

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, 2000

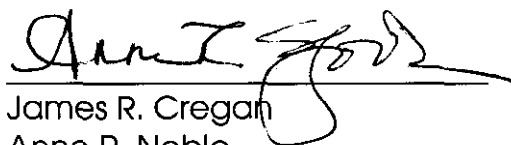
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Docket No. R2000-1

RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA, INC.
WITNESS NELSON TO FIFTH SET OF INTERROGATORIES
OF THE UNITED STATES POSTAL SERVICE
(USPS/MPA-T3-45-47)

(JULY 5, 2000)

Magazine Publishers of America, Inc. hereby provides the response of witness Nelson to the following interrogatories of the United States Postal Service: USPS/MPA-T3-45-47, filed on June 20, 2000. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,



James R. Cregan
Anne R. Noble
Counsel
Magazine Publishers of America, Inc.
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**RESPONSE OF MAGAZINE PUBLISHERS OF AMERICA, INC. WITNESS NELSON
TO FIFTH SET OF INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/MPA-T3-45. Please refer to Workpaper WP-3.

- a. Confirm that you estimated weighted least squares regressions. If you do not confirm, please explain the use of the command "Weight" in the "Proc Reg" statement.
- b. Confirm that the variable NUMRUNS is used as the weight. If you do not confirm, please provide the correct variable that is used as the weight.
- c. Is the variable NUMRUNS proportional to the reciprocals of the error variances from the regression equation? If you answer in the affirmative, please provide empirical evidence to support this claim.
- d. Please provide the mathematical formula for the variance of the regression coefficient on the variable LTRC_RL under the weighted least squares method.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Unknown.
- d. I am not in possession of the requested formula. The value of the standard error for each regression coefficient is computed by SAS.

USPS/MPA-T3-46. Please provide a both mathematical and operational definition of the term "cubic foot miles" as you use it in Workpaper WP-4.

Response:

In the context of my Workpaper WP-4, the term is a unit of measurement for purchased highway transportation capacity procured by the Postal Service. It reflects the product of the cubic capacity of the vehicle and the miles the vehicle operates. The term "cubic-foot-mile data" at the top of page 2 refers to USPS witness Bradley's analysis, in which annual mileage (and annual CFM) are used. In my analyses conducted using run-level data CFM refers to the product of vehicle capacity (TRCUBE) and route length (RL).

USPS/MPA-T3-47. Please provide a list of all published econometric studies that you have authored or co-authored.

Response:

I was the author of the econometric studies of the following cost characteristics of USPS delivery operations, which were presented in Exhibit USPS-19C in Docket No. R97-1:

- * variability of vehicle stops with respect to activities for motorized letter routes, special purpose routes and special delivery messengers (LDC 24);

- * variability of deviation delivery stops with respect to piece volume on motorized letter routes, and variability of individual delivery stops with respect to piece volume on special purpose routes and special delivery messengers (LDC 24); *and*

- * variability of time at individual delivery stops with respect to accountable piece volume, nonaccountable piece volume and the number of such stops for special purpose routes and special delivery messengers (LDC 24).

To the best of my knowledge, these results were accepted by the PRC and incorporated by the Postal Service in the CRA.

Previously, I submitted various econometric studies to the PRC in the course of my work in Dockets R90-1, R87-1 and RM-862b.

Prior, nonpostal econometric studies for which I was an author or co-author include:

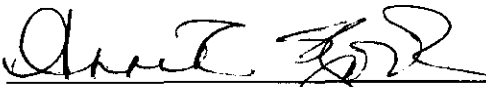
New York City Transit Authority Revenue Feasibility Study: Economic Analyses and Projections. Final Report. Prepared by Charles River Associates for Metropolitan Transportation Authority, New York, NY. October, 1982.

UMTA/TSC Project Evaluation Series, *User-Side Subsidies for Shared-Ride Taxis in Kinston, North Carolina.* Final Report. Prepared by Charles River Associates for U.S. Department of Transportation. October, 1980. Appendix C.

Mellman, Robert, Michael Nelson and Jane Piro. 1980. *Forecasts of Passenger and Air Cargo Activity at Logan International Airport.* Transportation Research Record 768.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with the Commission's Rules of Practice.


Anne R. Noble

Washington, D.C.
July 5, 2000

DECLARATION

I, Michael A. Nelson, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.



Date: 7/5/00