

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Modification of Analytical Principles
Approved For Periodic Reporting
(Proposal Two)

Docket No. RM2010-10

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued July 22, 2010)

To clarify the basis of Proposal Two-B, 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 5, 2010.

1. The Petition describes Proposal Two-B as a special study of a contemplated alternative to the current ODIS-RPW sampling frame. The alternative sampling frame is described as “based on delivery units. Delivery units include city and rural carriers, box sections, and firms.”¹ The alternative sample frame units are also described as “composed of city and rural carrier routes and special study Mail Exit Points.” *Id.* at 2.
 - a. Would each individual city carrier route, rural carrier route, box section, and firm holdout at a DDU become a “sample frame unit” under Proposal Two-B?

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider Proposed Changes in Analytic Principles (Proposal Two), June 25, 2010, Attachment supporting Proposal Two-B, at 1 (Petition).

- b. If the answer is yes, does this mean that alternative sample frame units are far more numerous than current sample frame units, each unit consisting of far less volume than under the current sample frame?
 - c. If the answer to subpart b. is yes, does that mean that more tests would need to be conducted using the alternative sample frame to obtain the same level of precision that is obtained under the current sample frame?
 - d. If the answer to subpart c. is yes, does that mean obtaining the equivalent level of precision would cost more under the alternative sample frame?
 - e. Would each alternative sample frame unit combine letter, flat, and parcel shapes?
 - f. If the answer to subpart a. is no, please identify what specific shape or other component of volume at a DDU would be a sample frame unit under Proposal Two-B, and at what point in the flow of mail handling at the DDU would it be sampled.
 - g. What component of volume at a DDU would a "special Mail Exit Point" be?
2. According to the Petition, one purpose of testing the proposed alternative sample frame is to provide a wider time window in which to apply a probability-based sampling procedure to the mail at the exit point.
- a. Would the alternative sampling procedure be applied after the arrival of DPS and FSS mail, but:
 - i. before mail is distributed to specific carrier routes, box sections, and firms?
 - ii. after arrival of DPS and FSS mail and after distribution to specific carrier routes, box sections, and firms?
 - b. If the response to either part a.i. or a.ii. is yes, why would the window for applying a probability-based sampling procedure be wider than the current window?

3. Another stated purpose of testing the alternative sampling frame is to simplify the sampling procedure. In what specific respects would the alternative procedure be simpler than the current sampling procedure?
4. Another stated purpose of testing the alternative sample frame would be to make it possible to distinguish between mail destined to box sections and firm holdouts from mail destined for street delivery in order to accommodate a 5-day delivery environment. What characteristic of the alternative sampling procedure would make it easier to draw this distinction?
5. Is there a known or expected bias that the alternative sampling frame is designed to mitigate? Please elaborate.
6. What criteria would be used to assess the quality of the estimates to be derived from the alternative sample frame?

By the Chairman.

Ruth Y. Goldway