

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

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
MAGAZINE PUBLISHERS ASSOCIATION WITNESS NELSON
(USPS/MPA-T3-48 - 52)

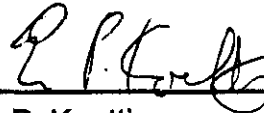
Pursuant to rules 25 and 26 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to MPA witness Nelson: USPS/MPA-T3-48 - 52. Because of issues regarding the production of documentation for Mr. Nelson's testimony, counsel for MPA has informally agreed not to object to these questions as untimely.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992 Fax -5402
June 21, 2000

USPS/MPA-T3-48. Please refer to Workpaper WP-3 at Intra-BMC Equation Output listing.

- a. Confirm that one of the observations used in estimating the regression equation has a route length of one mile. If you do not confirm, please explain the meaning of the number "1.0" under the column heading "Minimum" for the variable "RL" in the Proc Means Output immediately preceding the regression output.
- b. Confirm that a variable that has the value of one in levels will have a value of zero when it is converted to logs.
- c. Confirm that if there is an observation with the value of one for RL, then it will have a value of zero for LRL the variable used in the regression. If you do not confirm, please explain what value LRL will have if the value for RL is one.

USPS/MPA-T3-49. Please refer to your testimony at page 7 where you state "the methods used by witness Bradley to identify outliers appear in some instances to exclude good data.

- a. Please identify all such instances in which the methods used by witness Bradley excluded "good data."
- b. Please identify in each instance the equation from which the "good data" were excluded.
- c. Please confirm that Table 10 on page 40 of witness Bradley's testimony includes regression results with the unusual observations included and excluded. If you do not confirm, please explain what is presented in Table 10 on page 40 or witness Bradley's testimony.

USPS/MPA-T3-50. Please confirm that witness Bradley's regressions are based upon actual, not hypothetical data. If you do not confirm, please provide exact citations to the sources of any hypothetical data used by witness Bradley to estimate his regression equations.

USPS/MPA-T3-51. Please refer to Workpaper WP-3 which contains weighted least squares regressions for the various equations to be estimated.

- a. Confirm the purpose of your weighting is to increase the importance of those observations that have a high number of runs relative to those that have a low number of runs. If you do not confirm, please provide the reason for the weighting.

- b. Confirm that the effect of weighting is to increase the importance of observations with many runs in the normal equations. If you do not confirm, please explain the effect of the weighting on the normal equations.

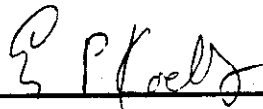
USPS/MPA-T3-52. Consider the following information on the distribution of cubic foot-miles within areas. In the following table, MEANCFM refers to the mean value of CFM within the designated area, STDCFM is the standard deviation of CFM within the designated area, MAXCFM is the maximum value for CFM within the designated area and MINCFM is the minimum value for CFM within the designated area.

AREA	MEANCFM	STDCFM	MAXCFM	MINCFM
1	1126886118.48	1339156263.85	3638661671.5	51296960.0
2	1111316788.11	1129575729.97	4453273304.0	58712789.2
4	988189736.82	800617870.56	3488922807.4	59999940.0
5	592583511.82	371200121.53	1178916822.0	44238480.0
7	1240173430.99	989557328.49	4536108513.0	138424524.4
8	1083347892.85	924271523.21	4005045105.0	101635120.8
9	1972422875.46	1706516007.75	4352370715.3	216898102.0
10	1300103544.20	1710645994.92	3832370482.5	69654420.0
12	1341480311.46	1347902330.83	5140074746.6	92455084.8

Confirm that these statistics indicate that the value for CFM is not constant within an area. If you do not confirm please explain how STDCFM could be positive and MAXCFM and MINCFM could be unequal if the value for CFM were constant with the area.

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.



Eric P. Koetting

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