

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

Periodic Reporting
(Proposal Seven)

Docket No. RM2021-1

CHAIRMAN'S INFORMATION REQUEST NO. 6

(Issued May 3, 2021)

To clarify the Postal Service's petition to consider proposed changes in analytical principles, filed November 9, 2020,¹ and the Response to Chairman's Information Request No. 5 filed on April 1, 2021,² the Postal Service is requested to provide written responses to the following questions. The responses should be provided as soon as they are developed, but no later than May 10, 2021.

1. Please refer to Library Reference USPS-RM2021-1/1, folder "1.Analysis Data Set," SAS dataset file "tcss_fy19.sas7bdat" (Analysis Dataset). Please also refer to the Response to CHIR No. 5 that states:

"The Postal Service has instances of regular purchased Inter-SCF highway transportation between two facilities that are one mile apart. The following map shows the route for one such contract cost segment that regularly runs between a P&DC and a terminal handling services site one mile apart....A Christmas purchased highway transportation contract could specify a cost segment that provided for extra trips between these facilities

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Seven), November 9, 2020 (Petition). Along with the Petition, the Postal Service filed a report supporting Proposal Seven. See Research on Updating Purchased Highway Transportation Variabilities to Account for Structural Changes (Bradley Report).

² Responses of the United States Postal Service to Questions 1-7 of Chairman's Information Request No. 5, April 1, 2021 (Response to CHIR No. 5).

during the peak season. If that extra trip ran only one time, it would have annual miles equal to or less than one mile.”

Response to CHIR No. 5, question 3.b. Please answer the following questions:

- a. For the specific Inter-SCF route discussed above, please identify the relevant contract cost segments (using values for “route” and “costsegmentcode” variables from the Analysis Dataset) for both regular and Christmas transportation accounts.
 - b. For all Inter-SCF Christmas contract cost segments with the annual miles equal to one (included in the variability analysis and not discussed in question 1.a.), please identify relevant regular contract cost segments that provide transportation on the same route. Please use values for “route” and “costsegmentcode” variables from the Analysis Dataset to identify each contract cost segment.
2. Please refer to the Analysis Dataset. Please also refer to the Response to CHIR No. 5 that states:

“The Postal Service has instances of regular purchased Intra-SCF highway transportation between two facilities that are less than one mile apart. The following map shows the route for one such contract cost segment that regularly runs between two facilities less than one mile apart....A Christmas purchased highway transportation contract could specify a cost segment that provided for extra trips between these facilities during the peak season. If that extra trip ran only one time, it would have annual miles equal to or less than one mile.”

Response to CHIR No. 5, question 3.c. Please answer the following questions:

- a. For the specific Intra-SCF route discussed above, please identify the relevant contract cost segments (using values for “route” and

“costsegmentcode” variables from the Analysis Dataset) for both regular and Christmas transportation accounts.

- b. For all Intra-SCF Christmas contract cost segments with the annual miles equal to one (included into the variability analysis and not discussed in question 2.a.), please identify relevant regular contract cost segments that provide transportation on the same route. Please use values for “route” and “costsegmentcode” variables from the Analysis Dataset to identify each contract cost segment.
3. Please refer to the Analysis Dataset.
 - a. Please confirm that contract 500AZ of the Inter-SCF XMAS Inter Area (HQ) highway transportation is correctly identified as an emergency contract in the Analysis Dataset and discuss the underlying reasons. Please include with the response a discussion of any conceptual issues that result in the referenced above Christmas contract also being an emergency contract. If not confirmed, please explain why for contact 500AZ, the value of “emergency” variable is “Y.”
 - b. If questions 3.a. is confirmed, please discuss whether the Postal Service anticipates that cost-to-capacity variability estimates for emergency and non-emergency Christmas transportation contracts within account 53626 will be the same and explain why.
4. Please refer to the Analysis Dataset.
 - a. Please explain why, within contract 460AZ, the “area” is not the same for different cost segments (specifically, the “area” for cost segments A and B is “Central,” but the area for cost segment C is “Norther[n]).”

- b. Please discuss why, for many contract cost segments with the annual miles equal to one, the “state” is not specified, although for other cost segments within the same contracts the “state” is specified (see contracts 117AH, 460AZ, 500AZ, 480AZ, 773GH, 632AH and 850AZ).

By the Chairman.

Michael Kubayanda