

ORIGINAL

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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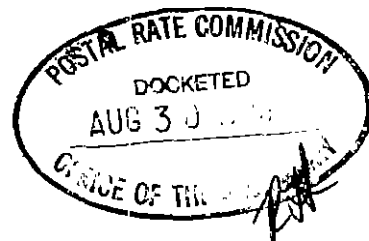
SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-39-41, 42(a)-(e), 43(a)-(e) and (g), 44-46, and 47, in part)

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-39-41, 42(a)-(e), 43(a)-(e) and (g), 44-46, and 47, in part, filed on August 16, 1996. Objections to interrogatories OCA/USPS-42(f), 43(f) and a partial objection to 47, were filed on August 26, 1996. The Postal Service has taken the liberty of renumbering interrogatory OCA/USPS-39 as "OCA/USPS-39(2)" to avoid confusion and further renumbering, since OCA's previous set of interrogatories directed to the Postal Service already included a number 39. If computer-related difficulties with the materials provided and referenced in these responses are encountered, in keeping with the informal procedures established at the technical conference on July 17, 1996, inquiries should be directed to Ken Hollies at (202) 268-3083.

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

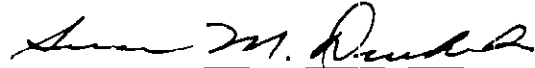


Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

A handwritten signature in dark ink, appearing to read "Susan M. Duchek", written over a horizontal line.

Susan M. Duchek

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August 30, 1996

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OCA/USPS-39(2). Please provide a description of all sample design, estimation, and data collection changes in the TRACS system since the FY 1993 sample.

OCA/USPS-39(2) Response

Since PQ4, FY93 the following changes have taken place in TRACS:

Sample Design

The cost stratification in the sample design for highway, freight rail, and passenger air was removed beginning in PQ1, FY95. It was replaced with random sampling within each Postal Service district. (The district administers the TRACS tests for a given number of facilities in an area.) Each district is assigned a number of tests based on the percentage of movements that each district has in the frame population. For example, if District A had 500 movements in the PQ, and there were 5,000 movements across all districts, District A's sample percentage would be 10%. If the total sample size across all districts for that quarter was 200, District A would have 20 tests scheduled that quarter. Districts which would receive less than two tests per quarter are grouped into two "dummy" districts, one for districts with one test per quarter, and the other for districts which would receive less than one test per quarter. These districts are then randomly sampled according to the sum of their percentages across the groups. The sample size and the facility stratification sampling percentages have remained unchanged.

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Estimation

The estimation programs have been changed to reflect the removal of the cost stratification as described above.

Data Collection

The following new mail classes, subclasses, and test categories were added to TRACS since FY93:

KK - Fourth-class DBMC (Destination BMC) Parcels

LL - Fourth-class BSPS (Bulk Small Parcels)

MM - Third-class Bulk Rate Regular Car-Rt Presort - Walk Sequence

NN - Third-class Bulk Rate Regular Car-Rt Presort - Walk Sequence

OO - International Priority Mail

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OCA/USPS-40

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OCA/USPS-40. Please provide an update to USPS-LR-G-106 documenting the FY 1995 TRACS sample design and variances.

OCA/USPS-40 Response. Please refer to USPS LR-SSR-143.

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OCA/USPS-41. Please provide a set of annual variance estimate tables for FY 1995 TRACS estimates that is comparable to the annual variance estimate tables provided in Docket No. R94-1 on pages A-H of USPS-LR-G-106.

OCA/USPS-41 Response. Please refer to USPS LR-SSR-143.

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OCA/USPS-42  
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OCA/USPS-42. Please refer to the TRACS estimation programs contained in SSR-82. Confidence intervals and c.v.'s for the highway distribution key estimates are provided as output from program TRACS.EXPAND.HWY.PQ495.CNTL(HWY11) on pages 337-340.

- a. Please confirm that the last print procedure of this program (lines 593-595 of page 327) prints SSR-82, page number 336.
- b. Please refer to the time stamps at the top of pages 336 and 337. Please confirm that SSR-82, page 337, was printed after page 336. If you do not confirm, please explain how the SAS time stamps should be interpreted.
- c. Please confirm that the sampling error estimates and confidence intervals at pages 337-340 are not produced by the program they are attached to. If you do not confirm, please provide a line reference to the appropriate section of TRACS.EXPAND.HWY.PQ495.CNTL(HWY11).
- d. If part c. of this interrogatory is confirmed, please provide the program used to produce pages 337-340 along with documentation of the variance methodology used and formulas for its implementation. Please provide the program in electronic form and include with it all required input data files.
- e. Please confirm that the c.v.'s and confidence intervals provided on pages 337-40 are for distribution key estimates based on one quarter of data and cannot be compared to the annual highway cost c.v. estimates provided in USPS-LR-G-106. If you do not confirm, please explain.
- f. Please provide confidence intervals for the FY 1993 highway distribution key estimates in a form that can be compared to those included with the output of TRACS.EXPAND.HWY.PQ495.CNTL(HWY11).

OCA/USPS-42 Response.

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Please refer to USPS LR-SSR-143, pages 4, 5, 7, and enclosed diskette.
- e. Confirmed.
- f. Objection filed August 26, 1996.

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OCA/USPS-43. Please refer to the TRACS estimation programs contained in SSR-82. Confidence intervals and c.v.'s for the rail distribution key estimates are provided as output from program TRACS.EXPAND.RAIL.PQ495.CNTL(RAIL8) on page 549.

- a. Please confirm that the last print procedure of this program (lines 102-104 of page 543) prints SSR-82, page number 548.
- b. Please refer to the time stamps at the top of pages 548 and 549. Please confirm that SSR-82, page 549, was printed one day after page 548. If you do not confirm, please explain how the SAS time stamps should be interpreted.
- c. Please confirm that the sampling error estimates and confidence intervals at page 549 are not produced by the program they are attached to. If you do not confirm, please provide a line reference to the appropriate section of TRACS.EXPAND.RAIL.PQ495.CNTL(RAIL8).
- d. If part c. of this interrogatory is confirmed, please provide the program used to produce page 549 along with documentation of the variance methodology used and formulas for its implementation. Please provide the program in electronic form and include with it all required input data files.
- e. Please confirm that the c.v.'s and confidence intervals provided on page 549 are for distribution key estimates based on one quarter of data and cannot be compared to the annual rail cost c.v. estimates provided in USPS-LR-G-106. If you do not confirm, please explain.
- f. Please provide confidence intervals for the FY 1993 rail distribution key estimates in a form that can be compared to those included with the output of TRACS.EXPAND.RAIL.PQ495.CNTL(RAIL8).
- g. The documentation for the rail estimation programs begins on page 342 and explains that they apply to Postal Quarter 4 of FY 1995. However, the title of the table on page 549, "RAIL CONFIDENCE INTERVALS - PQ395," refers to Postal Quarter 3. Please explain this apparent discrepancy and provide confidence intervals appropriate for Postal Quarter 4.

OCA/USPS-43 Response.

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Please refer to USPS LR-SSR-143, pages 4, 5, 8, and enclosed diskette.



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- e. Confirmed.
- f. Objection filed August 26, 1996.
- g. The title on page 549 should be corrected to read, "RAIL CONFIDENCE  
INTERVALS - PQ495."

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OCA/USPS-44. Please provide a copy of the FY 1995 TRACS training manual analogous to USPS-LR-G-112 filed in Docket No. R94-1.

OCA/USPS-44 Response. This was not updated.

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OCA/USPS-45. Please refer to the TRACS estimation programs contained in SSR-85. Confidence intervals and c.v.'s for the Amtrak distribution key estimates are provided as output from program TRACS.EXPAND.AMTRAK.PQ495.CNTL(AMT10) on page 587.

- a. Please confirm that the last print procedure of this program (line 537 of page 575) prints SSR-85, page number 586.
- b. At page 539, the program execution date is listed as "01/31/96." Please refer to the date and time stamp at the top of page 587. Please confirm that SSR-85, page 587, was printed two and a half months after the program it is attached to was executed. If you do not confirm, please explain how the SAS date and time stamps should be interpreted.
- c. Please confirm that the sampling error estimates and confidence intervals at page 587 are not produced by the program they are attached to. If you do not confirm, please provide a line reference to the appropriate section of TRACS.EXPAND.AMTRAK.PQ495.CNTL(AMT10).
- d. If part c. of this interrogatory is confirmed, please provide the program used to produce page 587 along with documentation of the variance methodology used and formulas for its implementation. Please provide the program in electronic form and include with it all required input data files.
- e. Please confirm that the c.v.'s and confidence intervals provided on page 587 are for distribution key estimates based on one quarter of data and cannot be compared to the annual passenger or freight rail cost c.v. estimates provided in USPS-LR-G-106. If you do not confirm, please explain. If you do confirm, please provide FY 1995 passenger and freight c.v. estimates in a form comparable to those in USPS-LR-G-106.

OCA/USPS-45 Response.

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Please refer to USPS LR-SSR-143, pages 4, 5, 9, and enclosed diskette.
- e. Confirmed. Please refer to USPS LR-SSR-143, page 18.

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OCA/USPS-46. Please refer to the TRACS Eagle Network distribution key development for FY 1995.

- a. Please confirm that confidence intervals and c.v. tables have not been provided for these estimates. If you do not confirm, please provide a citation to the library reference containing this material.
- b. If you confirm part (a) of this interrogatory, please provide confidence intervals and c.v. tables for the distribution keys developed for the TRACS Eagle Network system. Please provide documentation for the variance methodology used and formulas for its implementation. Please provide the variance programs in electronic form and include all required input data files.
- c. Please provide confidence intervals and c.v. tables for the TRACS Eagle Network system in a form that is comparable to the annual variance estimates provided in USPS-LR-G-106.

OCA/USPS-46 Response.

- a. Confirmed.
- b. The PQ4, FY95 Eagle Network variances were inadvertently omitted from LR-SSR-86. The page containing the variances is being added to LR-SSR-86 by notice filed today. Please refer to USPS-SSR-143, pages 4, 5, and 10 for the documentation of the variance methodology used and formulas, and the diskette for the electronic form of the variance programs.
- c. Please refer to USPS LR-SSR-143, page 17.

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OCA/USPS-47. For each component of the TRACS system, please provide the sample size (number of primary sampling units and number of secondary sampling units), corresponding universe sizes, and sampling rate by sampling strata. Please provide this sample design documentation separately for FY 1993 and FY 1995.

OCA/USPS-47 Response. Partial objection filed August 26, 1996. Page 19 of USPS

LR-SSR-143 provides the sampling statistics described above for FY1995.

## 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.

  
Susan M. Duchek

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August 30, 1996