

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. 3

(Issued September 4, 2009)

A technical conference was held in this docket on September 2, 2009, to clarify the direct and indirect impact of the Postal Service's Proposal One to reduce the size, and therefore the precision, of the ODIS-RPW sample. During that conference, Commission staff requested that the Postal Service provide coefficients of variation and other measures of the loss of precision that would result from the proposed reduction in size of the ODIS-RPW sample, both in the volume statistics provided in the ODIS-RPW report itself, and in other reports and studies that use ODIS-RPW volumes as inputs. This Chairman's Information Request provides written notice of those requests and a schedule for responses by the Postal Service.

The Postal Service is requested to provide responses by September 24, 2009. Where the questions below ask for data indicating the impact of Proposal One on the precision of various estimates, and those estimates cannot be provided by September 24, the Postal Service is requested to describe the procedure that it would need to follow to produce the requested data, an estimate of the man-hours that would be required to apply the procedure, and an estimate of how long it would take to complete the procedure. If the requested data cannot be produced, the Postal Service is requested to provide a detailed explanation of the reasons that it cannot be produced.

1. At the technical conference, the Postal Service indicated that the ODIS-RPW subsystem of the RPW system samples volume and other data for bulk mail as well as single-piece mail and that the ZIP Code level data collected for bulk mail products are used by the Postal Service in calculating the value of the monopoly and the cost of the USO. Please indicate what other Postal Service-sponsored studies or models rely on ZIP Code-level sample data for bulk mail products collected by the ODIS-RPW system.
2. Please provide coefficients of variation for the ODIS-RPW volumes for the following categories of mail:

First-Class single-piece letters

First-Class single-piece cards

First-Class single-piece flats

First-Class single-piece parcels

single-piece Parcel Post

Bound Printed Matter flats

Bound Printed Matter parcels

Media and Library Mail

Priority Mail

Please provide these estimates for the most recent fiscal year, both annual and by quarter. Please provide them at the national level, the District level, the 3-digit destinating ZIP Code level, and the 3-digit destinating ZIP Code pair level. Two sets of estimates should be provided—one that assumes the current sample size and one that assumes the Proposal One sample size.

3. Please provide the information requested in Question 2 for the bulk mail products for which sample ODIS-RPW volume data are collected.

4. With respect to coefficients of variation for destinating 3-digit ZIP Codes, the Postal Service's response to Question 5 of CIR No. 1 indicates that under certain assumptions, the deterioration in precision for ZIP Codes with "moderately large" volumes would be "approximately 12 percent." Please estimate the proportion of ZIP Codes that would have too little volume to be sampled, or whose sampled volume could not yield a consistent estimate. Two sets of estimates are requested—one that assumes the current sample size, and one that assumes the reduced sample size under Proposal One.
5. Please apply an analysis comparable to that provided in response to Question 4 to volume data for 3-digit ZIP Code pairs.
6. At the technical conference it was confirmed that the External First-Class Measurement System (EXFC) relies on ODIS-RPW ZIP Code pair volumes both to allocate service performance tests at the outset, and to weight the test results once they are collected to arrive at performance scores above the ZIP Code pair level. Please provide coefficients of variation for the resulting aggregated scores. Please provide two sets of estimates--one assuming the current ODIS-RPW sample size, and one assuming the sample size under Proposal One.
7. Please indicate whether the Postal Service plans to use sample volume data for bulk mail products from the ODIS-RPW subsystem to allocate tests or to weight test results in its planned system for measuring service performance for bulk mail products. If it does, please provide an analysis of the impact of reducing the ODIS-RPW sample size on the precision of the resulting test scores comparable to the analysis provided in response to Question 6.
8. The Postal Service's response to Question 8 from CIR No. 1 acknowledges that transportation optimization modeling relies on 3-digit ZIP Code pair volume flows taken from the ODIS-RPW system but asserts that "the corresponding dispatch plans and routing instruction[s] for the procured transportation" do not.

- a. Does optimization modeling play no role in the dispatch plans and routing instructions developed for purchased transportation?
  - b. What volume flow data are used to develop dispatch plans and routing instructions for purchased transportation?
9. For the nine mail categories indicated in Question 2, please provide the current ODIS-RPW target CVs for the month by sample area estimates. Please provide the corresponding target CVs associated with the proposed sample size reduction.

By the Chairman.

Ruth Y. Goldway  
Presiding Officer