**Postal Regulatory Commission**
**Submitted 8/19/2015 11:17:05 AM**
**Filing ID: 93167**
**Accepted 8/19/2015**

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

Periodic Reporting
(Proposal Three)

Docket No. RM2015-11

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued August 19, 2015)

To clarify the Postal Service's petition to consider a change in analytical principles (Proposal Three), filed July 14, 2015,[1] the Postal Service is requested to provide written responses to the following questions. Answers to questions should be provided as soon as they are developed, but no later than August 26, 2015.

1. Please refer to the Postal Service's response to Chairman's Information Request No. 1, question 1, part a, which lists the criteria that will be used to determine the Mail Exit Points (MEPs) that will be transitioned to digital sampling as part of Proposal Three.[2]

   a. The Postal Service states that one of the criteria is "[a]n average of 10,000+ pieces run on Second Pass Delivery Point Sequence or DPS (Operation 919) per day—obtained from End of Run data." Please clarify whether the average number of pieces is by MEP or by ZIP Code.

   b. The Postal Service states that one of the criteria is that the MEP "[c]annot currently be tested in the same MEP as another ZIP Code with less than

[1] Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Three), July 14, 2015.

[2] Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 1, July 31, 2015 (Response to CHIR No. 1).

10,000 pieces DPS." Please elaborate on the precise meaning of this criterion and provide the rationale for its inclusion.

2. Please provide a geographic distribution of the ZIP Codes and the MEPs that will be converted to digital sampling as part of Proposal Three.

3. In Response to CHIR No. 1, question 2, part a, the Postal Service provided a chart titled "Number of Records vs. Sampling Interval." Please confirm that the units in the x-axis are the number of mail pieces. If not confirmed, please specify the units used in the x-axis.

4. Please refer to Response to CHIR No. 1, question 3, part b.

   a. The Postal Service states that "[f]or digital testing, only mailpiece skip subsampling will be used." Please provide the current mail piece skip subsampling procedure and an explanation of any changes that will be made to this procedure as part of Proposal Three.

   b. The Postal Service explains that the live mail, the digital, and the volume ratios (listed in tables 1-6) exhibit variation. Please confirm that the variations referred to are not statistically significant. If not confirmed, please provide an explanation of how these variations impact the accuracy of the results produced by the proposed sampling method.

5. In Response to CHIR No. 1, question 4, the Postal Service states that Proposal Three will require "an initial investment of $5 million" and that it "expect[s] to save up to $2 million per year in data collection costs."

   a. Please clarify whether the $5 million investment represents the total one-time investment required to implement this proposal. If additional investments are expected, please provide the amounts of the investments and the years in which they are expected to be made.

b. Please provide a breakdown of the expected annual costs for the proposed sampling system.

By the Acting Chairman.

Robert G. Taub