

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO
MAJOR MAILERS ASSOCIATION WITNESS BENTLEY
(USPS/MMA-T1-28-31)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories to Major Mailers Association witness Bentley: USPS/MMA-T1-28-31.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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USPS/MMA-T1-28. Please refer to your response to USPS/MMA-T1-15, and your Library Reference MMA-LR-4 entitled “Study to Derive the Productivity to Count QBRM Letters.”

- (a) Please confirm that in the above-referenced study, the hand-counting and counting by weight of QBRM pieces was performed by KeySpan employees and not postal employees.
- (b) Please describe the amount of training and experience the clerks in the study had in hand-counting QBRM pieces prior to performing the study.
- (c) Please describe the amount of training and experience the “experience [sic] KeySpan employee” had in counting QBRM pieces by weight prior to performing the study.
- (d) Based on your knowledge of the process of hand-counting QBRM pieces, does the above-referenced study account for all the tasks or work elements associated with hand-counting QBRM pieces? If not, please list the tasks or work elements that are not accounted for.

USPS/MMA-T1-29. Please refer to your response to USPS/MMA-T1-10(e). That interrogatory asked you about sample selection bias, or selection bias, and your response stated in part, “it does sound reasonable when performing a probability sampling study to represent a universe.”

- (a) Please discuss your level of understanding of each of the following concepts, as they relate to probability sampling studies, and describe the source of your understanding (training, education, experience, etc.):
 - (1) Random sample selection
 - (2) Sample size
 - (3) Sample selection bias, or selection bias

- (b) In your view, how does sample selection bias, or selection bias, affect the soundness of a probability sampling study? Please explain your view fully.

USPS/MMA-T1-30. Please refer to your response to USPS/MMA-T1-13, where you state:

“...the QBRM market is quite diverse with recipients relying upon QBRM for various reasons. I suspect that volumes received for some recipients are extremely seasonal while for others are extremely constant.”

- (a) In your view, would there be more day-to-day fluctuations in volume for a High Volume QBRM recipient whose volumes received are “extremely seasonal,” than for a High Volume QBRM recipient whose volumes received are “extremely constant?” Please explain fully.
- (b) In your view, if “the QBRM market is quite diverse,” would you expect some fluctuation in the daily volume received by High Volume QBRM recipients? Please explain fully.

USPS/MMA-T1-31. Please refer to your response to USPS/MMA-T1-19, where you claim that the 95 percent Platinum fee increase proposed by witness Callow “represents the **maximum** increase that First-Class Confirm users could face . . .” (emphasis in original). Also, refer to witness Callow's response to USPS/OCA-T5-2, where he agrees that at least 29 Platinum subscribers could pay \$12,800 less by switching to Gold subscriptions, and his response to USPS/OCA-T5-3 where he acknowledges that:

- (1) for his proposal to cover costs at least 7 of these 29 Platinum customers must choose to pay the additional \$12,800 for Confirm (as Platinum rather than Gold subscribers), and

(2) the Platinum fee under his proposal would have to be increased to \$45,400 to achieve his 127.3 percent cost coverage, if one were to assume that the 29 subscribers were to choose to reduce their fees by becoming Gold subscribers.

Please confirm that the Commission, concerned about a loss of revenue when customers choose the cheaper Gold subscription, might increase the Platinum fee above the fee proposed by witness Callow, so that \$19,500 may not represent the maximum increase for First-Class Mail Confirm users if the current fee design is retained. If you do not confirm, please explain.