

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

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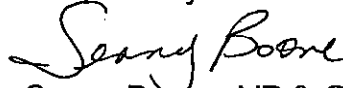
Postal Rate and Fee Changes

Docket No. R2000-1

First Set of Interrogatories of the National Newspaper Association  
to USPS Witness Meehan  
(NNA/USPS T11-1-16)

Pursuant to Section 20 of the Commission's Rules of Practice, the National Newspaper Association (NNA), hereby submits the attached interrogatories to USPS Witness Meehan (NNA/USPS T11-1-16).

Respectfully Submitted,



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March 23 2000

## QUESTIONS

For the following questions, please refer to Exhibit USPS-11C of your testimony, which presents the Cost and Revenue Analysis for Base Year 1998. For Periodicals In-County mail, this exhibit lists a volume variable cost of \$76.9 million (column C on page 1), a marginal cost of \$0.083 per piece (column E on page 1), and a total volume of 923,865,000 pieces (page 3). If another witness in this case possesses greater expertise on any question, please refer the question to him or her.

NNA/USPS- T11-1. Please confirm that the marginal cost of \$0.083 per piece is obtained by dividing the volume variable cost estimate of \$76.9 million by the 1998 volume estimate of 923,865,000 pieces.

NNA/USPS -T11-2. Please refer to Table 2 of witness Hunter's testimony (USPS-T-5), which provides the 1998 volume estimate for Periodicals In-County mail on page 8. Please confirm that the 95 percent confidence interval for the Periodicals In-County volume estimate has a lower limit of 884,028,000 pieces and an upper limit of 963,702,000 pieces.

NNA/USPS -T11-3. Please confirm that there is a 95 percent chance that the true 1998 volume for Periodicals In-County mail lies in the range from 884,028,000 to 963,702,000 pieces.

NNA/USPS- T11-4. Please confirm that there is a 5 percent chance that the true 1998 volume for Periodicals In-County mail lies outside the range from 884,028,000 to 963,702,000 pieces, meaning a 5 percent change that the true volume is either less than 884,028,000 pieces or greater than 963,702,000 pieces.

NNA/USPS -T11-5. Please confirm that if the true 1998 volume for Periodicals In-County mail is in the 95 percent confidence interval that it could have any value in the range from 884,028,000 to 963,702,000 pieces.

NNA/USPS -T11-6. If the true 1998 volume for Periodicals In-County mail is 884,028,000 pieces, at the lower limit of its 95 percent confidence interval, and the true 1998 volume variable cost is \$76.9 million, please state the resulting marginal cost per piece.

NNA/USPS -T11-7. If the true 1998 volume for Periodicals In-County mail is 963,702,000 pieces, at the upper limit of its 95 percent confidence interval, and the true 1998 volume variable cost is \$76.9 million, please state the resulting marginal cost per piece.

NNA/USPS -T11-8. Please provide the 95 percent confidence interval for the 1998 Periodicals In-County volume variable cost of \$76.9 million. If the confidence interval is not available, please explain in detail why

it is not available. If the confidence interval is not available, please further provide the 95percent confidence intervals for all cost segments making up Periodicals In-County volume variable cost for which confidence intervals are available.

NNA/USPS -T11-9. If the true 1998 Periodicals In-County volume variable cost is at the lower limit of its 95 percent confidence interval, stated in response to NNA/USPS-T11-8 and the true 1998 volume is 923,865,000 pieces, please state the resulting marginal cost per piece.

NNA/USPS -T11-10. If the true 1998 Periodicals In-County volume variable cost is at the upper limit of its 95 percent confidence interval, stated in response to NNA/USPS-T11-8, and the true 1998 volume is 923,865,000 pieces, please state the resulting marginal cost per piece.

NNA/USPS -T11-11. If the true 1998 Periodicals In-County volume variable cost is at the lower limit of its 95 percent confidence interval, stated in response to NNA/USPS-T11-8, and the true 1998 volume is 963,702,000 pieces, at the upper limit of its 95 percent confidence interval, please state the resulting marginal cost per piece.

NNA/USPS- T11-12. If the true 1998 Periodicals In-County volume variable cost is at the upper limit of its 95 percent confidence interval, stated in

response to NNA/USPS-T11-8, and the true 1998 volume is 884,028,000, at the lower limit of its 95 percent confidence interval, please state the resulting marginal cost per piece.

NNA/USPS-T11-13. Please confirm that the USPS could reduce the size of the 95 percent confidence interval for Periodicals In-County volume by increasing the size of the samples used to estimate volumes.

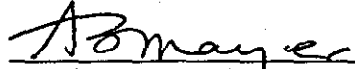
NNA/USPS-T11-14. Please confirm that the USPS could reduce the size of the 95 percent confidence interval for Periodicals In-County volume variable cost by increasing the size of the samples used to estimate volume variable cost.

NNA/USPS-T11-15. Please estimate the increase in sampling costs if the size of the samples used to estimate volumes were doubled. Please estimate the increase in sampling costs if the size of the samples used to estimate volumes were quadrupled.

NNA/USPS-T11-16. Please estimate the increase in sampling costs if the size of the samples used to estimate volume variable costs were doubled. Please estimate the increase in sampling costs if the size of the samples used to estimate volume variable costs were quadrupled.

**Certificate of Service**

I hereby certify that I have on this 23 day of March, 2000, served the foregoing document in accordance with the Commission's Rules of Practice.

  
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Alexis Baden-Mayer