8718	-1.1747	0.3906
-0.0974	10.6676	0.5108	-0.6931	-0.7121	-1.2735	-0.3934
-0.1422	10.8825	0.6671	-0.4901	-0.8831	-1.5385	-0.6140
-0.1957	10.8569	0.6285	-0.6686	-0.5428	-1.3954	-0.7523
-0.2518	11.4030	0.6281	-0.5408	-0.6087	-1.4784	-1.0508
0.0143	11.6585	0.2607	-0.5898	-0.9431	-1.1098	0.1522
0.0245	12.6849	0.3487	-0.1574	-0.7743	-1.2976	0.4170
-0.0620	13.1410	0.6288	-0.2935	-0.7551	-1.3052	-0.2106
-0.1112	12.3359	0.6378	-0.6931	-0.8916	-1.4181	-0.0673
-0.1116	13.0737	0.6603	-0.3965	-1.2800	-1.7216	0.0711
-0.1578	12.9377	0.6534	-0.4439	-0.8748	-1.5583	-0.2419
-0.1172	12.9395	0.5766	-0.5143	0.3928	-0.7368	-0.6282
-0.1319	13.4822	0.6345	-0.5188	-0.5252	-1.4324	0.2082
-0.2193	11.6791	0.5545	-0.5602	-0.6324	-1.4500	-0.7369
-0.2105	14.8436	0.6560	-0.8068	-0.1103	-1.1656	0.0409
-0.2551	13.3641	0.6829	-0.4918	-0.8516	-1.6142	-0.6460

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**Item 2.** The Commission believes that the above analysis could be improved by using a larger sample. If possible, please replicate the above analysis using 250 observations distributed by size and density in approximately the same manner. Please feel free to also provide alternative regression analyses.

**RESPONSE:**

As requested, I expanded the sample size to a total of 251 observations. A summary of these 251 observations, including the original 55 observations listed in my response to Item 1, is attached as Table 8 at the end of my response to the POIR. On this expanded sample, I repeated the regression exercise described in Item 1. Before discussing the regressions, however, it may be useful, for purposes of comparing the original sample with the larger sample, to present an overview table of estimated percentage postage changes for the larger sample (see below, Table 4: Overview of Estimated Postage Changes – 251 Publications), which is comparable to the table on page 4 of my testimony (Table 1: Overview of Estimated Postage Changes) for the original sample.

Table 4: Overview of Estimated Postage Changes – 251 Publications

	Sample Size		Postage Change (%)	
	Low Density	High Density	Low Density	High Density
Small	51	50	(15.87%) - 89.96%	(13.46%) - 85.77%
Medium	49	50	(22.87%) - 23.66%	(23.87%) - 22.38%
Large	1	50	1.44%	(36.37%) - 27.86%

Among the 101 small publications, 76 will face a postage increase ranging from 0.22 percent to 89.96 percent under the Time Warner Proposed rate structure and rates. Twenty-five publications will incur a moderate postage decrease between 0.36 percent and 15.87 percent.

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For the medium-size publications, the estimate postage changes are more evenly dispersed in terms of their magnitude as well as direction, which echo the findings presented in my rebuttal testimony. Among the 99 medium publications, 66 will face a postage increase ranging from 0.55 percent to 23.60 percent, while 33 will see a postage decrease between 0.26 percent and 23.87 percent.

Among the 51 large publications, 5 will face a postage increase ranging from 1.44 percent to 27.86 percent. Besides the 27.8 percent increase, which seems an extreme case, the estimated postage increase for the other four observations are all under 7 percent. Ninety percent of the large publications, that is, 46 publications, will see a postage decrease between 2.51 percent and 36.37 percent.

Turning to the regression requested in this item, the result of the first regression using dummy variables is listed in Table 5 (see Table 5: Regression Results with Dummy Variables – 251 Observations). With all the dummy variables replaced with actual values, I ran the regression again, and the results are presented in Table 6 (see Table 6: Regression Results with Actual Values – 251 Observations).

A detailed summary and workbook will be included in USPS-LR-1/C2004-1.

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**Table 5: Regression Results with Dummy Variables – 251 Observations**

**Regression Output:**

Constant	0.2606					
Std Error of Y Est	0.1407					
R Squared	0.4200					
# of Observations	251					
Degrees of Freedom	244					
	<b>Small</b>	<b>Medium</b>	<b>Low Density</b>	<b>Ln (%Editorial)</b>	<b>Ln (Weight)</b>	<b>Ln (Postage)</b>
X Coefficients	0.1949	0.1175	-0.0514	0.1451	-0.0714	0.2773
Std Err of Coef	0.0307	0.0275	0.0226	0.0290	0.0220	0.0524
t-value	6.3591	4.2761	-2.2758	5.0055	-3.2395	5.2905

**Table 6: Regression Results with Actual Values – 251 Observations**

**Regression Output:**

Constant	0.6823				
Std Error of Y Est	0.1397				
R Squared	0.4254				
# of Observations	251				
Degrees of Freedom	245				
	<b>Ln (Issue Size)</b>	<b>Ln (1+Density)</b>	<b>Ln (%Editorial)</b>	<b>Ln (Weight)</b>	<b>Ln (Postage)</b>
X Coefficients	-0.0362	0.1145	0.1481	-0.0584	0.2627
Std Err of Coef.	0.0052	0.0602	0.0295	0.0233	0.0576
t-value	-6.9760	1.9017	5.0245	-2.5066	4.5606

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**Item 3.** If possible, please augment the list of variables in either or both samples to include for each observation:

- a. The percentage of the mailing by zone;
- b. The percentage of the mailing that is palletized;
- c. The percentage of the mailing that is presorted to basic, 3-digit, 5-digit, and carrier-route; and
- d. The percentage of postage based on weight.

Please provide the data for the new variables and/or results of regression analyses performed in response to questions 1 and 2 but with the expanded set of variables.

**RESPONSE:**

Adding the variables listed above, I reran the regression once again. The results are presented in Table 7 (see Table 7: Regression Results of 251 Observations – Expanded Variables). A detailed summary and workbook will be included in USPS-LR-1/C2004-1.

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**Table 7: Regression Results of 251 Observations – Expanded Variables**

**Regression Output:**

Constant	1.357591
Std Error of Y Est	0.1098
R Squared	0.6639
# of Observations	251
Degrees of Freedom	232

	Constant	LN(Issue Size)	LN(%Editorial)	LN(Weight)	LN(USPS Postage)	% DDU	% DSCF	% DADC	% ZONE 1&2	% ZONE 3	% ZONE 4	% ZONE 5	% ZONE 6	% ZONE 7	% PALLETIZED	% 3D	% 5D	% CR	% Weight Postage
X Coefficients	1.357591	-0.0155141	0.1079637	0.231976	0.3888198	3.276115	-0.3327045	-0.2268621	-0.2329099	-0.2973951	-0.2542224	-0.1778561	-0.1260707	-0.2324504	-0.114023	0.3925571	0.5365719	0.7230957	-1.77301
Std Err of Coef.	0.168818	0.0055631	0.0330772	0.0455665	0.0937982	3.530008	0.0826751	0.1048931	0.0840994	0.108304	0.0983764	0.0881512	0.0998347	0.1455796	0.0370725	0.0610799	0.0719169	0.11994	0.2751321
t-value	8.042	-2.789	3.264	5.091	4.145	0.928	-4.024	-2.163	-2.769	-2.746	-2.584	-2.018	-1.263	-1.597	-3.076	6.427	7.461	6.029	-6.444

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**Table 8: Revised Summary of 251 Observations**

Number of Observation	Publication ID	Size	Density	Editorial %	Piece Weight	USPS Postage per Piece	TW Postage per Piece	% Change in Postage / pc
1	L1	Large	Low	55%	0.39	0.330	0.334	1.44%
2	L10	Large	High	45%	0.90	0.312	0.253	-18.98%
3	L11	Large	High	61%	0.43	0.199	0.154	-22.51%
4	L2	Large	High	85%	0.46	0.273	0.280	2.48%
5	L3	Large	High	75%	0.47	0.271	0.255	-6.02%
6	L4	Large	High	50%	0.41	0.242	0.217	-10.52%
7	L5	Large	High	67%	0.28	0.179	0.160	-10.56%
8	L6	Large	High	64%	0.42	0.210	0.180	-14.60%
9	L7	Large	High	60%	1.48	0.479	0.426	-11.06%
10	L8	Large	High	60%	0.59	0.239	0.209	-12.36%
11	L9	Large	High	57%	0.53	0.235	0.188	-19.69%
12	M1	Medium	Low	100%	0.45	0.283	0.350	23.66%
13	M10	Medium	Low	57%	0.56	0.241	0.186	-22.65%
14	M11	Medium	High	85%	0.40	0.275	0.336	22.31%
15	M12	Medium	High	100%	0.57	0.268	0.307	14.63%
16	M13	Medium	High	62%	0.18	0.222	0.253	13.73%
17	M14	Medium	High	41%	0.98	0.473	0.506	7.04%
18	M15	Medium	High	51%	0.76	0.425	0.452	6.49%
19	M16	Medium	High	50%	0.42	0.309	0.327	5.73%
20	M17	Medium	High	50%	0.49	0.280	0.254	-9.28%
21	M18	Medium	High	61%	0.41	0.215	0.186	-13.26%
22	M19	Medium	High	51%	0.58	0.248	0.204	-17.78%
23	M2	Medium	Low	96%	0.38	0.274	0.311	13.29%
24	M20	Medium	High	58%	0.54	0.228	0.177	-22.26%
25	M3	Medium	Low	50%	0.70	0.446	0.501	12.36%
26	M5	Medium	Low	27%	2.00	0.933	0.911	-2.34%
27	M6	Medium	Low	45%	1.20	0.533	0.507	-4.86%
28	M7	Medium	Low	61%	0.65	0.309	0.272	-11.82%
29	M8	Medium	Low	50%	0.49	0.261	0.229	-12.44%
30	M9	Medium	Low	62%	0.42	0.198	0.153	-22.87%
31	P1HL12	Large	High	50%	0.84	0.299	0.246	-17.57%
32	P1HL13	Large	High	100%	0.66	0.216	0.149	-30.78%
33	P1HL14	Large	High	64%	0.79	0.278	0.223	-19.66%
34	P1HL15	Large	High	49%	0.81	0.314	0.272	-13.61%
35	P1HL16	Large	High	60%	1.19	0.427	0.372	-12.89%
36	P1HL17	Large	High	55%	0.64	0.269	0.219	-18.76%
37	P1HL18	Large	High	45%	0.36	0.235	0.220	-6.62%
38	P1HL19	Large	High	50%	0.63	0.274	0.225	-17.81%
39	P1HL20	Large	High	54%	0.66	0.272	0.217	-20.08%
40	P1HL21	Large	High	51%	0.47	0.229	0.190	-16.76%
41	P1HL22	Large	High	100%	1.13	0.306	0.195	-36.37%
42	P1HL23	Large	High	44%	0.98	0.312	0.258	-17.31%
43	P1HL24	Large	High	72%	0.70	0.291	0.271	-6.81%
44	P1HL25	Large	High	64%	0.82	0.299	0.246	-17.58%
45	P1HL26	Large	High	100%	1.22	0.411	0.526	27.86%
46	P1HL27	Large	High	70%	0.91	0.330	0.274	-16.90%
47	P1HL28	Large	High	51%	0.58	0.277	0.244	-11.97%
48	P1HL29	Large	High	55%	0.54	0.241	0.197	-18.56%
49	P1HL30	Large	High	50%	0.44	0.234	0.203	-13.25%
50	P1HL31	Large	High	74%	0.19	0.167	0.158	-5.28%
51	P1HL32	Large	High	93%	0.25	0.162	0.133	-17.71%
52	P1HL33	Large	High	62%	0.25	0.123	0.095	-22.87%
53	P1HL34	Large	High	77%	0.23	0.141	0.120	-14.79%
54	P1HL35	Large	High	100%	0.49	0.193	0.148	-23.02%
55	P1HL36	Large	High	40%	0.94	0.346	0.307	-11.33%
56	P1HL37	Large	High	78%	0.48	0.273	0.247	-9.51%
57	P1HL38	Large	High	59%	0.47	0.222	0.193	-13.03%
58	P1HL39	Large	High	70%	0.83	0.319	0.265	-16.88%
59	P1HL40	Large	High	51%	0.51	0.233	0.205	-11.91%
60	P1HL41	Large	High	71%	0.31	0.221	0.193	-12.91%

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61	P1HL42	Large	High	43%	0.59	0.299	0.273	-8.66%
62	P1HL43	Large	High	62%	0.19	0.221	0.216	-2.51%
63	P1HL44	Large	High	50%	0.46	0.235	0.201	-14.44%
64	P1HL45	Large	High	60%	0.37	0.223	0.197	-11.62%
65	P1HL46	Large	High	86%	0.23	0.164	0.145	-11.47%
66	P1HL47	Large	High	55%	0.66	0.256	0.202	-20.89%
67	P1HL48	Large	High	98%	0.23	0.121	0.080	-33.48%
68	P1HL49	Large	High	73%	0.20	0.226	0.233	2.81%
69	P1HL50	Large	High	50%	0.47	0.243	0.218	-10.21%
70	P1HL51	Large	High	57%	0.33	0.253	0.269	6.23%
71	P1HM100	Medium	High	86%	2.31	0.629	0.633	0.55%
72	P1HM61	Medium	High	41%	0.78	0.298	0.251	-15.94%
73	P1HM62	Medium	High	94%	0.23	0.218	0.227	4.14%
74	P1HM63	Medium	High	50%	0.92	0.478	0.507	5.99%
75	P1HM64	Medium	High	80%	0.79	0.340	0.343	1.05%
76	P1HM65	Medium	High	100%	0.09	0.202	0.225	11.54%
77	P1HM66	Medium	High	88%	0.39	0.269	0.292	8.84%
78	P1HM67	Medium	High	85%	0.34	0.234	0.232	-0.69%
79	P1HM68	Medium	High	70%	0.61	0.352	0.413	17.42%
80	P1HM69	Medium	High	76%	0.31	0.261	0.292	11.80%
81	P1HM70	Medium	High	47%	0.89	0.411	0.373	-9.21%
82	P1HM71	Medium	High	37%	2.29	1.014	1.119	10.30%
83	P1HM72	Medium	High	42%	0.36	0.345	0.362	4.68%
84	P1HM73	Medium	High	57%	0.47	0.210	0.183	-12.88%
85	P1HM74	Medium	High	59%	0.51	0.236	0.180	-23.87%
86	P1HM75	Medium	High	100%	1.72	0.489	0.558	14.12%
87	P1HM76	Medium	High	50%	0.45	0.256	0.227	-11.32%
88	P1HM77	Medium	High	54%	0.58	0.314	0.308	-1.78%
89	P1HM78	Medium	High	82%	0.62	0.352	0.413	17.47%
90	P1HM79	Medium	High	51%	0.40	0.244	0.234	-4.18%
91	P1HM80	Medium	High	72%	0.24	0.231	0.254	10.23%
92	P1HM81	Medium	High	95%	0.24	0.211	0.216	2.16%
93	P1HM82	Medium	High	41%	0.78	0.308	0.261	-15.33%
94	P1HM83	Medium	High	61%	0.25	0.206	0.185	-10.09%
95	P1HM84	Medium	High	92%	0.36	0.256	0.267	4.33%
96	P1HM85	Medium	High	57%	0.32	0.342	0.387	12.94%
97	P1HM86	Medium	High	63%	0.25	0.261	0.274	5.03%
98	P1HM87	Medium	High	61%	0.50	0.344	0.412	19.73%
99	P1HM88	Medium	High	51%	0.58	0.241	0.195	-19.11%
100	P1HM89	Medium	High	49%	0.36	0.324	0.350	7.96%
101	P1HM90	Medium	High	100%	0.38	0.242	0.296	22.38%
102	P1HM91	Medium	High	60%	0.41	0.295	0.299	1.43%
103	P1HM92	Medium	High	58%	0.57	0.261	0.217	-17.00%
104	P1HM93	Medium	High	54%	0.57	0.259	0.205	-20.87%
105	P1HM94	Medium	High	63%	0.25	0.236	0.229	-2.84%
106	P1HM95	Medium	High	50%	0.45	0.215	0.181	-15.88%
107	P1HM96	Medium	High	57%	0.34	0.269	0.280	4.12%
108	P1HM97	Medium	High	50%	0.50	0.266	0.234	-12.06%
109	P1HM98	Medium	High	78%	1.11	0.434	0.489	12.65%
110	P1HM99	Medium	High	100%	0.20	0.194	0.198	2.25%
111	P1LM21	Medium	Low	65%	0.79	0.396	0.398	0.74%
112	P1LM22	Medium	Low	45%	0.50	0.402	0.416	3.42%
113	P1LM23	Medium	Low	57%	0.79	0.424	0.435	2.42%
114	P1LM24	Medium	Low	95%	0.15	0.238	0.284	19.21%
115	P1LM25	Medium	Low	26%	0.97	0.683	0.724	6.04%
116	P1LM26	Medium	Low	100%	0.32	0.290	0.305	5.22%
117	P1LM27	Medium	Low	51%	0.31	0.347	0.390	12.45%
118	P1LM28	Medium	Low	59%	0.72	0.391	0.395	0.91%
119	P1LM29	Medium	Low	95%	0.15	0.238	0.284	19.21%
120	P1LM30	Medium	Low	44%	0.43	0.291	0.290	-0.26%
121	P1LM31	Medium	Low	78%	0.24	0.287	0.326	13.88%
122	P1LM32	Medium	Low	100%	0.53	0.299	0.346	15.78%
123	P1LM33	Medium	Low	100%	1.13	0.490	0.530	8.18%
124	P1LM34	Medium	Low	53%	0.64	0.427	0.469	9.93%
125	P1LM35	Medium	Low	50%	0.37	0.342	0.356	4.34%

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126	P1LM36	Medium	Low	60%	0.33	0.354	0.383	8.18%
127	P1LM37	Medium	Low	68%	0.48	0.352	0.369	4.77%
128	P1LM38	Medium	Low	95%	0.15	0.238	0.284	19.21%
129	P1LM39	Medium	Low	75%	0.62	0.438	0.451	2.86%
130	P1LM40	Medium	Low	75%	0.24	0.289	0.298	3.25%
131	P1LM41	Medium	Low	80%	0.24	0.280	0.315	12.63%
132	P1LM42	Medium	Low	60%	0.35	0.224	0.199	-11.02%
133	P1LM43	Medium	Low	61%	0.49	0.376	0.400	6.53%
134	P1LM44	Medium	Low	52%	0.60	0.286	0.247	-13.62%
135	P1LM45	Medium	Low	35%	0.96	0.403	0.367	-8.93%
136	P1LM46	Medium	Low	50%	0.31	0.325	0.355	9.03%
137	P1LM47	Medium	Low	81%	0.30	0.212	0.209	-1.81%
138	P1LM48	Medium	Low	89%	0.31	0.273	0.295	8.27%
139	P1LM49	Medium	Low	62%	0.60	0.436	0.427	-2.07%
140	P1LM50	Medium	Low	77%	0.63	0.358	0.386	8.04%
141	P1LM51	Medium	Low	47%	0.31	0.341	0.355	4.06%
142	P1LM52	Medium	Low	52%	0.53	0.408	0.438	7.28%
143	P1LM53	Medium	Low	70%	0.41	0.319	0.336	5.43%
144	P1LM54	Medium	Low	95%	0.15	0.238	0.284	19.21%
145	P1LM55	Medium	Low	50%	0.40	0.350	0.365	4.49%
146	P1LM56	Medium	Low	81%	0.24	0.261	0.283	8.48%
147	P1LM57	Medium	Low	41%	0.45	0.424	0.483	13.80%
148	P1LM58	Medium	Low	91%	0.13	0.222	0.264	18.75%
149	P1LM59	Medium	Low	47%	0.44	0.377	0.388	2.97%
150	P1LM60	Medium	Low	100%	0.44	0.333	0.331	-0.43%
151	M4	Medium	Low	40%	0.53	0.406	0.414	2.04%
152	S1	Small	Low	65%	0.28	0.301	0.503	67.18%
153	S10	Small	Low	97%	0.11	0.229	0.230	0.55%
154	S11	Small	High	68%	0.16	0.292	0.526	80.00%
155	S12	Small	High	47%	0.19	0.222	0.335	50.80%
156	S13	Small	High	60%	0.46	0.256	0.352	37.29%
157	S14	Small	High	71%	0.41	0.255	0.338	32.64%
158	S15	Small	Low	97%	0.39	0.261	0.316	21.00%
159	S16	Small	High	41%	0.28	0.231	0.260	12.51%
160	S17	Small	Low	98%	0.46	0.283	0.317	11.99%
161	S18	Small	High	100%	0.07	0.214	0.234	9.35%
162	S19	Small	High	75%	0.15	0.186	0.203	8.98%
163	S2	Small	Low	75%	0.27	0.286	0.424	47.98%
164	S20	Small	High	26%	1.90	0.647	0.674	4.10%
165	S21	Small	High	35%	0.13	0.250	0.242	-3.18%
166	S22	Small	High	90%	0.06	0.134	0.132	-1.38%
167	S23	Small	High	42%	0.48	0.324	0.310	-4.26%
168	S24	Small	High	33%	1.20	0.416	0.393	-5.46%
169	S3	Small	Low	69%	0.18	0.325	0.429	32.01%
170	S4	Small	Low	100%	0.36	0.266	0.345	29.55%
171	S5	Small	Low	100%	2.64	0.767	0.989	28.86%
172	S6	Small	Low	86%	1.22	0.491	0.553	12.53%
173	S7	Small	Low	100%	0.11	0.244	0.273	12.00%
174	S8	Small	Low	59%	0.20	0.304	0.315	3.52%
175	S9	Small	Low	100%	0.20	0.337	0.341	1.27%
176	QHS25	Small	High	44%	0.20	0.173	0.172	-0.36%
177	QHS26	Small	High	100%	0.10	0.206	0.181	-12.19%
178	QHS27	Small	High	79%	0.24	0.264	0.297	12.50%
179	QHS28	Small	High	65%	0.26	0.260	0.380	45.94%
180	QHS29	Small	High	94%	0.25	0.210	0.195	-7.00%
181	QHS30	Small	High	59%	0.20	0.229	0.205	-10.40%
182	QHS31	Small	High	99%	0.77	0.326	0.322	-1.26%
183	QHS32	Small	High	83%	1.87	0.631	0.732	16.12%
184	QHS33	Small	High	26%	0.35	0.334	0.416	24.53%
185	QHS34	Small	High	100%	0.55	0.291	0.315	8.23%
186	QHS35	Small	High	42%	0.30	0.203	0.185	-8.98%
187	QHS36	Small	High	100%	0.06	0.164	0.152	-7.76%
188	QHS37	Small	High	82%	0.26	0.248	0.325	31.09%
189	QHS38	Small	High	43%	0.38	0.328	0.533	62.71%
190	QHS39	Small	High	28%	0.13	0.225	0.240	6.92%

**Revised: Oct. 28, 2004**

**REVISED RESPONSE OF POSTAL SERVICE WITNESS TANG  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 2**

191	QHS40	Small	High	81%	0.16	0.236	0.351	48.78%
192	QHS41	Small	High	100%	0.25	0.262	0.331	26.52%
193	QHS42	Small	High	66%	0.53	0.340	0.377	10.81%
194	QHS43	Small	High	100%	1.55	0.542	0.650	19.87%
195	QHS44	Small	High	61%	0.10	0.215	0.230	7.15%
196	QHS45	Small	High	100%	0.57	0.323	0.599	85.77%
197	QHS46	Small	High	100%	0.64	0.346	0.527	52.11%
198	QHS47	Small	High	70%	0.26	0.261	0.290	10.89%
199	QHS48	Small	High	99%	0.67	0.303	0.341	12.67%
200	QHS49	Small	High	63%	0.28	0.223	0.231	3.48%
201	QHS50	Small	High	100%	0.32	0.240	0.230	-4.01%
202	QHS51	Small	High	26%	1.14	0.604	0.753	24.65%
203	QHS52	Small	High	100%	0.91	0.409	0.636	55.45%
204	QHS53	Small	High	100%	0.52	0.268	0.295	10.23%
205	QHS54	Small	High	100%	0.18	0.197	0.194	-1.31%
206	QHS55	Small	High	100%	0.08	0.168	0.175	4.30%
207	QHS56	Small	High	71%	0.27	0.230	0.247	6.96%
208	QHS57	Small	High	50%	0.15	0.227	0.259	14.19%
209	QHS58	Small	High	100%	0.46	0.252	0.253	0.22%
210	QHS59	Small	High	76%	0.31	0.192	0.166	-13.46%
211	QHS60	Small	High	72%	0.98	0.476	0.705	48.08%
212	QHS61	Small	High	100%	2.64	0.663	0.889	34.07%
213	QHS62	Small	High	64%	0.37	0.278	0.489	75.71%
214	QHS63	Small	Low	39%	0.71	0.508	0.527	3.76%
215	QHS64	Small	Low	92%	0.63	0.437	0.428	-2.06%
216	QHS65	Small	Low	99%	0.95	0.390	0.378	-3.15%
217	QHS66	Small	Low	80%	0.17	0.298	0.339	13.83%
218	QHS67	Small	Low	87%	0.46	0.317	0.363	14.25%
219	QHS68	Small	Low	76%	0.13	0.339	0.297	-12.62%
220	QHS69	Small	Low	34%	0.29	0.345	0.356	3.25%
221	QHS70	Small	Low	75%	0.12	0.347	0.292	-15.87%
222	QHS71	Small	Low	44%	0.08	0.372	0.314	-15.64%
223	QHS72	Small	Low	40%	1.73	0.842	0.852	1.13%
224	QHS73	Small	Low	100%	0.23	0.268	0.289	7.94%
225	QHS74	Small	Low	84%	0.59	0.340	0.367	7.70%
226	QHS75	Small	Low	77%	0.45	0.342	0.375	9.54%
227	QHS76	Small	Low	58%	0.33	0.396	0.526	32.78%
228	QHS77	Small	Low	80%	0.19	0.251	0.295	17.33%
229	QHS78	Small	Low	99%	1.25	0.439	0.571	30.01%
230	QHS79	Small	Low	28%	0.12	0.322	0.343	6.70%
231	QHS80	Small	Low	66%	0.22	0.308	0.321	4.44%
232	QHS81	Small	Low	100%	0.56	0.381	0.606	59.02%
233	QHS82	Small	Low	70%	0.13	0.349	0.311	-10.89%
234	QHS83	Small	Low	100%	0.46	0.311	0.346	11.43%
235	QHS84	Small	Low	56%	0.49	0.356	0.361	1.30%
236	QHS85	Small	Low	43%	0.63	0.440	0.397	-9.84%
237	QHS86	Small	Low	95%	0.15	0.301	0.281	-6.35%
238	QHS87	Small	Low	83%	0.11	0.338	0.289	-14.62%
239	QHS88	Small	Low	50%	0.65	0.429	0.449	4.72%
240	QHS89	Small	Low	47%	0.35	0.407	0.370	-9.15%
241	QHS90	Small	Low	63%	0.56	0.391	0.426	9.03%
242	QHS91	Small	Low	71%	0.37	0.367	0.545	48.70%
243	QHS92	Small	Low	54%	0.23	0.370	0.425	14.76%
244	QHS93	Small	Low	100%	0.24	0.297	0.564	89.96%
245	QHS94	Small	Low	46%	0.39	0.356	0.371	4.19%
246	QHS95	Small	Low	100%	1.99	0.660	0.982	48.89%
247	QHS96	Small	Low	100%	0.66	0.312	0.361	15.76%
248	QHS97	Small	Low	66%	0.27	0.305	0.331	8.52%
249	QHS98	Small	Low	55%	1.02	0.503	0.688	36.61%
250	QHS99	Small	Low	67%	0.33	0.338	0.327	-3.19%
251	QHS100	Small	Low	72%	0.08	0.279	0.407	46.11%

Revised: Oct. 28, 2004

## **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.

/s/

David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
October 28, 2004