

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, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HUNTER TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION
(NNA/USPS-T5-42(C), 43(C), 45(B,F))

The United States Postal Service hereby provides the responses of witness Hunter to the following interrogatories of the National Newspaper Association (NNA): NNA/USPS-T5-42(c), 43(c), 45(b,f), filed on April 13, 2000. The Postal Service objected to these and other interrogatories in the set on April 24, 2000. After discussion among counsel for the Postal Service and NNA, the Postal Service agreed to provide these responses, and these responses alone, to avert further motions practice.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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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.*

- 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 sample offices in each stratum and then multiplying that sample revenue sum by the blow-up factor for the stratum. If not confirmed, please explain.

RESPONSE.

- c. Not confirmed. The figures in the RI column are not estimates, rather they are the population measures of In-County revenue for the survey period.

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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.

- 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 PQI FY96 period. If not confirmed, please explain.

RESPONSE.

- c. Not confirmed. The RI column figure is not an estimate, rather it is the *population measure of In-County revenue from the non-zero Classroom rate revenue offices for the survey period.*

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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.

- 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 $X_{[subscript]-B}$ divided by $X_{[hat]-[subscript]-st}$.
- 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.

RESPONSE.

- b. The ratios of book revenue to the stratified random sample estimate of total Periodicals revenue for the PQ1 through PQ4 periods of FY 1998 are 0.98638, 0.99063, 1.03118, and 0.96832, respectively.
- f. The table below provides the unadjusted random sample estimates of revenue by subclass and stratum for the GFY 1998 period.

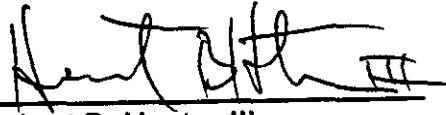
Stratum	In-County	Nonprofit	Regular	Classroom
1.0	47984429	310930168	1588459783	12297236
2.1	2849544	41029	1680083	0

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2.2	5870884	2584398	13383005	0
2.3	12375710	164986	13288558	0
2.4	6477589	737750	16193238	0
2.5	3342648	132463	10812170	0
3.0	1079786	5015621	11170995	0

DECLARATION

I, Herbert B. Hunter III, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.


Herbert B. Hunter III

Date: May 4, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

K N Hollies
Kenneth N. Hollies

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May 4, 2000