

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

Fourth Set of Interrogatories of the National Newspaper Association
to USPS Witness Hunter
(NNA/USPS T5 – 31-39)

Pursuant to Section 20 of the Commission's Rules of Practice, the National Newspaper Association (NNA), hereby submits the attached interrogatories to USPS Witness Hunter (NNA/USPS T5-31-39).

Respectfully Submitted,



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March 23 2000

QUESTIONS

Please respond in detail to the questions submitted. If you cannot answer a question because it is beyond your area of expertise, please refer it to another USPS witness who can respond.

NNA/USPS-T5-31. Please refer to the response to NNA/USPS-5, which provides a table giving the number of PERMIT offices by Cost Ascertainment Group. Please further refer to the response to NNA/USPS-6, which provides a table giving the number of non-automated offices by Cost Ascertainment Group. Finally, please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQ1-FY95 2C CENSUS REVENUES BY STRATUM."

- a. Please confirm that there were 2,025 PERMIT offices in FY98. If not confirmed, please provide the total number of PERMIT offices in FY98 and please explain the discrepancy with the response to NNA/USPS-5.
- b. Please confirm that there were 26,184 non-automated offices in FY98. If not confirmed, please provide the total number of non-automated offices in FY98 and please explain the discrepancy with the response to NNA/USPS-6.
- c. Please confirm that the table on page 3 of Appendix A of USPS-LR-I-230 provides information on the panel of non-automated offices for the Periodicals category of mail. If not confirmed, please provide an exact reference to the

table in USPS-LR-I-230 with this information.

d. Please provide the meaning of the following column headings used in the table on page 3 of Appendix A of USPS-LR-I-230: RI, RC, RN, RR, RF, RU, and R.

e. Please confirm that the table on page 3 of Appendix A of USPS-LR-I-230 lists 3 strata for PERMIT offices (strata 1.1, 1.8, and 1.9) and 6 strata for non-automated offices (strata 2.1, 2.2, 2.3, 2.4, 2.5, and 3.0). If not confirmed, please provide a list of the PERMIT and non-automated strata listed on this table.

f. Please provide the definitions of the 9 strata referenced in (e). These definitions should include precise values for the defining revenue ranges.

g. Please confirm that the 3 PERMIT strata included on the table on page 3 of Appendix A of USPS-LR-I-230 represent observations for a population of 1,663 offices. If not confirmed, please explain.

h. Please explain the discrepancy between the number of PERMIT offices listed in (a) and the number of PERMIT offices listed in (g).

i. Please confirm that the 6 non-automated strata included on the table on

page 3 of Appendix A of USPS-LR-I-230 represent observations for a population of 6,103 offices. If not confirmed, please explain.

j. Please explain the discrepancy between the number of non-automated offices listed in (b) and the number of non-automated offices listed in (i).

k. Please confirm that the 6 non-automated strata included on the table on page 3 of Appendix A of USPS-LR-I-230 are represented by a combined sample of 25 non-automated offices. If not confirmed, please explain.

NNA/USPS T5-32. Please state the number of offices within the samples of non-automated offices referred to in USPS-LR-1-230 that failed to supply data or were non-responsive to requests for data for any time relevant to the RPW reports used in this docket. If the number is 1 or greater, please explain any proxies or changes in blow-up factors that you may have used to compensate for a response.

NNA/USPS T5-33. Please respond to the following with respect to the process by which you construct the strata for non-automated offices.

a. Please confirm that the strata developed for Within County data from non-automated offices are constructed by use of total revenue figures for Periodicals mail.

b. Is the account identifier code only AIC 135 or is another account also involved?

c. Does the Postal Service have an account identifier code for within county revenues? If so, please supply it.

d. If your response to (c) above is yes, please explain why you do not *construct strata for within county revenue piece and weight data solely through use of this code.*

e. If your response to (c) above is no, please explain how the revenue figures reported in RPW are calculated.

NNA/USPS-T5-34. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQ1-FY95 2C CENSUS REVENUES BY STRATUM." Please further refer to tables 1, 2, and 3 of your testimony, which provide estimates of revenue, pieces, and weight, respectively.

a. *Please provide separate estimates of revenue, pieces, and weight for each of the 6 non-automated strata listed in NNA/USPS-T5-32(e) for Periodicals subclasses In County, Regular, Nonprofit, and Classroom for both FY98 and FY99. Please further provide the associated coefficients of variation for each of these estimates.*

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b. For each of the separate stratum estimates of revenue, pieces, and weight in (a), please provide four separate quarterly estimates for each of the two years requested. Please further provide the associated coefficients of variation for each of these estimates.

NNA/USPS T5-35. Please refer to your response to UPS/USPS T5-11. Please provide for the base year in Docket R97-1 and separately for Base Year FY 98 in this case the proportion of usable records from PERMIT and non-automated offices for within-county mail.

NNA/USPS-T5-36. Please refer to USPS-LR-I-26 at page 2, which describes the sampling procedure used to define the strata for the BRPW panel. In particular, please refer to the sentence that states: "For each mail category, the panel is selected by first grouping non-zero targeted or auxiliary revenue variable reporting offices among four to six strata using the CUM [square-root] f rule (cumulative frequency distribution) and revenue level (size) information obtained from a revenue account or survey." In the following subparts of this interrogatory, please interpret the terms "offices" and "revenue" as they are used in this sentence.

a. For each year from FY86 to FY99, please provide the total number of offices.

b. For each year from FY86 to FY99, please provide total Periodicals revenue.

c. For each year from FY86 to FY99, please provide the total number of offices that have zero Periodicals revenue for that year.

d. For each year from FY87 to FY99, please provide the total number of offices that have zero Periodicals revenue for both that year and the previous year.

e. For each year from FY87 to FY99, please provide the total number of offices that have both zero Periodicals revenue for that year and non-zero Periodicals revenue for the previous year.

f. For each year from FY87 to FY99, for the offices identified in (e) with zero Periodicals revenue for that year and non-zero Periodicals revenue for the previous year, please provide total Periodicals revenue for the previous year.

g. For each year from FY87 to FY99, please provide the total number of offices from (a) that have both non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year.

h. For each year from FY87 to FY99, for the offices identified in (g) with non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year, please provide total Periodicals revenue for that year.

i. For each year from FY87 to FY99, please provide the total number of offices from (a) that have positive Periodicals revenue for both that year and the previous year.

j. For each year from FY87 to FY99, for the offices identified in (i) with positive Periodicals revenue for both that year and the previous year, please provide total Periodicals revenue for both that year and the previous year.

k. Please explain how the sampling procedure described on page 2 of USPS-LR-I-26 accounts for Periodicals mail from the offices identified in (g) with non-zero Periodicals revenue for that year and zero Periodicals revenue for the previous year.

NNA/USPS-T5-37. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQ1-FY95 2C CENSUS REVENUES – BY STRATUM." Please confirm that this table applies to FY98 and not to FY95, as is suggested by the subtitle.

NNA/USPS-T5-38. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQ1-FY95 2C CENSUS REVENUES – BY STRATUM." For each of the 9 strata in the table, please provide the total number of sampled offices that reported non-zero in-county volume in FY98.

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NNA/USPS-T5-39. Please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQ1-FY95 2C CENSUS REVENUES – BY STRATUM." Please further refer to the 3 strata for PERMIT offices and the 6 strata for non-automated offices listed in NNA/USPS-T-32(e). Please further refer to your response to NNA/USPS-T5-4, where you provide In-County volume estimates from FY86 through FY98. Finally, please refer to your response to NNA/USPS-T5-5, where you state: "My understanding is that the underlying methodology used to construct the estimates of In-County volume, wherein postage statement data are obtained from a probability based sample of post offices to supplement the data obtained from a certainty segment, is essentially unchanged over the twelve-year period . . ."

a. For each year from FY86 to FY97, please provide the blowup factors used for each of the 9 strata included in the referenced table from USPS-LR-I-230.

b. For each year from FY86 to FY97, please provide the sample size for each of the 9 strata included in the referenced table from USPS-LR-I-230.

c. For each year from FY86 to FY97, please provide the sample mean for the number of pieces of In-County mail for each of the 9 strata included in the referenced table from USPS-LR-I-230.

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.



Alexis Baden-Mayer

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