

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,
2006

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Docket No. R2006-1

FIRST SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA, INC.
AND ALLIANCE OF NONPROFIT MAILERS
TO USPS WITNESS BOZZO
(MPA/USPS-T12-1-3)
(June 19, 2006)

Pursuant to sections 25, 26 and 27 of the rules of practice, Magazine Publishers of America, Inc., and Alliance of Nonprofit Mailers direct the following interrogatories to United States Postal Service witness A. Thomas Bozzo (USPS-T-12). If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

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MPA-ANM/USPS-T12-1. Please refer to the results of the activity analysis using IOCS data that you report in Table 2 on page 27 of your testimony (USPS-T-12).

a. Please provide a complete list of the IOCS data fields used to perform this analysis.

b. Please provide a complete description of the IOCS observations used to perform this analysis. This description should include descriptions of (i) the procedure used to select observations for each cost pool, and (ii) any data cleaning steps performed to eliminate potentially erroneous observations.

c. Please provide a copy of the resulting data set, reflecting the data fields and observations specified in sections 1.a and 1.b above, that you used to perform this analysis.

d. Please describe how the analysis was performed, including the IOCS activity codes grouped together into each of the five categories described in your analysis.

e. Please provide standard deviations for the sample-based estimates in Table 2 and explain how they have been derived.

f. Please describe the relationship between the sampled facilities in the IOCS analysis in Table 2 and the facilities included in the econometric analysis that produces the recommended volume variabilities reported in Table 1 on page 3 of your testimony. In particular, please indicate how many facilities are included in the IOCS analysis but omitted from the econometric analysis, and how many facilities are included in the econometric analysis but omitted from the IOCS analysis. Explain the reason for any such failures to match across the two sets of facilities.

g. Please provide a cross-walk from the IOCS facility codes for the observations used in the analysis reported in Table 2 to the IDNUM facility code for the dataset used for the econometric analysis.

MPA-ANM/USPS-T12-2. Please refer to the results of your application of the Commission Methodology that you report in Table D-1 on page 126 of your testimony (USPS-T-12).

a. Please provide a list of the IOCS activity codes that are defined as fixed and as variable under the Commission methodology and describe the calculation used to derive the Commission variabilities in Table D-1.

b. Please confirm that the IOCS observations used to derive the Commission-method variabilities for each cost pool in Table D-1 are the same observations described in MPA-ANM/USPS-T12-1.b above that are used to perform your IOCS activity analysis that you report on page 27, Table 2, of your testimony. If not confirmed, please explain.

MPA-ANM/USPS-T12-3. Please refer to your comparison between two updated versions of Dr. Roberts' shape-level variabilities and the shape-level averages of the USPS variabilities that you report in your testimony in Table E-6 on page 132.

a. Please provide the standard errors for the shape-level averages of the USPS variabilities.

b. Please state whether the differences between the USPS variabilities and the two corresponding versions of the Roberts variabilities are statistically significant. Provide the calculations underlying your response.