

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Modification of Analytical Principles
Approved for Periodic Reporting
(Proposal One)

Docket No. RM2009-5

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued July 28, 2009)

To clarify the basis of the Postal Service's proposal to adjust the ODIS-RPW sample size filed June 22, 2009, the Postal Service is requested to provide a written response to the following questions. Answers should be provided as soon as they are developed, but no later than August 13, 2009.

In its Petition to institute this proceeding, the Postal Service includes an attachment. Tables 1 and 2 in the attachment quantify the impact of the proposed reduction in ODIS-RPW sample size on the precision of the Postal Service's estimates of volume, revenue, unit costs, and cost coverage for individual market dominant products. The attachment does not attempt to quantify the impact of the proposed reduction in sample size of origin by destination ZIP Code pair volume statistics. It merely observes that "origin by destination ZIP Code pair mail volume statistics will be less reliable as fewer observations will be available." Attachment at 2.

1. Please indicate the statistical objectives or criteria that were used in determining the current ODIS-RPW sample size. To what extent will those objectives change with the proposed sample size reduction?

2. Please indicate the statistical procedure or model that ensures that the proposed sample size reduction for the ODIS-RPW is designed to “minimize the impact on the accuracy of the estimates....” Petition at 1.
3. Please provide a reference for detailed documentation of the sample design and estimation procedures for the ODIS-RPW system.
4. Please quantify the impact of the proposed reduction in sample size on the precision of origin by destination 3-digit ZIP Code pair mail volume statistics.
5. Please quantify the impact of the proposed reduction in sample size on the precision of destinating 3-digit ZIP Code volume statistics.
6. Please list all of the Postal Service’s models and studies that have relied on ZIP Code level mail volume statistics in the past three years or are expected to rely on them in the future.
7. To the extent possible, please quantify the impact of the proposed reduction in ODIS-RPW sample size on the estimates produced by each of the models and studies identified in your response to question 6, including:
 - a. the October 2008 Bradley/IBM study of the value of the mailbox monopoly;
 - b. the October 2008 Bradley/IBM study of the cost of the uniform pricing dimension of the Universal Service Obligation; and

- c. the estimates of service performance of each market dominant product at the district and national levels now being reported on the Postal Service's website, *www.USPS.com*.
8. The Postal Service estimates that reducing the size of the ODIS-RPW sample will save \$6 million each year. To better assess the overall costs and benefits of adopting Proposal One, please estimate the amount that the Postal Service has spent, or plans to spend, on each of the models and studies that rely on ODIS-RPW ZIP Code level volume statistics identified in response to question 6.

By the Chairman.

Dan G. Blair