

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

ORIGINAL

AUG 14

POSTAL
OFFICE C.

Docket No. MC98-1

Mailing Online Service

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS ROTHSCHILD TO INTERROGATORIES OF
OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T4-24-29)

The United States Postal Service hereby provides the response of witness Rothschild to the following interrogatories of Office of the Consumer Advocate:
OCA/USPS-T4-24-29, filed on August 4, 1998.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

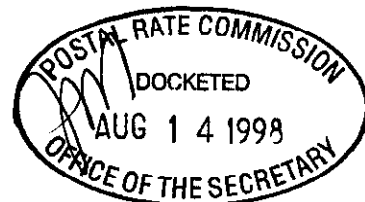
UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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Washington, D.C. 20260-1137
August 14, 1998



**Responses of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-24. Please refer to Table 5 of USPS-LR-2/MC98-1, page 13.

- a. Please explain how the percentages shown in the column labeled "Produce Application" were developed.
- b. Refer to part 'a' of this interrogatory. Please provide copies of all analyses that were performed to develop the "Produce Application" percentages. Cite all sources and provide copies of all documents not previously filed in this docket.

RESPONSE:

- a. The percentages are calculated based on Q.S2 of the Screening Form. If a respondent answered "yes", they are considered eligible (i.e., they produce the application). Non-eligibles are those that answered "no" to Q.S2 of the Screening Form. The percentage shown in the column labeled "Produce Application" equals Eligibles divided by (Eligibles + Non-eligibles).
- b. The analysis can be found in each of the five SAS programs submitted in Section K of the Appendix – Raking Program Specifications. The code for newsletters is in NEWS.SAS and begins with the comment /* NEWSLETTER ELIGIBILITY */. The code for direct mail advertising is in DIRECT.SAS and begins with the comment /* DIRECT MAIL, AD FLYERS - ELIGIBILITY */. The code for invoices is in INVOICES.SAS and begins with the comment /* INVOICE ELIGIBILITY */. The code for forms is in FORM.SAS and begins with the comment /* FORMS ELIGIBILITY */. The code for announcements is in ANNOUN.SAS and begins with the comment /* ANNOUNCEMENTS ELIGIBILITY */.

**Responses of Postal Service Witness Rothschild
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OCA/USPS-T4-25. Please refer to USPS-LR-2/MC98-1, page 13. The following statement appears. "If an organization produced multiple applications, they were randomly assigned to one [application] using an algorithm which assigned respondents to low incidence applications with a greater probability than by chance alone."

- a. How many organizations produced multiple applications?
- b. Was any analysis performed on the types of organizations that had multiple applications? If so, please provide copies of all analyses. If not, why not.

RESPONSE:

- a. 736.
- b. No. It was not part of our contractual responsibilities.

**Responses of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-26. Please refer to USPS-LR-2/MC98-1, page 14, and the probabilities of selection assigned to each of the five applications for advertising (.33), invoices (0), forms (.19), newsletters (.22) and announcements (.26).

- a. Who defined the probabilities of selection for each of the five applications?
- b. Was any analysis performed to determine the appropriate probabilities assigned to each of the five applications? If so, please provide copies of all such analyses. If not, why not.

RESPONSE:

- a. The probability of selection for each of the five applications was determined by a staff sampling statistician.
- b. In the course of doing this research, an initial set of probabilities of selection for the applications was determined based upon the project team's best estimates of the incidence of each application and our desire to sample locations that produced only one type of application as well as combinations of those applications. The initial probabilities of selection were:

Advertising	Invoices	Newsletters	Forms	Announcements
.05	.05	.15	.25	.5

Based upon the incidence results observed during the screening process and the number of applications for which interviews were being obtained, the initial probabilities were adjusted to those presented on page 14 of the library reference. The adjustments were necessary so that we could concentrate our efforts on selecting lower incidence (i.e., harder to find) applications.

**Responses of Postal Service Witness Rothschild
to OCA Interrogatories**

OCA/USPS-T4-27. Please refer to Table 6 of USPS-LR-2/MC98-1, page 16. The response rate to the USPS questionnaire is low.

- a. In your experience, is the response rate (39.6%) for returning the USPS computerized questionnaires a goal to aspire to? If not, what is the "normal" targeted response rate for a computerized questionnaire?
- b. In your experience, is the response rate (24.7%) for returning the USPS hard copy questionnaires a goal to aspire to? If not, what is the "normal" targeted response rate for hard copy questionnaire?
- c. Was any analysis performed to determine why the hard copy questionnaire response rate was lower than the computerized response rate? If so, please provide copies of all analyses performed. If not, why not.
- d. Was any analysis performed to determine why the overall USPS questionnaire response rate was only 36.1%. If so, please provide copies of all analyses performed. If not, why not.
- e. Since only 36.1% of the total questionnaires sent out were returned, please explain how realistic the survey results are.
- f. In your opinion, did the \$35.00 honorarium improve the survey response rate?

RESPONSE:

- a. - b. This research was initially undertaken for business planning purposes, not for submission to the Commission. In this context, the response rates achieved are not low and are, in fact, quite customary for research of this type.
- c. No. It was not part of our contractual responsibilities.
- d. No. It was not part of our contractual responsibilities.
- e. See answer to a.
- f. I don't know.

**Responses of Postal Service Witness Rothschild
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OCA/USPS-T4-28. The following interrogatory refers to USPS-LR-2/MC98-1, page 38, where the following statements appear: “[B]ootstrapping’ is the customary, and preferred technique to use.... The computer programming and run time required for bootstrapping are substantial. Therefore, it was decided that an approximation of the standard error estimates, which could be produced with minimal effort, would suffice.”

- a. Who made the decision to approximate the standard error estimates?
- b. Was the decision to approximate the standard error estimates made prior to the commencement of the NetPost survey?
- c. Was the decision to approximate the standard error estimates made after the survey response rates were known?
- d. If the response to part ‘b’ and ‘c’ of this interrogatory is negative, please explain at what stage of the survey was the determination made to approximate the standard error estimates.
- e. Was the decision to approximate the standard error estimates using minimal effort a reflection of the Postal Service’s opinion of the statistical viability of the survey results? If not, please explain.

RESPONSE:

- a. - e. Given that this research was conducted primarily for business planning purposes, a decision was made by the Postal Service and National Analysts to use the approximation method described in the library reference. It was made on the basis of the goals of the study and not based on the response rates, actual estimates, or the statistical viability of the survey results.

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- a. Who developed the weights that were assigned to each respondent? '
- b. Please explain how the weights were assigned to each respondent, show the *weight derivation, cite all sources and provide copies of all sources not previously filed in this docket.*

RESPONSE:

- a. A staff sampling statistician developed them.
- b. A description of how the weights were assigned to each respondent appears on pages 20-30 of the library reference.

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DECLARATION

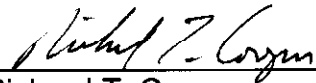
I, Beth B. Rothschild, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Beth B. Rothschild

Dated: 8-14-98

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.



Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 14, 1998