

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

UNITED STATES POSTAL SERVICE
INTERROGATORY AND REQUEST FOR PRODUCTION OF DOCUMENTS TO
UNITED PARCEL SERVICE WITNESS NEELS
(USPS/UPS-T1-51)

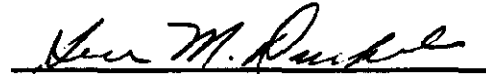
Pursuant to rules 25 through 27 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatory and request for production of documents to United Parcel Service witness Neels: USPS/UPS-T1-51.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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June 28, 2000

USPS/UPS-T1-51. Please refer to your response to USPS/UPS-T1-30. In your response, you do not confirm that the between estimator will be inconsistent "in the case of IID (i.e., identically and independently distributed) measurement error." You further state, "the averaging across time periods that the between model is based upon would tend to reduce the variance of the measurement error, with a resulting loss in bias."

- a. Please confirm that, in the case of IID measurement error (with positive error variance), the averaged measurement error has positive variance. If you do not confirm, please explain.
 - b. Please confirm that, since the averaged measurement error has positive variance in the case of IID measurement error, the between estimator is inconsistent in the case of IID measurement error. If you do not confirm, please explain.
 - c. Please confirm that it would be incorrect to interpret your usage of the term "loss in bias" to mean that the between estimator completely eliminates inconsistency due to measurement error. If you do not confirm, please explain.
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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.



Susan M. Duchek

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