

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes)
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Docket No. R2000-1

FOLLOW-UP INTERROGATORIES OF
NATIONAL NEWSPAPER ASSOCIATION
TO UNITED STATES POSTAL SERVICE
WITNESS HUNTER
(NNA/USPS T5-40-47)

Pursuant to Section 20 Of the Commission's Rules of Practice, the National Newspaper Association (NNA), hereby submits the attached interrogatories to the United States Postal Service (NNA/USPS T5-40-47)

Respectfully submitted,

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April 13, 2000

Docket No R2000-1

NNA/USPS T5-40

Please refer to your response to NNA/USPS-T5-31(j), in which you were asked to explain the discrepancy between the number of non-automated offices listed in NNA/USPS-T5-31(b) and the number of non-automated offices listed in NNA/USPS-T5-31(i). The first of these numbers refers to a total of 26,184 non-automated offices for FY 98, disaggregated by CAG, that was provided in response to NNA/USPS-6. The second of these numbers refers to a total population of 6,103 offices for the 6 non-automated office strata on the table on page 3 of Appendix A of USPS-LR-I-230.

- a. Please confirm that the total population of 6,103 offices for the 6 non-automated office strata on the table on page 3 of Appendix A of USPS-LR-I-230 was derived from a survey of periodicals revenue in non-automated offices that was conducted in PQ1 of FY 95. If not confirmed, please provide the date of the survey that produced these population figures.

- b. Your response to NNA/USPS-T5-31(j) states in its entirety: "See my response to part (h)." Your response to NNA/USPS-T5-31(h) states, in its entirety: "There is no discrepancy. The counts represent two points in time." Please confirm that the difference between the two numbers of non-automated offices is not solely due to the difference in time between the two estimates. Please further provide an explanation of all other factors that would result in the panel referenced in USPS-LR-I-230 showing 6,103 offices instead of the 26,184 nonautomated offices confirmed in FY 98.

NNA/USPS T5-41. Please refer to your response to NNA/USPS-T5-21(k), in which you were asked to “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.” Your response states, in its entirety: “Not confirmed. Some sampled offices are automated as explained on page 2 of USPS-LR-I-23/R2000-1. In addition, the panel for the Periodicals mail category for the BY 1998 period is of size 2,050 offices and represents both segments of the population.” 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 offices. If not confirmed, please explain.

NNA/USPS T5-42. Please refer to your response to NNA/USPS T5-37, in which you were asked about the contents of the table on page 3 of Appendix A of USPS-LR-I-230.

a. Please confirm that the figures in this table for the population count (column NH), the sample size (column NHSAMP), and the blow-up factor (column BLOWUP) are derived from a survey of non-automated offices conducted in PQ1 of FY96. If not confirmed, please explain.

b. Please confirm that the figures in this table for in-county periodicals revenue (column RI) is derived from data from PQ1 of FY96. If not confirmed, please explain.

c. Please confirm that the figures in this table are for in-county periodicals revenue (column RI) for strata 2.1-2.5 and 3.0 are population estimates calculated by summing the in-county periodicals revenue for the 4 or 5 samples offices in each stratum and then multiplying that sample revenue sum by the blow-up factor for the stratum. If not confirmed, please explain.

NNA/USPS T5-43. Please refer to your response to NNA/USPS T5-31(f) in which you were asked to provide the definitions of the 9 strata listed on the table on page 3 of Appendix A of USPS-LR-I-230. Please refer further to the contents of this table.

a. Please confirm that Stratum 3.0 was defined as the set of offices that had non-zero periodicals revenue in the survey period but zero in-county periodicals revenue. If not confirmed, please explain.

b. Please confirm that there were 201 non-automated offices in the survey period that were placed in Stratum 3.0. If not confirmed, please explain.

c. Please confirm that the referenced table reports a population estimate of \$384,104.75 for the in-county periodicals revenue for the 201 offices in Stratum 3.0 for the PQ1 FY96 period. If not confirmed, please explain.

NNA/USPS T5-44. Please refer to your answer to NNA/USPS-T5-33(c), in which you were asked whether the Postal Service has an account identified code for within county revenues. In your response, you state : "Effective mid-year FY

1999, a revenue account labeled AIC 224 was defined; it is not yet fully established.”

a. Please confirm that the newly established AIC 224 corresponds to within county revenues.

b. Please confirm that when AIC 224 is fully established within county revenues will no longer be included in AIC 135.

c. Please state whether the AIC 224 code will be fully established in the test year. If you cannot confirm, please provide the date of full establishment.

d. Please provide within county revenues using AIC 224 for all accounting periods in FY 1999 and FY 2000 for which the use of AIC 224 is fully established. For each such accounting period, please further provide the periodicals revenue using AIC 135.

e. If there are no accounting periods in FY 1999 or FY 2000 for which the use of AIC 224 is fully established, please describe in detail the current level of use of AIC 224. In particular, please state whether there are any offices for which the use of AIC 224 has been fully established. If there are any such offices, please further state the number of such offices.

NNA/USPS-T5-45. Please refer to your answer to NNA/USPS T5-36(k) in which you were asked to 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." In your answer, you state: "The estimator accounts for changes in Periodicals activity in either direction within the life of the supplemental panel." Please further refer to USPS-LR-I-26 at page 3, which states: "Under the BRPW, point estimates of revenue, volume and weight totals obtained from panel postage statement data controlled to trial balance revenue accounts are constructed for the following mail categories and AIC's....The estimates of revenue, volume and weight totals for these mail categories are constructed using a combined (strata) ratio estimator." Please further refer to USPS-LR-I-26 at page 4, equation (2), which gives the combined ratio estimator.

a. Please confirm that the adjustment to the "AIC book revenue" that is carried out with equation (2) is the portion of the estimation process that you were referring to in your answer to NNA/USPS T5-36(k) when you stated that "{t}he estimator accounts for changes in Periodicals activity in either direction..." If not confirmed, please explain in detail.

b. Please provide the FY 98 ratio of the AIC book revenue for periodicals to the stratified random sample estimate of the AIC book revenue for Periodicals. Please note that in the notation of equation (2) of USPS-LR-I-26, this ratio is X_{-B} divided by X_{-st} .

c. Please confirm that the ratio in (b) is the ratio that was used to adjust the stratified random sample estimates of revenue, pieces and weight for periodicals to produce the final estimates that you reported in Tables 1-3 of your testimony.

d. Please confirm that the stratified random sample estimate of the AIC book revenue for periodicals (X_{-B} in your notation) includes 3 strata of PERMIT offices.

e. For each of the 3 strata of PERMIT offices noted in (d), please state whether there is any difference between the AIC book revenue for periodicals for the stratum and the random sample estimate of the AIC book revenue for periodicals for the stratum. If you state that there is a difference, please explain how this difference can arise when the “random sample estimate” for the 3 strata of PERMIT offices is a certainty sample.

f. Please provide the random sample estimate of the AIC book revenue for each Periodicals subclass disaggregated by stratum for FY98. In other words, please provide a table like the table provided on page 3 of Appendix A of USPS LR-I-230, but provide the revenue estimates for all of FY 98.

g. Please provide the ratio in (b) for each year from FY86 to FY97.

h. Please provide the total estimated within county revenue derived from PERMIT offices for each year from FY86 to FY97.

i. Please provide the total estimated periodicals revenue derived from PERMIT offices for each year from FY86 to FY97.

j. Please provide the total estimated in-county revenue derived from non-automated offices for each year from F86 to FY97.

k. Please provide the total estimated periodicals revenue derived from non-automated offices for each year from F86 to FY97.

NNA/USPS T5-46 Please state for FY 98 and FY 99 the percentage of mail piece volumes for within county mail provided respectively by the PERMIT certainty strata and the nonautomated strata.

NNA/USPS T5-47. Please refer to your response to NNA/USPS T5-33 (c-e), where you state: "Historically, in-county revenue information has been obtained by means of a survey."

a. Please state the year in which the survey was last conducted.

b. Please state the year in which the survey was designed.

c. Please provide a copy of the survey form, questionnaire, script or other document used to gather data in the year in which it was most recently conducted.

d. Please provide a total of the number of offices requested to submit data for the survey in the year in which it was most recently conducted.

e. Please provide the total of the number of offices that responded to the survey in the year in which it was most recently conducted.