Postal Rate Commission
Submitted 9/23/2004 4:13 pm
Filing ID: 41821
Accepted 9/23/2004

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268

Complaint of Time Warner Inc., et al.
Concerning Periodicals Rates

Docket No. C2004-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

(Issued September 23, 2004)

The Commission appreciates the Postal Service's testimony and the effort the Postal Service has expended to provide the data in witness Tang's testimony. To further enhance the record in this proceeding, the Postal Service is requested to provide the following information.

1. Attachments 1 and 2 represent the data from Tables 2, 3 and 4 in USPS-RT-2. We have run the regression that appears in Attachment 2, using dummy variables for "Publication ID" (size) and "Density."

   Please run this regression replacing the dummy variables identified as "Small" and "Medium" with the natural log of the actual values for size, and replacing the dummy variable for "Low" density with the natural log of the actual values used to categorize publications as low or high density.

   Please provide the regression results within two weeks.

2. The Commission believes that the above analysis could be improved by using a larger sample. If possible, please replicate the above analysis using 250 observations distributed by size and density in approximately the same manner. Please feel free to also provide alternative regression analyses.

3. If possible, please augment the list of variables in either or both samples to include for each observation:

   a. The percentage of the mailing by zone;
   b. The percentage of the mailing that is palletized;
   c. The percentage of the mailing that is presorted to basic, 3-digit, 5-digit, and carrier-route; and
   d. The percentage of postage based on weight.

Please provide the data for the new variables and/or results of regression analyses performed in response to questions 1 and 2 but with the expanded set of variables.

The Commission would appreciate a preliminary response to questions 2 and 3 from the Postal Service informing the Commission (a) whether it is possible for the Postal Service to produce the requested information and, if so, (b) how long this exercise would take. This preliminary response is requested within one week.

George Omas
Presiding Officer

Attachments

Attachement 1

Docket No. C2004-1

Data from Tables 2,3 & 4 of Rebuttal Testimony of USPS Witness Rachel Tang (USPS-RT-2)

Number of Observation	Publication ID	Density	Editorial %	Pc Weight	Postage/Pc	TW Post/Pc	% Change
1	S1	Low	65	0.280	0.302	0.504	67.05
2	S2	Low	75	0.274	0.286	0.424	48.29
3	S3	Low	71	0.180	0.322	0.428	32.69
4	S4	Low	100	0.357	0.281	0.368	31.00
5	S5	Low	100	2.640	0.766	0.986	28.73
6	S6	Low	86	1.170	0.490	0.552	12.51
7	S7	Low	100	0.107	0.244	0.274	12.24
8	S8	Low	59	0.186	0.303	0.315	3.95
9	S9	Low	100	0.172	0.332	0.336	1.23
10	S10	Low	97	0.110	0.229	0.229	0.24
11	S11	High	68	0.160	0.292	0.524	79.43
12	S12	High	47	0.190	0.222	0.336	51.20
13	S13	High	60	0.466	0.256	0.352	37.43
14	S14	High	71	0.405	0.255	0.338	32.64
15	S15	High	98	0.390	0.260	0.315	21.28
16	S16	High	41	0.281	0.231	0.260	12.50
17	S17	High	98	0.460	0.283	0.317	11.99
18	S18	High	100	0.080	0.227	0.248	9.43
19	S19	High	75	0.150	0.186	0.203	9.00
20	S20	High	26	1.904	0.642	0.674	5.07
21	S21	High	38	0.130	0.247	0.247	-0.05
22	S22	High	90	0.060	0.141	0.139	-1.37
23	S23	High	42	0.480	0.323	0.315	-2.33
24	S24	High	33	1.200	0.416	0.395	-5.00
25	M1	Low	100	0.452	0.284	0.350	23.46
26	M2	Low	96	0.383	0.274	0.311	13.29
27	M3	Low	50	0.539	0.447	0.501	12.14
28	M4	Low	40	0.520	0.406	0.414	2.04
29	M5	Low	27	1.988	0.933	0.911	-2.39
30	M6	Low	45	1.193	0.539	0.507	-5.99
31	M7	Low	61	0.649	0.316	0.272	-14.00
32	M8	Low	50	0.488	0.271	0.229	-15.48
33	M9	Low	62	0.576	0.256	0.199	-22.22
34	M10	Low	53	0.692	0.274	0.211	-23.11
35	M11	High	92	0.384	0.261	0.324	24.07
36	M12	High	100	0.574	0.269	0.307	14.25
37	M13	High	62	0.183	0.223	0.253	13.52
38	M14	High	41	0.945	0.475	0.506	6.50
39	M15	High	51	0.758	0.425	0.452	6.31
40	M16	High	50	0.418	0.311	0.327	4.92
41	M17	High	50	0.490	0.288	0.254	-11.78
42	M18	High	61	0.416	0.232	0.190	-17.89
43	M19	High	51	0.581	0.257	0.204	-20.78
44	M20	High	58	0.596	0.252	0.193	-23.21
45	L1	Low	55	0.387	0.330	0.334	1.34
46	L2	High	85	0.461	0.288	0.276	-4.09
47	L3	High	75	0.464	0.278	0.253	-8.97
48	L4	High	50	0.409	0.249	0.214	-14.13
49	L5	High	67	0.278	0.196	0.167	-14.68
50	L6	High	64	0.416	0.229	0.188	-18.04
51	L7	High	60	1.479	0.488	0.398	-18.45
52	L8	High	59	0.582	0.257	0.206	-19.87
53	L9	High	56	0.620	0.266	0.211	-20.35
54	L10	High	45	0.895	0.321	0.253	-21.25
55	L11	High	61	0.427	0.213	0.161	-24.51

Attachement 2

Regression Output:

Constant	0.2826316
Std Err of Y Est	0.1532061
R Squared	0.5092524
No. of Observations	55
Degrees of Freedom	48

	Small	Medium	Low	Ln(Editorial)	Ln(Weight)	Ln(Postage)
X Coefficient(s)	0.2335	0.0937	-0.0474	0.1705	-0.1066	0.3178
Std Err of Coef.	0.0606	0.0571	0.0527	0.0725	0.0519	0.1232
t-value	3.8514	1.6424	-0.8997	2.3516	-2.0523	2.5786

Ln(1+% Change)	Small	Medium	Low	Ln(Editorial)	Ln(Weight)	Ln(Postage)	Residual
0.5131	1.0000	0.0000	1.0000	-0.4308	-1.2730	-1.1973	2.3673
0.3940	1.0000	0.0000	1.0000	-0.2877	-1.2946	-1.2518	1.5284
0.2828	1.0000	0.0000	1.0000	-0.3425	-1.7148	-1.1332	0.3257
0.2700	1.0000	0.0000	1.0000	0.0000	-1.0300	-1.2694	0.6197
0.2525	1.0000	0.0000	1.0000	0.0000	0.9708	-0.2666	-0.1826
0.1179	1.0000	0.0000	1.0000	-0.1508	0.1570	-0.7133	-0.5332
0.1155	1.0000	0.0000	1.0000	0.0000	-2.2349	-1.4106	-0.9344
0.0387	1.0000	0.0000	1.0000	-0.5276	-1.6820	-1.1940	-0.9126
0.0122	1.0000	0.0000	1.0000	0.0000	-1.7603	-1.1026	-1.9169
0.0024	1.0000	0.0000	1.0000	-0.0305	-2.2073	-1.4740	-1.4877
0.5846	1.0000	0.0000	0.0000	-0.3857	-1.8326	-1.2310	2.1548
0.4134	1.0000	0.0000	0.0000	-0.7550	-1.6607	-1.5051	2.1365
0.3179	1.0000	0.0000	0.0000	-0.5108	-0.7636	-1.3626	1.5700
0.2825	1.0000	0.0000	0.0000	-0.3425	-0.9039	-1.3665	1.0616
0.1929	1.0000	0.0000	0.0000	-0.0202	-0.9416	-1.3471	0.0520
0.1178	1.0000	0.0000	0.0000	-0.8916	-1.2694	-1.4653	0.5485
0.1132	1.0000	0.0000	0.0000	-0.0202	-0.7765	-1.2623	-0.5292
0.0901	1.0000	0.0000	0.0000	0.0000	-2.5257	-1.4828	-1.4620
0.0862	1.0000	0.0000	0.0000	-0.2877	-1.8971	-1.6820	-0.3171
0.0495	1.0000	0.0000	0.0000	-1.3471	0.6440	-0.4432	-0.1798
-0.0005	1.0000	0.0000	0.0000	-0.9676	-2.0402	-1.3984	-0.8141
-0.0138	1.0000	0.0000	0.0000	-0.1054	-2.8134	-1.9590	-1.2354
-0.0236	1.0000	0.0000	0.0000	-0.8675	-0.7340	-1.1301	-0.7239
-0.0513	1.0000	1.0000	0.0000	-1.1087	0.1823	-0.8771	-1.1356
0.2107	0.0000	1.0000	1.0000	0.0000	-0.7941	-1.2588	1.2871
0.1248	0.0000	1.0000	1.0000	-0.0408	-0.9597	-1.2946	0.7306
0.1146	0.0000	1.0000	1.0000	-0.6931	-0.6180	-0.8052	0.6124
0.0202	0.0000	1.0000	1.0000	-0.9163	-0.6539	-0.9014	0.4193
-0.0242	0.0000	1.0000	1.0000	-1.3093	0.6871	-0.0694	-0.2259
-0.0618	0.0000	1.0000	1.0000	-0.7985	0.1765	-0.6180	-0.2569
-0.1508	0.0000	1.0000	1.0000	-0.4943	-0.4323	-1.1520	-0.4926
-0.1682	0.0000	1.0000	1.0000	-0.6931	-0.7174	-1.3056	-0.2644
-0.2513	0.0000	1.0000	1.0000	-0.4780	-0.5516	-1.3626	-0.8127
-0.2628	0.0000	1.0000	1.0000	-0.6349	-0.3682	-1.2946	-0.7266
0.2157	0.0000	1.0000	0.0000	-0.0834	-0.9571	-1.3432	1.1643
0.1332	0.0000	1.0000	0.0000	0.0000	-0.5551	-1.3130	0.7503
0.1268	0.0000	1.0000	0.0000	-0.4780	-1.6983	-1.5006	0.8342
0.0630	0.0000	1.0000	0.0000	-0.8916	-0.0566	-0.7444	0.4514
0.0612	0.0000	1.0000	0.0000	-0.6733	-0.2771	-0.8557	0.2742
0.0480	0.0000	1.0000	0.0000	-0.6931	-0.8723	-1.1680	0.4440
-0.1253	0.0000	1.0000	0.0000	-0.6931	-0.7133	-1.2448	-0.4176
-0.1971	0.0000	1.0000	0.0000	-0.4943	-0.8771	-1.4610	-0.7728
-0.2329	0.0000	1.0000	0.0000	-0.6733	-0.5430	-1.3587	-0.7873
-0.2641	0.0000	1.0000	0.0000	-0.5447	-0.5175	-1.3783	-1.0753
0.0133	0.0000	0.0000	1.0000	-0.5978	-0.9493	-1.1087	0.8561
-0.0418	0.0000	0.0000	0.0000	-0.1625	-0.7744	-1.2448	0.1067
-0.0940	0.0000	0.0000	0.0000	-0.2877	-0.7679	-1.2801	-0.0171
-0.1523	0.0000	0.0000	0.0000	-0.6931	-0.8940	-1.3903	0.1940
-0.1588	0.0000	0.0000	0.0000	-0.4005	-1.2801	-1.6296	0.0542
-0.1989	0.0000	0.0000	0.0000	-0.4463	-0.8771	-1.4740	-0.1994
-0.2040	0.0000	0.0000	0.0000	-0.5108	0.3914	-0.7174	-0.8473
-0.2215	0.0000	0.0000	0.0000	-0.5276	-0.5413	-1.3587	-0.2620
-0.2275	0.0000	0.0000	0.0000	-0.5798	-0.4780	-1.3243	-0.2705
-0.2389	0.0000	0.0000	0.0000	-0.7985	-0.1109	-1.1363	-0.2358
-0.2812	0.0000	0.0000	0.0000	-0.4943	-0.8510	-1.5465	-0.5144