

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, 1997

DOCKET NO. R97-1

FIRST SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA
TO USPS WITNESS WADE
(MPA/USPS-T20-1-6)

(August 21, 1997)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS witness Wade (MPA/USPS-T20-1-6).

Respectfully submitted,


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**INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
TO UNITED STATES POSTAL SERVICE WITNESS WADE**

MPA/USPS-T20-1. Please refer to Page 6 of your testimony, in which you describe a survey of plant and distribution facilities which provides the data for your analysis of the volume variability for Vehicle Service Drivers.

- a. Please define “usable and consistent information” as used on Page 6, Line 7 of your testimony. Also, please describe the process used to determine whether individual survey responses were “usable and consistent”.
- b. Does the Postal Service have workpapers showing how each facility which responded to the VSD Survey developed its load factor estimates? If yes, please provide them.
- c. Please describe the underlying data that are necessary for developing an accurate estimate of average load factor by truck type. Also, please describe how to calculate average load factor by truck type from these underlying data.
- d. How many of the facilities responding to the survey have information systems containing the underlying data necessary to calculate load factors for each truck type? If this figure does not include all 89 facilities which responded with “usable and consistent information”, how did personnel at the other facilities develop responses to the survey?
- e. What was the Postal Service’s process for reviewing survey responses and ensuring data quality?
- f. Were personnel penalized in any way for providing incorrect data on the VSD survey form? Were personnel rewarded in any way for providing correct data on the VSD survey form?
- g. Did the Postal Service provide additional funding to facilities to complete the VSD survey form?
- h. How much time were facility personnel given to complete the VSD survey form?
- i. Did facilities that did not have the information necessary to complete the survey have the time and money to perform a study to estimate the average load factor? If yes, did any facilities perform a study to help them answer the survey?
- j. Did facility personnel know what the Postal Service was going to do with the responses to the survey?

- k. What was the original purpose of the VSD Survey?
- l. Do you believe that facility personnel would have an incentive to over-report load factors on the survey?
- m. Do you believe that facility personnel would have an incentive to under-report load factors on the survey?
- n. Please provide a copy of the instructions sent to facilities on how to complete the survey. Also, please provide a summary of any verbal instructions provided to facility personnel.
- o. Please explain why about 40 percent of the respondents failed to provide “usable and consistent” information in response to this survey
- p. Please provide a copy of each facility’s completed survey submission.

MPA/USPS-T20-2. Please refer to USPS-T-20, Workpaper B, Page 1, Lines 5 and 6, where you state “Each sheet incorporates both the survey information and the data from Form 4533 for one of the 89 facilities in the survey” and Page 6, Lines 6-7 of your testimony.

- a. How many facilities, including BMCs, use vehicle service drivers?
- b. Do you believe that the 89 facilities “that responded to the survey form with usable and consistent information” comprise a representative sample of all facilities that use vehicle service drivers? Please explain your answer.
- c. Did you perform any statistical tests to assess whether the 89 facilities comprise a representative sample of all VSD facilities? If yes, please identify each test, explain the specifications of each test fully, and provide the significance level of each test.
- d. Did the personnel who completed the Form 4533 forms know that the Postal Service planned to use this information for the purpose of estimating the volume variability of VSD costs?

MPA/USPS-T20-3. Please refer to USPS-T-20, Workpaper B, Pages 1 and 2 and Page 6, Lines 6-7 of your testimony.

- a. Please confirm that you omitted 36 of the 89 facilities due to data issues.
- b. Do you believe that the 53 remaining facilities comprise a representative sample of the 89 VSD facilities “that responded to the survey form with usable and consistent information”? Please explain your reasoning in as much detail as possible.

- c. Did you perform any statistical tests to assess whether the 53 facilities comprise a representative sample of the 89 facilities that completed your survey? If so, which tests did you perform? Please explain the specifications of each test fully. What was the significance level of each test?
- d. Suppose that the average load factor for a facility for dispatches to stations/branches was exactly 70 percent and that, on the survey, personnel responded that the average load factor for dispatches to stations/branches was exactly 70 percent.
- (i) Please confirm that this response by personnel was more accurate than if personnel had followed instructions and stated that their average load factor was 75 percent.
 - (ii) Please also confirm that you would have omitted this response by personnel before performing your regressions.
- e. In light of your answer to (d), do you believe that average load factors other than “0%, 25%, 50%, 75% or 100% (these were the only survey options)” are less accurate than load factors of 0%, 25%, 50%, 75%, or 100%?
- f. On page 1 of USPS-T-20, Workpaper B, you provide three reasons why you omitted facilities: (1) percentages did not add to 100 percent for all relevant route characteristics; (2) CFM were not computed for “valid” routes; and (3) load factors were not one of the survey options.
- (i) Please provide the number of facilities omitted for each such reason.
 - (ii) Please list any other reasons why you omitted facilities and provide the number of facilities omitted for each such reason.

MPA/USPS-T20-4. Please refer to USPS-T-20, Workpaper C, Page 2 and USPS-T-20, Workpaper B, Page 1

- a. Please confirm that you calculated cubic foot miles using the equation shown on Workpaper C, Page 2, Lines 16 and 17 and that this equation uses the load factors from the VSD Survey Form.
- b. Please confirm that cubic-foot miles for Facility 2 is 3,472,698.
- (i) How confident are you that this figure is exactly equal to the actual number of cubic foot miles for Facility 2.
 - (ii) How confident are you that the true number of cubic foot miles for Facility 2 is within 25 percent of this figure?

- (iii) How confident are you that the true number of cubic foot miles for Facility 2 is within 50 percent of this figure?
- (iv) Please list any statistical tests you performed to arrive at your answers.

MPA/USPS-T20-5 Please refer to USPS-T-20, Workpaper A, Page 1 and Page 19 of your testimony, Lines 20-23

- a. Please confirm that the survey form on Page 1 of Workpaper A is the one that was used to collect information on the load factor.
- b. The following questions concern the reporting of average load factors.
 - (i) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 62 percent, what should they have reported as the load factor on the survey?
 - (ii) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 12 percent, what should they have reported as the load factor on the survey?
 - (iii) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 5 percent, what should they have reported as the load factor on the survey?
 - (iv) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 13 percent, what should they have reported as the load factor on the survey?
 - (v) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 37 percent, what should they have reported as the load factor on the survey?
 - (vi) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 38 percent, what should they have reported as the load factor on the survey?
 - (vii) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 63 percent, what should they have reported as the load factor on the survey?
 - (viii) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 87 percent, what should they have reported as the load factor on the survey?
 - (ix) If facility personnel knew that the average load factor for Trips to AO's, AMTRAK, AMFs, Other Offices was 88 percent, what should they have reported as the load factor on the survey?
- c. Assume that a facility reported an average load factor for a truck type of 50 percent. In your answers to the following questions, please be as quantitative as possible. Please describe fully any statistical tests you performed to arrive at your answers.

- (i) How certain are you that the actual load factor was exactly 50 percent?
 - (ii) How certain are you that the actual load factor was somewhere between 40 percent and 60 percent?
 - (iii) How certain are you that the actual load factor was somewhere between 25 percent and 75 percent?
- d Model 5 estimates that the volume variability is 65.4% and the 95 percent confidence interval around this estimate is between 53.1% and 77.7%. Please describe fully the method you used to determine the 95 percent confidence interval.
- e. Please confirm that your 95 percent confidence interval does not take into account the fact that your values for CFM are imprecise because they are based upon imprecise estimates of load factor. Please also confirm that taking into account the imprecision in your CFM estimates would increase the size of your 95 percent confidence interval

MPA/USPS-T20-6. Please refer to LR-H-150, Workbook Data_sum.xls, Worksheet Survey Data. Please provide a data dictionary for this worksheet or, alternatively, define the meaning of each column heading.

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 section 12 of the rules of practice.


James R. Cregan

Washington, D.C
August 21, 1997