

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
Box, 2004

Docket No. MC2004-2

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS LOETSCHER TO INTERROGATORY OF DAVID B. POPKIN,
REDIRECTED FROM WITNESS SCHERER
(DBP/USPS-T1-6)
(July 6, 2004)

The United States Postal Service hereby files witness Loetscher's
response to interrogatory of David B. Popkin, redirected from witness Scherer:
DBP/USPS-T1-6, filed on June 21, 2004.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -3084

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DBP/USPS-T1-6. Please refer to lines 16 to 18 on page 3 of your testimony in which you indicate that there were 5,368 parcels sampled in the study. Please advise the level of confidence that this sample size will provide.

RESPONSE:

The statistics for the parameter estimates of the regression used in the study witness Scherer refers to on lines 16 to 18 on page 3 of his testimony are presented on pages 4 and 5 of USPS-LR-2. Additional regression statistics and confidence intervals for the regression parameters are presented in the Excel workbook "Cubic Feet Distribution LR.xls" on worksheets "2> Regression" and worksheet "1&2 Pound".

The density calculation of parcels at 0.34 cubic feet is derived from these regression estimates. Calculation of the confidence interval of this derived estimate requires bootstrapping, a technique employed when statistical properties of an estimate are too complex to be derived analytically. A confidence interval can be calculated by bootstrapping the data previously provided in USPS-LR-2. The bootstrap estimate of the density estimate of parcels at 0.34 cubic feet with 200 iterations yields a standard deviation of 0.0553 pounds per cubic feet. The 95% confidence interval for this estimate is 6.592 to 6.808 pounds per cubic foot.

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.

Kenneth N. Hollies

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