

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

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Postal Rate and Fee Changes, 2000

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2000-1

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
MAGAZINE PUBLISHERS OF AMERICA, INC. *ET AL.* WITNESS
KEITH HAY (NAA/MPA-T4-1-3)
June 19, 2000**

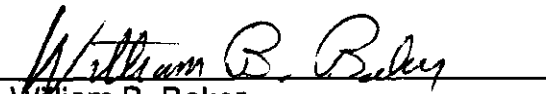
The Newspaper Association of America hereby submits the attached interrogatories to Magazine Publishers of America, Inc. *et al.* witness Keith Hay (NAA/MPA-T4-1-3) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants requesting such service in this proceeding in accordance with section 12 of the Rules of Practice.

June 19, 2000


William B. Baker

NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
MAGAZINE PUBLISHERS OF AMERICA, INC. ET AL. WITNESS
KEITH HAY (NAA/MPA-T4-1-3)

NAA/MPA-T4-1. Please refer to your testimony at page 3, lines 1-7, where you state "[p]erhaps the most significant experience I bring to these proceedings is the fact that A.T. Kearney employed me as the technical editor on the Data Quality Study. I was tasked with reading all the component studies compiled by the various experts to ensure that they read well individually, and that collectively they had some cohesion. As such I met often with the authors and discussed the various data quality issues at length. I believe this gives me an excellent insight into the subject of 'Data Quality and Rate Making.'"

- a) Please identify the time period during which you participated in the Data Quality Study.
- b) Please provide the number of hours per month that you worked on the Data Quality Study, distinguishing between time spent reading the studies, time spent meeting with the authors, and time spent engaging in additional activities, if any.
- c) Were you the only technical editor on the Data Quality Study?
- d) How many other individuals working on the Data Quality Study performed tasks similar to yours?

NAA/MPA-T4-2. Please refer to your testimony at page 8, line 13 through page 9, line 29.

- a) Did you analyze the sample sizes of Witness Raymond's ES study? If so, please provide a detailed account of both your approach and your findings.
- b) In your opinion, what are acceptable sample sizes for a study such as Witness Raymond's ES study?

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- c) Do you have any recommendations for selecting allowable error or confidence limits for cost estimation for ratemaking purposes?
- d) At pages 27-28 of her testimony, MPA Witness Crowder suggests that the "unweighted sampling ratios" resulting from Witness Raymond's ES study invalidate his sample. In your opinion, what are adequate unweighted sampling ratios?

NAA/MPA-T4-3. Please refer to your testimony at page 14, lines 10-15, where you state "[i]n addition, I.E. estimates often exclude any time measure for inefficiencies or low productivity. As cost estimates capture these two elements it is essential that the sampling for cost studies be constructed so as to avoid any bias from these factors. The various aspects and distinct elements of load time cannot be merged together -- as in I.E. -- without recognizing that there will be significant losses in accuracy and variability for cost estimation purposes."

- a) Please identify any instances where Witness Raymond's ES study excluded time measures for inefficiencies or low productivity.
- b) Please assess the specific bias from these two factors inherent in Witness Raymond's ES study.
- c) Please identify any instances where Witness Raymond's ES study merged together "various aspects and distinct elements" of load time.
- d) Please provide a specific example (from either Witness Raymond's ES study or elsewhere) of the significant loss in cost estimation accuracy or variability from industrial engineering.