

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON DC 20268-0001**

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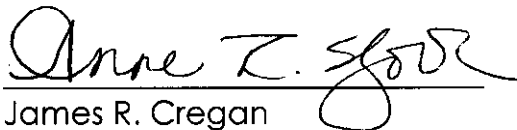
) Docket No. R2000-1  
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**FIRST SET OF INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS OF  
MAGAZINE PUBLISHERS OF AMERICA, INC.  
TO USPS WITNESS BARON  
(MPA/USPS-T-12-1-36)**  
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**(FEBRUARY 18, 2000)**

Pursuant to the Commission's Rules of Practice, Magazine Publishers of American hereby submits the attached interrogatories to USPS Witness Baron (MPA/USPS-T12-1-36).

Respectfully submitted,



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**FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS  
OF MAGAZINE PUBLISHERS OF AMERICA  
TO UNITED STATES POSTAL SERVICE WITNESS BARON**

**MPA/USPS-T12-1.** Please refer to Library Reference LR-I-157. Please provide:

- (a) The data set LTV.FLAT.DATA in PC-readable form (i.e., either on Compact Disk or 3 1/2 inch floppies), a listing of its properties, and descriptor/identification for each of its fields.
- (b) If not on the data set LTV.FLAT.DATA, the sample weights for each observation in LTV.FLAT.DATA and used to perform the analyses described in your testimony.

**MPA/USPS-T12-2.** Please refer to the FY1998 City Carrier Cost System. Please provide for each stop type (SDR, MDR, and BAM):

- (a) The estimated total annual number of actual and possible stops in the USPS system.
- (b) The estimated total annual number of actual and possible deliveries in the USPS system.
- (c) The average possible stops coverage figure.
- (d) The average possible deliveries coverage figure.

**MPA/USPS-T12-3.** Please refer to the FY 1987 through FY 1997 City Cost System. Please provide for each stop type:

- (a) The estimated total annual number of actual and possible stops in the USPS system.
- (b) The estimated total annual number of actual and possible deliveries in the USPS system.
- (c) The average possible stops coverage figure.
- (d) The average possible deliveries coverage figure.

**MPA/USPS-T12-4.** Please refer to Library Reference LR I-158. Please provide:

- (a) The data sets CURB.SAS, FOOT.SAS, and LOOP.SAS in PC-readable form (i.e., either on Compact Disk or 3 1/2 inch floppies), a listing of their properties, and descriptor/identification for each of their fields.
- (b) If not on each of the data sets, the sample weights for each observation in those data sets and used to perform the analyses described in your testimony.

**MPA/USPS-T12-5.** Please refer to Library Reference LR I-159. As to the National System of City Routes, please list all the other data variables, by route, contained in ALDRAN.HQ059T01.CITY.PQ4FY97.

**MPA/USPS-T12-6.** Please refer to Library Reference LR I-159. As to the National System of City Routes, please provide the following for the USPS total system of routes, separately for each of the ten regions:

- (a) In PQ4 FY97, number of 3-D zips and, separately, 5-D zips with city carrier routes.
- (b) Per ALDRAN.HQ059T01.CITY.PQ4FY97, number of city carrier routes where the primary mode of delivery is:
  - Foot
  - Park & Loop
  - Curblin
  - Dismount
  - Other
  - Cannot be determined.
- (c) Number of city carrier routes in ALDRAN.HQ059T01.PQ4FY97 classified by ES.CNTL as:
  - Foot
  - Park & Loop
  - Curblin
  - Dismount
  - Other
  - Cannot be determined.
- (d) As to each route delivery mode category in the previous subsection, please provide also, the average number of:
  - Residential curb deliveries
  - Residential NDCBU deliveries
  - Residential centralized deliveries
  - Residential other deliveries
  - Business curb deliveries
  - Business NDCBU deliveries
  - Business centralized deliveries
  - Business other deliveries.
- (e) As to each route type listed in the previous subsection, please provide also the number of possible:
  - Residential curb deliveries
  - Residential NDCBU deliveries
  - Residential centralized deliveries
  - Residential other deliveries

- Business curb deliveries
- Business NDCBU deliveries
- Business centralized
- Business other deliveries.

**MPA/USPS-T12-7.** Please confirm that ALDRAN.HQ059T01.CITY.PQ4FY97 contains a listing of all city carrier routes in the USPS system as of the end of PQ 4 1997. If this is incorrect, please explain what the file does contain.

**MPA/USPS-T12-8.** Please confirm that ALDRAN.FOS.STS.SAS.DATA contains observations taken during PQs 1, 2, and 3 of PFY 1996 and PQs 1 and 2 of PFY 1998. If this is incorrect, please identify the period over which the data set was collected.

**MPA/USPS-T12-9.** Please refer to your Testimony at page 13, lines 2-4, at which you reject the Crowder analysis "precisely because  $g(V/S)$  is a very poor approximation of  $L^-$ , due to substantial non-linearity in the load-time regressions." Please identify which load-time regressions are being referred to here and who performed these regressions, on which data and when.

**MPA/USPS-T12-10.** Please refer to your Testimony at page 13, lines 2-4. Please provide precise scientific definitions for the following expressions, in terms of statistical methods and measurement:

- (a)  $g(V/S)$  is a "very poor approximation"
- (b) "substantial non-linearity."

**MPA/USPS-T12-11.** Please refer to your Testimony at page 16, lines 8-9. Please confirm that your statement that: "The more  $L^-$  deviates from  $\hat{g}(V/S)$ , the greater the non-linearity" appears to ignore the usual data validity and probability measurement concerns of regression analysis. If you do not confirm, please explain why.

**MPA/USPS-T12-12.** Please identify what your usual statistical acceptance "rules of thumb" are for test statistics in your econometric/regression work for the USPS, for:

- (a) F-test
- (b) t-test
- (c) adjusted coefficient of determination, and
- (d) other relevant test statistics (please list).

**MPA/USPS-T12-13.** Please refer to your Testimony at page 17, lines 13-15, where you describe a 2.61% discrepancy between  $L^{\wedge}$  and  $g^{\wedge}(V/S)$  as being a liberal interpretation of the linearity assumption. Please state what you would have considered a "good fit" (e.g. 1.00%), and why.

**MPA/USPS-T12-14.** Please refer to your Testimony at page 26 and footnote 35. If you were to eliminate the RUNUM variable from the quadratic equation (12), how would you expect the elasticities, t-statistics and other test results to change, if at all?

**MPA/USPS-T12-15.** Please state whether a test run such as that mentioned in question 14 has been performed by you or others on either quadratic (12) or interaction model (13). If affirmative, please state what the results were and they affected the elasticity estimates. (f)

**MPA/USPS-T12-16.** Please refer to your testimony at page 27, lines 17-19. Please state whether it is your view that the use of the variable  $RUNUM_i * RTYPE_j$  is wholly responsible for the "negative, unrealistically low, or unrealistically high" route specific elasticities you describe, or whether there exist other factors besides equation design and variable choice that might be relevant here. If other factors besides equation design and variable choice are relevant, please state which factors and why.

**MPA/USPS-T12-17.** Please state whether the curious range of elasticity estimates from the interactive equation (13) results arise from errors in the data collected from one-third of the MDR stops surveyed, or some other data collection/cleaning problems at the micro level.

**MPA/USPS-T12-18.** Please refer to your Testimony at page 33, footnote 43, at which you state that: "the A.T. Kearney study recommended that the Postal Service consider using these data to update its segment 7 cost analysis." Please state whether you are referring to recommendation 12 on page 56 of the Data Quality Study, Technical Report #4, April 16, 1999. If affirmative, please specify your interpretation of this recommendation.

**MPA/USPS-T12-19.** Please state whether you have reviewed the process by which the Engineered Standards/Delivery Redesign project chose which city routes from which to collect data.

**MPA/USPS-T12-20.** Please refer to your Testimony at page 35, lines 4-6, at which you state that your weighting of the observations for each ES route "ensures that each ES route properly represents the ZIP code from which it was selected."

- (a) Please provide all information available to demonstrate that the ZIP codes observed are representative of the entire system of routes.
- (b) Please state whether you have attempted to develop sample weights for each of the observed ZIP codes. If affirmative, please explain all such attempts.

**MPA/USPS-T12-21.** As to each of the 76 5-D zips that were sampled to develop the new Engineered Standards (ES) database, please provide the zip code number and the USPS region within which it is located.

**MPA/USPS-T12-22.** As to each of the ten regions, please provide the number of city carrier routes where the primary mode of delivery, per ES.CNTL is:

- (a) Foot
- (b) Park & Loop
- (c) Curblin
- (d) Dismount
- (e) Other
- (f) Cannot be determined.

**MPA/USPS-T12-23.** As to each of the ten regions, please provide the number of city carrier routes, per ES.CNTL, classified as:

- (a) Foot
- (b) Park & Loop
- (c) Curblin
- (d) Dismount
- (e) Other
- (f) Cannot be determined.

**MPA/USPS-T12-24.** As to each of the route delivery mode described in question 22, please provide the average number of:

- (a) Residential curb deliveries
- (b) Residential NDCBU deliveries
- (c) Residential centralized deliveries
- (d) Residential other deliveries
- (e) Business curb deliveries
- (f) Business NDCBU deliveries
- (g) Business centralized deliveries
- (h) Business other deliveries.

**MPA/USPS-T12-25.** As to each route type identified by you in response to question number 23, please also provide the average number of possible:

- (a) Residential curb deliveries
- (b) Residential NDCBU deliveries
- (c) Residential centralized deliveries
- (d) Residential other deliveries
- (e) Business curb deliveries
- (f) Business NDCBU deliveries
- (g) Business centralized deliveries
- (h) Business other deliveries.

**MPA/USPS-T12-26.** As to each of the 340 ES routes sampled, please provide:

- (a) the Appropriate "unit code," as used on the LR I-163 ES database;
- (b) the USPS region in which it is located;
- (c) per ES.CNTL, the number of possible:
  - Residential curb deliveries
  - Residential NDCBU deliveries
  - Residential centralized deliveries
  - Residential other deliveries
  - Business curb deliveries
  - Business NDCBU deliveries
  - Business centralized deliveries
  - Business other deliveries.
- (d) per ES.CNTL, its primary mode of delivery;
- (e) its type classification by ES.CNTL (as foot, business motorized, residential P&L, etc.); and
- (f) its sample weight.

**MPA/USPS-T12-27.** Please provide the ES unit code and route number for the four sampled routes which were eliminated from your analysis because they could not be located on the City Carrier Route master File.

**MPA/USPS-T12-28.** Please refer to Library Reference LR-I-159, and therein to the description of the ALDRAN.FOS.STS.SAS.DATA set, where it indicates that there were 24 variables, one of which is route type. Please also refer to Library Reference LR I-163, and therein, where it states that there are 20 variables and no route type is indicated. Please state whether:

- (a) Was there a route-type variable in the original Engineering Standards (ES) database?
- (b) If so, why it was deleted in LR I-163?

**MPA/USPS-T12-29.** Please explain, for purposes of designating route type for each sampled ES route and processing the ES tallies, whether the ES database designation was retained throughout the ES.CNTL. SAS run or whether the route type was designated by ES.CNTL.SAS, using the route type assigned to the routes in ALDRAN.HQ059T01.CITY.PQFY97.

**MPA/USPS-T12-30.** Please provide the original ES database route-type variable for each observed route.

**MPA/USPS-T12-31.** Please identify the other variables in ALDRAN.FOS.STS.SAS.DATA set that were not included in LR I-163.

**MPA/USPS-T12-32.** Within ADLRAN.HQ059T01.CITY.PQ4FY97, please provide the full definitions for the following terms ("variables"). Please also state how these definitions are determined by the USPS, and how the Postal Service distinguishes among them:

- (a) Foot Delivery Mode
- (b) Curblin Delivery Mode
- (c) Park & Loop Delivery Mode
- (d) Dismount Delivery Mode
- (e) Other Delivery Mode.

**MPA/USPS-T12-33.** As to your response to question 32(3), please further state the identification of the types of deliveries that may be included within this category.



**MPA/USPS-T12-34.** Within ADLRAN.HQ059T01.CITY.PQ4FY97, please provide the full definitions for the following terms ("variables") so that they can be distinguished from each other:

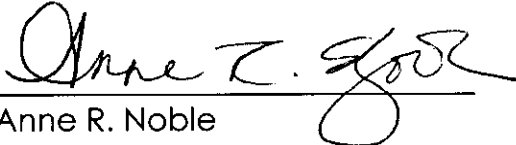
- (a) Curb Deliveries
- (b) NDCBU Deliveries
- (c) Centralized Deliveries
- (d) Other Deliveries

**MPA/USPS-T12-35.** As to your response to question 34(d), please further identify the types of deliveries that are considered to fall within this category.

**MPA/USPS-T12-36.** For purposes of ALDRAN.HQ059T01.CITY.PQ4FY97, please state the definition of "phantom route."

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.

  
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Anne R. Noble

Washington, D.C.  
February 18, 2000