

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

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OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000)
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Docket No. R2000-1

**SECOND SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.
TO USPS WITNESS DEGEN
(MPA/USPS-T16-3-11)**

(MARCH 10, 2000)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS Witness Degen (MPA/USPS-T16-3-11).

Respectfully submitted,



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**SECOND SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC. TO USPS WITNESS DEGEN**

MPA/USPS-T16-3. Please refer to LR-I-115 from Docket R2000-1, and your response to MPA/USPS-T12-11(c) from Docket No. R97-1, where, in response to the question, "Has the Postal Service performed any quantitative studies to determine whether items in containers are similar to items not in containers (with respect to Class, Subclass, and shape)?," you answered: "I am aware of no such studies."

- (a) Please confirm that the 1995 Platform Study was performed by Christensen Associates for the Postal Service. If not confirmed, please explain. If confirmed, please provide the names of all Christensen Associates employees who were involved in the study.
- (b) Please state whether you were aware of the 1995 platform study when you responded to MPA/USPS-T12-11(c) in Docket No. R97-1. If so, please explain in detail why you responded that you were "aware of no such studies" in that case.
- (c) Please state when you were made aware of the 1995 Platform Study.
- (d) Please state what the original purpose was of the 1995 Platform Study.
- (e) Please state why you did not present the results of this study in Docket No. R97-1 as part of your testimony or in response to the aforementioned interrogatory.
- (f) Please list all studies for which data from the 1995 Platform Study was used, and, for each, please indicate (i) whether any Christensen Associates employees were involved in writing the report, (ii) when report writing began, and (iii) when the report was completed. Please also provide a copy of each report.
- (g) Are you currently aware of any other studies that assess whether items in containers are similar to items not in containers (in terms of class and subclass)? If so, please provide a copy of each.
- (h) Please state whether you are currently aware of any other data with which one could assess whether items in containers are similar to items not in containers (in terms of class and subclass). If so, please provide an electronic copy of the data.

- (i) Please state whether you are currently aware of any other studies that assess whether direct items are similar to mixed items (in terms of class and subclass). If so, please provide a copy of each.
- (j) Please state whether you are currently aware of any other data with which one could assess whether direct items are similar to mixed items (in terms of class and subclass). If so, please provide an electronic copy of the data.
- (k) Please identify when Christensen Associates performed the analysis of the 1995 Platform Study data that you present in your testimony.
- (l) Please state whether the analysis presented in your testimony is the only analysis that Christensen Associates has performed using 1995 Platform Study data?

MPA/USPS-T16-4. Please refer to your response to DMA/USPS-T16-3(a).

- (a) Please confirm that the FY95 IOCS Platform Distribution Key was developed using item and loose shape tallies for all allied operations, not just tallies in the platform operation. If not confirmed, please list all cost pools from which direct item and loose shape tallies were used to develop the key.
- (b) Please confirm that witness Van-Ty-Smith's mixed-mail distribution keys for all allied operations other than Platform use only tallies from the same pool (unless there are no tallies to develop the key). If not confirmed, please explain.
- (c) Please provide a revised FY95 IOCS Platform Distribution Key that is developed in the same way as the key provided in your response to DMA/USPS-T16-3(a) except that it only uses tallies from the MODS Platform cost pool.
- (d) Please confirm that mixed-mail costs in the MODS Platform cost pool comprise approximately 42 percent of mixed-mail costs at MODS allied operations. If not confirmed, please state what percent of MODS allied mixed-mail costs are comprised of MODS Platform mixed-mail costs.

MPA/USPS-T16-5. Please refer to your Testimony at page 62, line 5, where you state: "There is no question of selection bias with respect to empty items." Please refer further to your Testimony at page 65, lines 4-8, where you state: "Assumption 4 uses the subclass distribution of direct items not in containers to infer the subclass distribution of items in containers...Once again, this assumption cannot be criticized for selection bias." Also, please refer further to your Testimony at page 66, lines 1-2, where you state: "Assumption 5 involves empty container tallies... As with empty items, the issue is not selection bias." Finally, please refer to your Testimony at page 60, Table 4. In particular, please refer to the "Relevant Assumption" column.

- (a) Please confirm that direct item tallies form the distribution key for mixed non-empty item tallies, mixed empty item tallies, and the mixed identified container tallies that include items. If not confirmed, please explain.
- (b) Please confirm that identical container tallies and filled mixed identified container tallies form the distribution key for mixed non-identified container tallies and empty container tallies. If not confirmed, please explain.
- (c) Please confirm that the combination of a and b above implies that direct item tallies—by forming the distribution key for mixed identified container tallies that include items—therefore also indirectly form part of the distribution key for mixed non-identified container tallies and empty container tallies.
- (d) Please confirm that if there is selection bias for direct item tallies, it biases not only the distribution of mixed non-empty item tallies, but also the distribution of mixed empty item tallies, mixed identified container tallies that include items, mixed non-identified container tallies, and empty container tallies. If not confirmed, please explain.
- (e) Please confirm that Assumption 4 ("The costs associated with tallies of items in mixed-mail containers have the same subclass distribution as the costs associated with direct item tallies, by item type") is relevant for empty containers because this assumption identifies the subclass profile for non-empty containers, which is used to identify the subclass profile of empty containers. If not confirmed, please explain.
- (f) Please confirm that Assumption 3 ("The costs associated with non-identified container tallies have the same item distribution as the costs associated with identified container tallies of the same container type") is relevant for empty

containers because this assumption affects the subclass profile for non-identified, non-empty containers, which is used to identify the subclass profile of empty containers. If not confirmed, please explain.

- (g) Please confirm that Assumption 1 ("The contents of items tallied as 'mixed-mail' in IOCS have the same subclass distribution as direct item tallies of the same item type") is relevant for all non-identical containers because if "mixed-mail" tallies do not have the same subclass distribution as direct item tallies then the subclass profile of direct item tallies does not accurately represent the subclass profile of items. If not confirmed, please explain.
- (h) Please confirm that if direct item tallies aren't representative of all item tallies, there is no reason to believe that they would be representative of container tallies. If not confirmed, please explain.

MPA/USPS-T16-6. Please refer to page 66 of your Testimony at Table 8, and your response to DMA/USPS-T16-3(a).

- (a) Please state what percentage of weighted container tallies is for identical containers according to the 1995 Platform Study,
- (b) Please confirm that, according to Table 8, Periodicals comprised 13.3 percent of items in containers in the 1995 Platform Study. If not confirmed, please provide the correct figure.
- (c) Please confirm that the percentage of periodicals in containers in the 1995 Platform Study (see (b), above) includes both items in identical containers and items in non-identical containers. If not confirmed, please explain.
- (d) Please confirm that Periodicals comprised 11.2 percent of items in non-identical containers in the 1995 Platform Study. If not confirmed, please provide the correct figure.
- (e) Please state the percentage of weighted items-in-identical-container tallies in the 1995 Platform Study that was comprised of Periodicals.
- (f) In an electronic spreadsheet, please provide a table (in a format similar to that of Table 8 in your testimony) that shows the subclass profile of items in identical containers from the 1995 Platform Study.
- (g) In an electronic spreadsheet, please provide a table (in a format similar to that of Table 8 in your testimony) that shows the subclass profile of single items from the 1995 Platform

- Study.
- (h) In an electronic spreadsheet using the 1995 Platform Study data, please provide a table that provides the item type and loose shape profile individually for identical containers, identified containers, non-identified containers, and single items.

MPA/USPS-T16-7. Please refer to the document labeled USPS LR-I-115 1995 Platform Study.

- (a) Please provide a copy of all training materials that were provided to the Christensen Associates personnel who collected data for the 1995 Platform Study.
- (b) Please provide a copy of all written instructions that were provided to the data collectors.
- (c) Please describe all training that was provided to 1995 Platform Study data collectors.
- (d) Please describe all oral instructions that were given to the data collectors.
- (e) Before performing the study, were the data collectors informed that there is a strong association between item type (particularly sack color) and mail class? If so, please explain who informed them of this strong association.
- (f) Before performing the study, did the data collectors have any reason to believe that there is a strong association between item type (particularly sack color) and mail class? If so, why did they believe that there was a strong association?
- (g) Did the data collectors report to you? If not, to whom, at Christensen Associates, did they report ?
- (h) In the 1995 Platform Study, how long were data collectors given to complete a tally for one container (including any information they collected about single items and loose shapes)?
- (i) Please state what the time interval was between tallies in the 1995 Platform Study. If this figure was variable, please provide the average time interval between tallies and describe the method used to determine how large the time interval should be.
- (j) What instructions were given to mailhandlers to ensure that they did not interrupt the data collection effort? Who provided them with these instructions (e.g., USPS facility manager, Christensen Associate personnel)?

- (k) Please describe how facilities were informed that Christensen Associates personnel were going to collect data at their facility.
- (l) What percentage of tallies in the 1995 Platform Study were recorded as not handling tallies?

MPA/USPS-T16-8. Please refer to spreadsheet DMA+16q1.xls, worksheet 1e, which you provided in response to DMA/USPS-T16-1. Please provide a coefficient of variation for each percentage on this worksheet.

MPA/USPS-T16-9. Please refer to spreadsheet DMA+16q1.xls, worksheets 1c and 1d, which you provided in response to DMA/USPS-T16-1. Please provide corresponding spreadsheets for direct items and identical containers using 1995 IOCS data for Platform operations, including both the subclass profile by item type and the number of items included in the IOCS sample for each item type. Please also provide a coefficient of variation for each percentage distribution figure provided.

MPA/USPS-T16-10. Please refer to spreadsheet DMA+16q1.xls, worksheets 1b, 1c, 1d, and 1e, which you provided in response to DMA/USPS-T16-1. Please provide a corresponding spreadsheet that aggregates the subclass profiles for each piece and item type. In developing this spreadsheet, include all tallies for single pieces and single items (worksheets 1b and 1c), all tallies for items and loose pieces in identical containers (worksheet 1d), and all tallies for items and loose pieces in non-identical containers (worksheet 1e) from the 1995 Platform Study. The aggregation should use the appropriate relative weights for the different types of tallies. Please also provide a coefficient of variation for each percentage distribution figure provided.

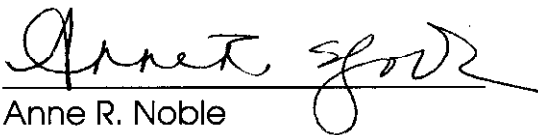
MPA/USPS-T16-11. Please refer to spreadsheet DMA+16q1.xls, worksheets 1d and 1e, which you provided in response to DMA/USPS-T16-1. These worksheets describe the subclass profile of items and loose pieces in identical and non-identical containers, and they include a figure for each item type of the "number of items (unweighted)."

- (a) Please explain what the "number of items (unweighted)" refers to.
- (b) Please state whether -- when a worker who is handling a container is sampled -- a tally is taken for every item in the container or whether the data collector records only one tally for each item type in the sampled container. If the

- latter, please state whether the data collector sampled all items of the item type or just one item of the item type.
- (c) Please state the number of identical containers that was sampled and the number of non-identical containers that was sampled in the 1995 Platform Study.

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.


Anne R. Noble

Washington, D.C.
March 10, 2000