

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

PERIODIC REPORTING  
(PROPOSAL SIX)

Docket No. RM2022-13

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO QUESTIONS 1-7 OF CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(September 14, 2022)

The United States Postal Service hereby provides its responses to the above listed questions of Chairman's Information Request No. 1, issued September 7, 2022.

The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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September 14, 2022

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1. Please see attachment filed under seal.

**RESPONSE:**

Please see the nonpublic response filed under seal in USPS-RM2022-13-NP2.

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2. According to the Postal Service, under Proposal Six, “[g]oing forward, updates to the sampling program would . . . include more tests to lower CVs [coefficients of variation], as well as modifications to the frame design process.” Petition, Proposal Six at 6. Please identify and describe in detail each modification to the frame design process that the Postal Service proposes in Proposal Six.

**RESPONSE:**

The FY2022 peak frame was designed in November, using a combination of finalized list of peak transportation routes from Operations and November and December FY2021 trip data. This was supplemented with an updated frame for finding proper replacement trips in December using the same finalized list from Operations and November and December FY2022 trip data. The modifications to this process going forward would be to not rely on a list of routes from Operations, but to use November route data of the same fiscal year, along with October and November trip data of the same fiscal year. The updated frame to be used to find replacement trips would be created with December route data and with November and December trip data. These changes are summarized in the table below:

<b>Frame Developed</b>	<b>Route Data Used</b>	<b>Trip Data Used</b>
FY 2022 Initial	Finalized List from Operations (November, current FY)	Previous FY November and December
FY 2022 Replacement Report	Finalized List from Operations (November, current FY)	Current FY November and December
Proposed FY 2023 & On Initial	TCSS Route Data for Peak Trips (November, current FY)	Current FY October and November
Proposed FY 2023 & On Replacement Report	TCSS Route Data for Peak Trips (December, current FY)	Current FY November and December

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3. The Postal Service states that “[a]nalysis of the best suitable frame design using various available trip data led to the use of late October and early November trip data to provide the initial peak frame.” *Id.*
- a. Please explain in detail why the Postal Service proposes using late October and early November trip data to provide the initial peak frame.
  - b. Please explain in detail why the Postal Service does not propose using November and December trip data to provide the initial peak frame, when the Postal Service used such data in its fiscal year (FY) 2021 and 2022 studies. *See id.* at 3.

**RESPONSE:**

- a. The Postal Service proposes using late October and early November trip data to provide the initial Peak frame due to the late finalization of Peak highway trip scheduling. There needs to be at least a 2-week window after the frame is designed and sample is drawn to allow the districts to properly review and schedule their DCTs to sample the peak trips. Analysis of trip data available for that 2-week window was performed to find the range that provided the highest coverage of actual highway peak trips of the FY2022 peak season. The frame that was designed using late October and early November provided the best coverage over data drawn from preliminary Peak highway schedules or previous FY peak season trip data (FY2021).
- b. The Postal Service does not propose using November and December trip data to provide the initial peak frame because the frame must be designed in early November to allow districts in the field time to review and the schedule their DCTs to sample the scheduled tests. The Peak FY2021 study used FY2020 Peak season trip data from November and December

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of FY2020, and the FY2022 study used Peak season trip data from November and December of FY2021 for the initial frame with the addition of the frame update using November and December trip data, to be used as a basis for finding replacement trips.

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4. The Postal Service states that, in the FY 2022 peak season, "further instructions were provided to the DCTs [data collection technicians], emphasizing the importance of finding replacement trips to test if the originally selected test did not operate as planned." *Id.* at 4.
- a. Please provide the instructions provided to the DCTs to determine the replacement trips.
  - b. Please describe in detail how the DCTs conducted such test(s), including all testing procedures applied in such test(s).

**RESPONSE:**

- a. The following message was sent to all the Supervisors Statistical Programs on November 5<sup>th</sup> 2021 to be disseminated to the field.

Supervisors Statistical Programs:

TRACS will conduct 48 additional tests within the sampling period between November 25, 2021 and December 25, 2021. Data collectors must download the updated sample files before November 25<sup>th</sup> to complete these tests.

Due to the limited time frame and limited number of Peak trips, it is imperative that at least 2 days before a test, data collectors know the status of the scheduled vehicle and identify one or more Peak Trip replacements, in advance.

Below are guidelines to follow when conducting A Peak Sample Test.

- A. Conduct the test as normal when it is unloaded.
- B. Record the contents of the vehicle following the TRACS Surface policy guidelines.
- C. If the data collector is not able to sample on the assigned vehicle on the test day, conduct a replacement Peak test, on another vehicle on the same day.
- D. If the data collector is not able to sample a replacement test, reschedule the test.
- E. Peak trip Frame reports will be available on the Web Base Unit and will be continuously updated.

If you have any questions about Peak Trips or possible Peak replacements, contact the Statistical Programs Service Center [\\_spsc@usps.gov](mailto:spsc@usps.gov)

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Thank you for your commitment to Statistical Programs.

- b. Peak tests are conducted exactly the same as regular TRACS surface tests. Please see the approved TRACS Handbook F-65 and the following policy updates contained in the Statistical Programs Letters for TRACS surface policies and testing procedures, all of which are included in the zip file electronically attached to these responses.

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5. The Postal Service proposes increasing the number of peak tests to 300. *Id.* at 5-6. The Postal Service further states that “these tests would be systematically randomly selected from the full list of peak trips[.]” *Id.* If DCTs are instructed to locate replacement peak trips, will the randomness of the initial selection be maintained when replacing trips?
- a. If yes, please explain how the randomness of the initial selection will be maintained when replacing trips.
  - b. If no, please answer the following subparts:
    - i. Please explain why not.
    - ii. Please provide alternative replacement instructions that will maintain random selection.

**RESPONSE:**

- a. Yes. The initial selection of trips is designed to randomly select from the peak frame, a route-trip-stop-day within the peak season period. The regular TRACS policy for situations when testing the initially scheduled trip is not possible would apply. When selecting a replacement trip, the DCT would find another peak trip that stops at that same facility on the same test day. The DCT is not permitted to select any truck at any facility of their choosing to serve as a replacement. If a replacement is not possible, the test can be rescheduled to test again at that facility on the same day the next week. Since the DCT is following the established policy for conducting the replacements, the randomness would still be maintained.
- b. Not applicable.



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6. The Postal Service states that, “[t]his study yielded 38 tests out of 48 with meaningful data, allowing a distribution key to be developed.” *Id.* at 4.
- a. Please explain why 10 of the tests did not produce meaningful data.
  - b. Please explain the bearing that the number of FY 2022 tests without meaningful data will have on the Postal Service’s proposal to expand the number of tests to 300.

**RESPONSE:**

a. Of the 10 tests that did not produce meaningful data, 8 tests were cancelled, 1 test was incorrectly testing a non-peak trip, and 1 test was incorrectly rescheduled. The various reasons for cancellations in FY2022 peak tests included routing changes, the trip was not running (and no replacement was available), and DCTs were unable to conduct the test before the end of the quarter.

b. Circumstances will always arise that cause a certain portion of tests to be canceled or to have invalid data for some reason. The Postal Service has no reason to believe that this proportion will increase with scheduling additional tests. The low number of tests was the primary factor for the large coefficients of variation, and the increase to 300 tests was the central way to address that.

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7. The Postal Service states that FY 2022 Quarter 2 through Quarter 4 experience “very small amount[s] of costs accrued in peak highway accounts” which make it not “feasible to sample these trips[.]” *Id.* at 7.
- a. Please provide a table of the costs (similar in format to Table 1 in Proposal Six) for each fiscal quarter of FY 2022 Quarter 2 through Quarter 4 to support this assertion.
  - b. Please explain in detail why, in the Postal Service’s view, limited amounts of costs make sampling peak highway costs infeasible for FY Quarter 2 through FY Quarter 4.
  - c. Does the Postal Service anticipate proposing to enhance FY Quarter 2 through FY Quarter 4 peak highway transportation cost distribution in a future docket? If so, please explain.

**RESPONSE:**

- a. Please see the table below. FY2022 costs for Quarter 4 are not yet finalized.

**Highway Peak Contracts and Associated FY2022 Quarter One ~ Three Costs**

<b>Contract Type</b>	<b>ACCOUNT DESCRIPTION</b>	<b>ACCT</b>	<b>Q1 (\$000)</b>	<b>Q2 (\$000)</b>	<b>Q3 (\$000)</b>
Inter-SCF	TRNSP ML/EME-DOM-HS-INTER P&DC CHRISTMAS	53613	13,993	345	169
Inter-SCF	TRNSP ML/EME-DOM-HS-INTER CLUSTER CHRISTMAS	53617	7,923	5,867	534
Inter-SCF	TRNSP ML/EME-DOM-HS-INTER AREA CHRISTMAS	53622	223,857	14,248	5,788
Inter-SCF	TRNSP ML EQPT/EMPTY-DMSTC HWY SVC-INTER AREA	53626	4,274	783	942
Intra-SCF	TRNSP ML/EME-DOM-HS-INTRA P&DC CHRISTMAS	53604	9,755	7,433	3,890
Intra-SCF	TRNSP ML/EME-DOM-HS-INTRA CSD CHRISTMAS	53608	181	1,049	92
Intra-SCF	TRNSP ML EQPT-DMSTC-HWY SVC-INTRAAREA HQ XMAS	53625	73,152	15,930	8,691
Inter-NDC	TRNSP ML EQPT/EMPTY-DMSTC-HWYSVC-INTER BMC	53624	19,086	772	343
Intra-NDC	TRNSP ML EQPT-DMSTC-HWYSVC- INTRA BMC XMAS ML	53623	4,205	506	(5)
	<b>Total Peak</b>		<b>356,426</b>	<b>46,934</b>	<b>20,445</b>

- b. The small amount of costs in Quarter 2 through Quarter 4 reflects fewer trips running as compared to those in Quarter 1. Given the smaller number of trips and the

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unpredictable nature of peak trip schedules, it would not be feasible to establish a stable sampling frame and develop a reliable testing schedule from which to develop a distribution key. This is evidenced by the prior attempts at developing a sampling methodology for Quarter 1 peak trips, even with the relatively larger number of trips from which to choose. The Postal Service is not confident that enough meaningful data could be obtained to develop a distribution key that is an improvement in quality over the existing key that is applied to Quarter 2 through Quarter 4 costs.

c. At this time the Postal Service does not anticipate being able to develop an improved method to enhance Quarter 2 through Quarter 4 peak highway cost distribution.