## **BEFORE THE**

## POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

DOCKET NO. R2000-1

**POSTAL RATE AND FEE CHANGES, 2000** 

INTERROGATORIES OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION TO USPS WITNESS XIE (FGFSA/USPS - T - 1-1-29)

Pursuant to Section 20 of the Commissions's rules of Practice, Florida Gift Fruit Shippers Association (FGFSA) submits the attached interrogatories and document requests to USPS Witness Xie, USPS - T - 1.

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**Dated: March 23, 2000** 

FGFSA/USPS -T1 - 1. Identify all changes which have been made in the statistical sampling system for TRACS highway subsystem since the description was provided in Docket No. R97-1, and explain the reason for each change.

FGFSA/USPS-T1-2. Refer to pages 4 and 5 of T1, and explain what factors are applied to the percent of vehicle floor space occupied to establish the cubic feet utilized and explain how those factors were developed.

## FGFSA/USPS -T1 - 3. Refer to page 5 of T1:

- (a) Explain haw the "total cubic-foot-miles" used to calculate the distribution keys are developed from the test data recorded.
- (b) Confirm that the "total cubic-foot-miles" is the sum of all cubic-foot-miles for all of the mail for which data is recorded. If you do not confirm, please explain fully.
- (c) Explain whether or not, and if so, how, the "total cubic-foot-miles" includes the unutilized space in the vehicle.

FGFSA/USPS-T1-4. Refer to page 5, fn 8 of T1: Explain the "minor program error" that was detected for the Inter-BMC cost and the Intra-BMC cost in the Cost Segment 14B workpapers and what corrections were applied.

FGFSA/USPS-T1-5. Confirm that the distribution key for highway transportation cost is based on the ratio of cubic-foot-miles for each class/subclass of mail tested in the TRACS program to the total cubic-foot-miles for all mailed so tested. If you do not confirm, please fully explain.

FGFSA/USPS-T1-6. Confirm that the primary objective of the TRACS Highway Subsystem is to develop quarterly distribution keys to distribute the total of the volume variable costs of purchased highway contracts to the classes and subclasses of mail actually using the transportation service for the quarter. If you do not confirm, please fully explain.

FGFSA/USPS -T1 - 7. Explain the rationale and justification for the expansion of the test data to:

- (a) the capacity of the container,
- (b) the capacity of the unloaded vehicle.

FGFSA/USPS-T1-8. Assume that the vehicle has unused capacity of 80% at the last stop on the outbound trip, and that on the same trip, there was no unused capacity at the first stop. If the TRACS sample is made at the last stop, will the recorded data reflect the same cubic feet of sampled mail as would be recorded if the sample is made at the first stop, and the sampled mail is identical? If not, please fully explain.

FGFSA/USPS-T1-9. Assume a round-trip in Intra-BMC covering 150 miles in each direction, with only a single stop - the destination of the outbound trip and the origin of the inbound trip. At the destination of the outbound trip, the vehicle was 10% empty. At the destination of the inbound trip, the vehicle was 80% empty. Also, there is a single bed-loaded parcel, having 1 cubic feet, included in the TRACS sample at each destination. (a) Will the recorded cubic-foot-miles for each of the two parcels be the same? If not, please explain. (b) Will the cubic-foot-miles for each of the two parcels taken into account in the development of the distribution keys be the same? If not, please explain.

FGFSA/USPS-T1-10. Refer to LR-I-52, page 3. Identify the "Density Study data" used to convert weight to cubic feet. State when this study was completed. Provide a copy of the study.

FGFSA/USPS-T1-11. Confirm that the highway contract accounts for Inter-BMC are recorded in account number 53131 and for Intra-BMC in account number 53127. If you do not confirm, please explain.

FGFSA/USPS-T1-12. In an Inter-BMC trip, assume the vehicle is fully bedloaded with parcels and sacks, and that the TRACS sample occurs at the destination BMC. How many sacks and parcels will be selected for sampling? How is that number determined?

FGFSA/USPS -T1 - 13. Proved the definition of "item" and "item type".

FGFSA/USPS-T1-14. Refer to page 6 of LR-I-52. Explain how the percentage of a container occupied by each item type is determined. If the percentage is determined by estimation, explain the basis of making the estimate without the benefit of an actual count.

FGFSA/USPS-T1-15. (a) Confirm that, for Intra-BMC contracts, the samples allocated to each stratum are:

Inbound BMC 41%
Inbound SCF 8%
Inbound Other 2%
Outbound SCF 41%
Outbound Other 8%

(b) Confirm that, for Inter-BMC contracts, the samples allocated to each stratum are:

BMC 75%
SCF 23%
Other 2%

- (c) Explain how each percentage was determined.
- (d) Explain the extent to which the total mail volume each direction was taken into account in selection of the samples allocated to each stratum.

FGFSA/USPS-T1-16. (a) Confirm that mail sampled from a wheeled container is expanded to the cubic capacity of the container. If you do not confirm, please explain.

- (b) Explain why the cubic feet of the actual contents of the container is properly expanded to determine the cubic-foot-miles traveled by the sampled mail.
- (c) If the container is partially filled with several mail categories, explain how the actual number of mail pieces of each category is determined.

FGFSA/USPS-T1-17. Refer to LR-I-52, page 3. For Inter-SCF contracts it is noted that "these contracts usually do not serve BMCs". Explain the justification for having 5% of the samples for Inter-SCF contracts taken at BMCs.

FGFSA/USPS-T1-18. Refer to LR-I 52, page 6 relating to the third stage sample.

- (a) Explain the criteria by with the data collector decides whether to count the number of items in the container or to estimate the percentage of each item type.
- (b) Explain how the cubic feet are "imputed" from the number of items.
- (c) Explain how "The item type determines which expansion formula is used."
- (d) Explain the source, including the date determined, for each density factor shown in Table 1 of Appendix III

FGFSA/USPS-T1-19. Refer to LR-I-52, page 5, concerning the second stage sample.

- (a) If the TRACS test is made where 10 pallets are unloaded, how many pallets are selected?
- (b) If the TRACS test is made where 10 wheeled containers are unloaded, how many containers are selected?
- (c) If the TRACS test is made where 20 loose sacks are unloaded, how many sacks are selected?
- (d) If the TRACS test is made where 20 loose parcels are bedloaded, how many parcels are selected?

FGFSA/USPS-T1-20. Refer to LR-I-52 at page 11. In the first paragraph reference is made to mail "downloaded" from the vehicle. Confirm that this refers to mail "unloaded" from the vehicle. If you do not confirm, please fully explain.

FGFSA/USPS-T1-21. Refer to LR-I-52. Explain the meaning and method of determining the numbers shown in the columns headed "WT" and "TOTWT" Are these numbers actual weights from a scale measurement, or computed weights? If the latter, explain what weight factor is used to calculate the weight for each mailcode.

FGFSA/USPS-T1-22. Confirm that the TRACS data are used to estimate on a quarterly basis the percentage of capacity utilized with respect to each of the highway accounts. (a) Provide the highway utilization factors developed for Account 53127 and 53131, for each quarter of the year covered by LR-I-52, with separate factors for the inbound and outbound movements in account 53127. (b) Provide comparable capacity utilization data for each subsequent fiscal year.

FGFSA/USPS-T1-23. With respect to intra-BMC highway transportation, please confirm that, under TRACS, if the capacity utilization on the initial leg out from the BMC is twice the capacity utilization on the return portion of the trip back to the BMC, then, in the development of the distribution key, the key for the return portion of the trip will be twice the per cubic feet of actual mail as on the initial leg outbound from the BMC. If you do not confirm, please fully explain.

FGFSA/USPS -T1 - 24. Identify where in the TRACS data, as in LR-I-52 (a) the actual cubic feet of the mail in each TRACS sample, before there is any expansion, are recorded or computed, and the cubic foot miles for each sample. If this cannot be determined from the Library Reference, please provide this data for each quarter, by transportation mode, accounts 53127 and 53131, for each Testid.

FGFSA/USPS -T1 - 25. Confirm that TRACS computes the square feet of space occupied by palletized mail. If you do not confirm, please explain.

Is there a difference if the pallets are only one high or if the pallets are stacked two high?

FGFSA/USPS -T1 - 26. Refer to LR-I-52. The mail sampled is expanded up to the container level. Explain the rationale and justification for this expansion where the volume of mail at the time of the sample is insufficient to fill the container.

FGFSA/USPS-T1-27. Explain the term "loose item" as used in TRACS.

- (a) Are bedloaded parcels considered to be loose items?
- (b) Are bedloaded sacks of mail considered to be loose items?

FGFSA/USPS-T1-28. Assume that there are two identical parcels, with the same weight, dimensions, cube, origin and destination, and that these two parcels are transported in Intra-BMC transportation in the same vehicle on the same route, but on different days, and that both parcels are sampled under TRACS at the same destination. The TRACS data reflects thaat, for the day one trip, the vehicle was 0% empty and for the day two trip, the vehicle was 50% empty. Confirm that:

- (a) The measured or computed cubic feet for each of the two parcels will be the same.
- (b) In the expansion process, different facts will be taken into account for each parcel to reflect the different "empty" percentages.
- (c) The expanded cubic feet of the two parcels will be different.
- (d) The computed cubic foot miles of the two parcels will be different.

  If you do not fully confirm any of the above, please fully explain.

FGFSA/USPS-T1-29. Do you agree that a reasonable distribution key would reflect actual utilization of the Intra-BMC capacity over the entire route? Please fully explain any negative response.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Maxwell W. Wells, Jr

March 23, 2000