

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS PAFFORD TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION
(NNA/USPS-ST48-1-5, 7-8)

The United States Postal Service hereby provides responses of witness Pafford to interrogatories of the National Newspaper Association that were filed on November 12, 1997, and designated "Interrogatories of National Newspaper Association to United States Postal Service With Regard to Library Reference H-89." Each of the discovery requests in this set concern the portion of H-89 that was adopted by witness Pafford as his supplemental testimony; we have renumbered the interrogatories accordingly.

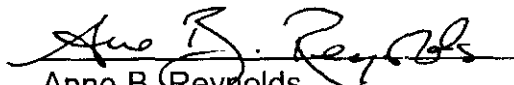
Each interrogatory is stated verbatim and is followed by the response. Responses to interrogatories NNA/USPS-ST48-6 and 9-14 will be provided by separate pleading.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 19, 1997

ANSWERS OF BRADLEY V. PAFFORD
TO INTERROGATORIES OF THE NNA

- NNA/USPS-ST48-1. Please confirm that 38% of In-County mail volumes are estimated using a panel of non-automated offices, as described in Library Reference H-89, page 8, paragraph B. If you do not confirm, please explain.
- NNA/USPS-ST48-1. Not Confirmed. This percentage referred to offices in the panel that are non-automated (please see my response to NNA/USPS T1-14, Tr.9/4360). The contribution of In-County volume from all panel offices to total In-County volume is estimated to be 44% for this same time period. The non-automated panel, hereafter referred to as just the panel, was described to include offices automated through the PERMIT system and non-automated offices (Tr.9/4383, lines 7-14, Tr.9/4388, lines 18-25, and Tr.9/4389, lines 1-3). It is important to note that at the time a panel is formed, the new offices that make up that panel are not automated through the PERMIT system. This is why the term "non-automated panel" has been used. Through time, some of the panel offices are automated for administrative convenience in order to relieve the burden on the postmasters and Headquarters data entry staff.

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- NNA/USPS-ST48-2. Please confirm that within the panel of non-automated offices, the Postal Service collects volume data from mailers' statements [sic] through a census of those particular offices. If you do not confirm, please explain.
- NNA/USPS-ST48-2. Confirmed.

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- NNA/USPS-ST48-3. If your answer to question 2 is yes, please explain any differences between the data collected from mailers' statements through PERMIT and from mailers statements at the panel offices.
- NNA/USPS-ST48-3. No difference.

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NNA/USPS-ST48-4. Please examine the Postal Service's response to NNA/USPS-T1-10 and T1-14. Do these responses mean that 92 offices were drawn to constitute a panel representing 5,902 offices, 6,103 offices or neither? Please explain your response.

NNA/USPS-ST48-4. Neither. There are a ninety-two non-automated and twenty-one automated offices (113 total panel offices) representing panels for periodicals and other mail categories. Of the 133 panel offices, twenty-one represent In-County intensive strata, of which the population count at the time of sample selection was 5,902 (see table provided in my response to NNA/USPS T1-16, PQ IV, strata 1 through 5; Tr.9/4363). An additional four panel offices represent the other stratum, of which the population count was 201. The total population count of offices in these strata, at the time of sample selection, was 6,103.

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- NNA/USPS-ST48-5. Please confirm that the panel of 92 offices led to the result cited in NNA/USPS-T1-8-b. If you do not confirm, please explain how that result was obtained and provide workpapers to support your response.
- NNA/USPS-ST48-5. Not confirmed. NNA/USPS-T1-8-b asked for base year estimated In-County volume. The ninety-two offices are the current office count, and relate to PQ III, FY 1997. The result cited in NNA/USPS-T1-8-b was obtained by identifying non-automated panel offices for each postal quarter of the base year, and then summing their respective In-County volumes. My response to NNA/USPS-T1-16 part e, Tr.9/4362, previously provided the workpapers.

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- NNA/USPS-ST48-7. Please confirm that no sampling of mailpieces is drawn in any way for purposes of compiling In-County mail volumes. If you do not confirm, please explain.
- NNA/USPS-ST48-7. Confirmed (see Tr.9/4384; lines 3-14; Tr.9/4387, lines 21-25; Tr.9/4388, lines 1-11; Tr.9/4388, line 25; and Tr.9/4389, lines 1-3).

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NNA/USPS-ST48-8.

Please refer to LR-H-89, page 8, part B, "Sample Design," which states that "[f]or publishers' second-class all offices automated through the PERMIT system are included in one certainty stratum. The remaining offices are stratified into either In-County revenue intensive strata or other strata based on their total second-class revenue."

- a. Please confirm that this means that (i) 100 percent of offices where the acceptance of In-County second-class mail has been automated through the PERMIT system are placed in a single stratum for sampling purposes, (ii) 100 percent of such offices are sampled with certainty in each AP and (iii) at all such offices, 100 percent of In-County second-class mail is sampled in each AP.
- b. If any element of subpart a. is not confirmed, please explain fully and provide a correction.
- c. Please confirm that (i) 100 percent of the offices that are not included in the aforementioned single certainty stratum of offices automated through the PERMIT system are offices where the acceptance of In-County second-class mail has *not* been automated through the PERMIT system (ii) these offices are further subdivided in exactly two additional categories, namely an "In-County revenue intensive" category an "other" category and (iii) the criterion or criteria used to subdivide the non-automated offices is based solely on the second-class revenue at each individual office.
- d. If any element of subpart c. is not confirmed, please explain fully and provide a correction.
- e. The passage cited above indicates that the non-automated offices referenced in subpart c. are subdivided into "either In-County revenue intensive *strata* or other *strata*" [emphasis added] based on their total second-class revenue, implying that there are multiple groupings within each subdivision. Please enumerate all such strata within each subdivision, indicating the number of offices belonging in each, and the precise criterion or criteria, that determines the stratum to which each office belongs. If any other criteria besides total second-class revenue at the individual office is used, please describe the criteria fully, as well.
- f. Is the division of the remaining offices references in subparts c. and e. used for any purposes other than to estimate In-County volumes? If so, please

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describe all other purposes for which this stratification is performed.

- g. Please refer to Witness Pafford's response to NNA/USPS-T1-10, part d. Of the 201 offices comprising the population of "other strata" referenced therein, how many were sampled for FY 1996?

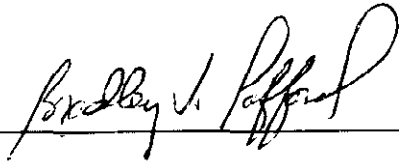
NNA/USPS-ST48-8.

Response:

- a. Question 8.a.(i) and 8.a.(ii) are confirmed.
- b. Question 8.a.(iii) is not confirmed. One-hundred percent of In-County second-class mail is sampled each PQ, not each AP.
- c. Question 8.c.(ii) is confirmed.
- d. Questions 8.c.(i) and 8.c.(iii) are not confirmed. With regard to 8.c.(i), see the response to NNA/USPS-ST48-1 above. With regard to 8.c.(iii), In-County and non-profit/classroom revenues are the design criteria used to subdivide the population of non-automated offices.
- e. My response to NNA/USPS-T1-16 at Tr.9/4362-63, enumerates such strata, and provides the number of offices in population and sample for the base year. The criteria used to define the strata boundaries beginning PQ IV, FY 1996, included In-County revenue for strata 1 through 5, and non-profit/classroom revenue for strata 6 (see table provide in my response to NNA/USPS-T1-16, Tr.9/4362). All criteria associated with the pre-PQ IV, FY 1996 strata are not known; however, In-County and classroom revenue were determining factors.
- f. Confirmed. All periodical mail subclasses are estimated.
- g. Please refer to the sample size provided for PQ IV, stratum 6 in the table from my response to

DECLARATION

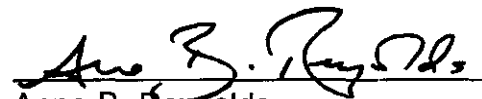
I, Bradley V. Pafford, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Dated: 11-19-97

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.


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