

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20068-0001**

Postal Rate and Fee Changes, 2006

)

Docket No. R2006-1

**FIRST SET OF INTERROGATORIES OF NATIONAL NEWSPAPER
ASSOCIATION TO UNITED STATES POSTAL SERVICE REBUTTAL
WITNESS BOZZO
(NNA/USPS T1-1-22)**

Pursuant to the Commission's Rules, National Newspaper Association hereby submits interrogatories to United States Postal Service Rebuttal Witness A. Thomas Bozzo and requests full and complete responses. If the witness is not able to respond to any interrogatory, the witness is requested to refer the interrogatory to the United States Postal Service for a response by a competent witness.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have filed the foregoing document online in accordance with the Commission's Rules of Practice.

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November 27, 2006
Arlington, VA 22201

INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION TO UNITED STATES POSTAL SERVICE REBUTTAL WITNESS BOZZO

NNA/USPS-RT-1-1 With respect to Table 2 of USPS-RT-1, please provide copies of the actual underlying pages from each of the 11 directories noted on page 16 that were used to prepare Table 2.

NNA/USPS-RT-1-2 With respect to Table 2 of USPS-RT-1, please explain fully why the 2004 circulation for the Gonzales Tribune was reported as 840 in the 54th Edition of the Bowker's News Directory while the 2005 circulation for the Gonzales Tribune was reported in the 55th Edition of the Bowker's News Directory as 13,000, or more than 14 times greater than the reported 2004 circulation.

NNA/USPS-RT-1-3 With respect to Table 2 of USPS-RT-1, please explain fully why the 2003 circulation for the Savoy was reported as 200,000 in the 137th Edition of the Gale Directory while the 2004 circulation for the Savoy was reported in the 139th Edition of the Gale Directory as 325,000, a 63% increase in one year.

NNA/USPS-RT-1-4 With respect to Table 2 of USPS-RT-1, please explain fully why the 2004 circulation for The Jewish Week was reported as 110,000 in the 54th Edition of the Bowker's News Media Directory while the 2005 circulation for The Jewish Week was reported in the 55^h Edition of the Bowker's News Media Directory as 90,000, an 18% decrease in one year.

NNA/USPS-RT-1-5 With respect to Table 2 of USPS-RT-1, please explain fully why Ulrich's Periodicals' Directory 44th Edition (2006) was used as the source for 2006 circulation figures for two publications and not for any others. Please provide the underlying pages from Ulrich's Periodicals' Directory 44th Edition (2006) for each of the 28 publications listed in Table 2.

NNA/USPS-RT-1-6 With respect to Table 2 of USPS-RT-1, please explain fully why the 2005 circulation for The Almance News was reported as 6,065 in the 140th Edition of the Gale Directory while the 2006 circulation for The Almance News was reported in the 44^h Edition of the Ulrich's Periodicals Directory as 7,100, an increase of more than 17% in one year.

NNA/USPS-RT-1-7 With respect to Table 2 of USPS-RT-1, please explain whether the circulation values for each publication shown in Table 2 were a) average annual circulation figures, b) one time estimates of each publication's circulation during each year or c) neither of the above. Please explain fully any "c" response to this interrogatory.

NNA/USPS-RT-1-8 On page 14 of USPS-RT-1, Mr. Bozzo states that "I learned from Thomson Gale staff that requests for updated information are sent approximately November 1 of the year prior to the edition data...". With respect to this statement please provide recent representative examples of the actual requests for updated information that the Thomson Gale staff "send" on or about November 1.

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NNA/USPS-RT-1-9 On page 3 of USPS-RT-1, at line 17, Mr. Bozzo indicates that “83 percent of the tallies with final Within-County activity codes...” resulted from the process that he describes on the same page beginning at line 15. Please provide the numerator and denominator of this fraction and a full explanation of each file or field that was used to develop this figure.

NNA/USPS-RT-1-10 On page 3 of USPS-RT-1, at lines 16-17, Mr. Bozzo indicates that “Periodicals tallies resulting from the mainframe processing are linked with mailing statement data from the PostalOne! System where possible.” With respect to this statement, please provide the number of tallies with final Within County activity codes where the tally was linked to PostalOne! mailing statement data where the statement encompassed or included the exact Within County mail piece under consideration.

NNA/USPS-RT-1-11 On page 4 of USPS-RT-1, at lines 6-14, Mr. Bozzo discusses the assignment of Within-County activity codes and he states at lines 12-13 that “Results of previous checks may be re-used for up to two years.” With respect to this statement, please explain fully why the USPS selected a check re-use period of up to two years for these assignments.

NNA/USPS-RT-1-12 On page 4 of USPS-RT-1, at lines 17-21, Mr. Bozzo cites to and paraphrases Mr. Siwek’s response to NNA/USPS-T3-6(c). Please confirm that Mr. Siwek’s full answer to NNA/USPS-T3-6 (c) was “I don’t propose to recode any specific Within-County tallies in the case since, like the USPS, I do not possess all the data required to assess these tallies accurately. Rather, as noted in my Direct Testimony, I propose either that the Commission reject the USPS’ proposed rate increase for Within County Periodicals in its entirety or in the alternative that the Commission reduce the proposed Within County rate increase to no more than 12.7%.” Explain fully any answer other than a confirmation.

NNA/USPS-RT-1-13 On page 5 of USPS-RT-1, at lines 20-22, Mr. Bozzo indicates that “...the primary source of eligibility information is in fact the actual mailing of copies at Within County rates, as evidenced by mailing statement data.” With regard to this statement, please confirm that

a. with regard to tallies originally assigned a Within County Periodicals activity code that were taken at an office in the tally publication’s county of original entry, but which have no Within County Periodicals *Postal One* volumes for the tally office and publication, the USPS’ program checks other offices that are in the Postal One System and are located with the publication’s county of original entry. (Emphasis Added). Please explain fully any answer other than a confirmation.

b. the presence of Within County mailing pieces as confirmed by PostalOne! In a given mailing does not necessarily mean that the piece drawn by the data collector is in fact a Within County piece.

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NNA/USPS-RT-1-14 On page 6 of USPS-RT-1, at lines 20-22, Mr. Bozzo indicates that “Witness Siwek’s concerns, admittedly, extend to the ability to identify the use of Within-County rates at the issue or even the individual piece level...” (Emphasis Added). With regard to this statement, please confirm that, as noted in Mr. Siwek’s Direct Testimony at page 6, lines 16-19, it is the Postal Service who mandates that “In-County rate eligibility is determined on an issue-by-issue basis...” as set forth in USPS Handbook DM-204. (Emphasis Added). Please explain any answer other than a confirmation.

NNA/USPS-RT-1-15 On page 10 of USPS-RT-1, Mr. Bozzo provides calculations of within-county copies and non-subscribing copies for FY 2005 IOCS titles that were obtained from PostalOne!.

a. Please provide the same calculations for all remaining within-county copies and non-subscribing copies for FY 2005 IOCS titles for which PostalOne! Data were not available or not used in Table 1.

b. Please refer to the response of USPS Witness Pafford to NNA/USPS T3-8. Please confirm that nearly 40 percent of Within County mail volumes are derived from the probability-based stratified sample for calculating mail volumes and not from PostalOne!

NNA/USPS-RT-1-16 On page 10 of USPS-RT-1, at lines 17-19, Mr. Bozzo states, “It may be noted, though, a few titles (none of which appear in the FY 2005 IOCS Within-County tally set) do individually report large fractions of non-subscriber copies exceeding the 10 percent limit relative to Within-County copies.” With regard to this statement please provide a count of all such titles identified by Mr. Bozzo, and the fraction of non-subscriber copies that exceeded the 10 percent limit for each such title.

NNA/USPS-RT-1-17 On page 20 of USPS-RT-1, at lines 7-8, Mr. Bozo cites CVs for Within County Periodicals costs of 11.58% for C/S 3.1 and 11.66% for C/S 6.1. Please confirm that these CVs imply margins of error (“MOE”) for Within County Periodicals costs of plus or minus approximately 23% in both C/S 3.1 and C/S 6.1. Explain any answer other than a confirmation.

NNA/USPS-RT-1-18 On page 19 of USPS-RT-1, at lines 22-23, Mr. Bozzo cites the “actual” IOCS CV for single piece First Class mail as 0.64 percent. Please confirm that this CV implies a margin of error (MOE) for single piece First Class mail of plus or minus approximately 1.3%. Explain any answer other than a confirmation.

NNA/USPS-RT-1-19 On page 20 of USPS-RT-1, at lines 8-9, Mr. Bozzo states that “A survey with a three percentage point margin of error could only yield CVs of those magnitudes for much larger proportions – approximately 13 percent or more.” Please confirm that the “survey” referenced in this statement is a survey of all mail classes including single piece First Class mail. Explain any answer other than a confirmation.

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NNA/USPS-RT-1-20 On pages 20-21 of USPS-RT-1, beginning at line 23 of page 20 and extending through line 3 of page 21, Mr. Bozzo states, "Indeed, witness Siwek seems to be searching for a "known extraordinary event" that would explain the results, and fails to consider the redesign of the IOCS data collection instrument (response to USPS/NNA-T3-1; Tr. 29/9668." Please confirm that in his response to USPS/NNA-T3-1, part a, Mr. Siwek actually said, "No, In this statement, I meant a known and extraordinary event that was external to the cost measurement systems of the USPS and that actually increased postal costs. The IOCS redesign itself would not increase actual postal costs. Please confirm also that in his response to USPS/NNA-T3-1, part b, Mr. Siwek actually said, "Yes, I considered the possibility that the change of the IOCS instrument could contribute to the increase in measured costs." Explain fully any answer other than a confirmation.

NNA/USPS-RT-1-21 On pages 21 of USPS-RT-1, at lines 7-9, Mr. Bozzo states that "Since BY 2005 costs are significantly higher than BY 2004, he should also agree that it is not appropriate to pool these two year's data." With respect to this statement, please confirm that the BY 2005 costs referenced in this statement which are said to be "significantly higher" than BY 2004 costs are costs measured by the USPS using the redesigned IOCS questionnaire. Explain any answer other than a confirmation.

NNA/USPS-RT-1-22 On page 3, lines 3 to 9 you discuss the incentives for Periodicals mailers to claim Within-County rates. Please confirm that the incentive would not be present in the following circumstances if a 10% sampling allowance had been exhausted:

- a. Where Outside County addresses appear on a route that begins and ends with the originating County.
- b. Where lapsed subscribers have been carried on a mailing list in excess of six months.
- c. Where complimentary (not proof) copies were mailed to advertisers