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

POSTAL RATE AND FEE CHANGES, 2000	Docket No. R2000–1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE TO INTERROGATORIES OF UNITED PARCEL SERVICE (UPS/USPS–T1–34(a-c), 35-42, 43(c-d), 44-50(a), 61-64)

The United States Postal Service hereby provides the responses of witness Xie to the following interrogatories of United Parcel Service: UPS/USPS–T1-34(a-c), 35-42, 43(c-d), 44-50(a), 61-64 filed on March 23, 2000. Interrogatories UPS/USPS–31-33, 34(d), 43(a-b), 50(b-c)-60 were redirected to the Postal Service.

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

Kenneth N. Hollies

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.

Kenneth N. Hollies

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April 6, 2000

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UPS/USPS-T1-31. Has the data collection process for the TRACS Commercial Air Subsystem (USPS-LR-I-49) ever undergone an audit or other type of quality control evaluation? If so, explain the procedure used and provide copies of the management reports describing the outcome of the audits or evaluations.

RESPONSE.

Redirected to the Postal Service.

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UPS/USPS-T1-32. Has the data collection process for the TRACS Network Air Subsystem (USPS-LR-I-51) ever undergone an audit or other type of quality control evaluation? If so, explain the procedure used and provide copies of the management reports describing the outcome of the audits or evaluations.

RESPONSE.

Redirected to the Postal Service.

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UPS/USPS-T1-33. Has the data collection process for the TRACS Highway Subsystem (USPS-LR-I-52) ever undergone an audit or other type of quality control evaluation? If so, explain the procedure used and provide copies of the management reports describing the outcome of the audits or evaluations.

RESPONSE.

Redirected to the Postal Service.

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UPS/USPS-T1-34. For the TRACS Highway Subsystem (USPS-LR-I-52) explain the following details of the data collection process:
(a) How does the process ensure that expedited mail is retained for sampling?
(b) Do containers contain markings, labels, or other indications indicating whether they contain expedited or non-expedited mail?
(c) Given that a TRACS test can take considerable time, what steps are taken to avoid delaying the movement of time critical products?
(d) Have any audits been conducted to determine whether mail movement is evading the TRACS inspection procedure? If so, provide copies of the management reports describing the outcome of such audits.

RESPONSE.

I assume that "expedited mail" in this question refers to Express Mail.

a) Data collectors are instructed to sample all the non-containerized Express Mail items. For Express Mail items in sampled containers, only one Express Mail item will be sampled.

b) It is my understanding that many containers with Express Mail items in them are labeled to indicate that they contain time critical products. Furthermore, the Express Mail sacks inside the container are typically easy to identify.

c) It is also my understanding that data collectors work with operation's personnel to prioritize the sampling and recording of mail to alleviate delays of time critical products.

d) Redirected to the Postal Service.

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UPS/USPS-T1-35. The following questions relate to the TRACS Highway Subsystem, library reference USPS-LR-I-52.
(a) If mail is destined for co-located facilities, is it delivered to one dock location, or does each facility receive its mail at a separate dock?
(b) In cases where mail is delivered to separate docks at co-located facilities, does the TRACS sample selection process differentiate between the facilities, and does the inspection schedule indicate the dock where the inspection is to take place?
(c) In cases where mail is delivered to separate docks at co-located facilities and the TRACS data collection schedule does not indicate the dock at which mail is to be inspected, is mail inspected at a randomly chosen dock? If not, what determines which dock will be sampled?
(d) In cases where mail is delivered to separate docks at co-located facilities, what information is recorded about the trip segment that corresponds to the movement between docks? What mileage is recorded as the distance?
(e) In cases where mail is delivered to one dock for co-located facilities, does the TRACS sample selection process differentiate between the facilities?
(f) In cases where mail is delivered to one dock for co-located facilities, is all the unloaded mail treated as one set by the TRACS data collector, or is the mail considered separately according to which co-located facility is the destination?
(g) What fraction of facilities are co-located, by facility type?

RESPONSE. ***[Waiting for response from Ron Steele.]***

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UPS/USPS-T1-36. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52).
(a) For the first quarter of FYI 998, and for the processing done at lines 423-485 of the program Hwy3, confirm separately the following (in each case, if you do not confirm, explain why):
(i) For the Intra-SCF data where FACCAT=2, 8 observations were selected.
(ii) For the Intra-SCF data where FACCAT=2, the universe from which observations could be drawn consisted of 119,560 observations, so the percentage of the universe selected was 0.0067%.
(iii) For the Intra-SCF data where FACCAT=5, 40 observations were selected.
(iv) For the Intra-SCF data where FACCAT=5, the universe from which observations could be drawn consisted of 127,163 observations, so the percentage of the universe selected was 0.0315%.
(v) For the Intra-SCF data overall, 404 observations were selected.
(vi) For the Intra-SCF data overall, the universe from which observations could be drawn consisted of 569,156 observations, so the percentage of the universe selected was 0.0710%.
(vii) The sampling rate for the Intra-SCF data where FACCAT=2 is less than 1/10th of the sampling rate for the Intra-SCF data as a whole, and the sampling rate for the Intra-SCF data where FACCAT=5 is less than 1/2 the rate for the Intra-SCF data as a whole.
(b) Explain why the relative proportions of the sampling rates in (a) (i) through (vii) are appropriate for proper sampling.
(c) For the second quarter of FY1998, for the processing done at lines 424-486 of the program Hwy3, confirm separately the following (in each case, if you do not confirm, explain why):
(i) For the Intra-SCF data where FACCAT=2, 8 observations were selected.
(ii) For the Intra-SCF data where FACCAT=2, the universe from which observations could be drawn consisted of 114,364 observations, so the percentage of the universe selected was 0.0070%.
(iii) For the Intra-SCF data where FACCAT=5, 40 observations were selected.
(iv) For the Intra-SCF data where FACCAT=5, the universe from which observations could be drawn consisted of 119,445 observations, so the percent of the universe selected was 0.0335%.
(v) For the Intra-SCF data overall, 404 observations were selected.
(vi) For the Intra-SCF data overall, the universe from which observations could be drawn consisted of 541,571 observations, so the percentage of the universe selected was 0.0746%.
(vii) The sampling rate for the Intra-SCF data where FACCAT=2 is less than 1/10th of the sampling rate for the Intra-SCF data as a whole, and the sampling rate for the Intra-SCF data where FACCAT=5 is less than 1/2 the rate for the Intra-SCF data as a whole.
(d) Explain why the relative proportions of the sampling rates in (c)(i) through (vii) are appropriate for proper sampling.

(e) Provide (i) the sampling rates by stratum for the third and fourth quarters of FY1998 and (ii) the source of this information.

RESPONSE.

a) Confirmed for subparts (i), (ii), (iii), (iv), (v), (vi), and (vii).

b) The sampling rates are the same as were used in BY96. Different sample allocations can affect the precision or coefficients of variation (CV) of the estimates. This is referred to as the efficiency of the allocation. The most efficient allocation has the lowest CV for a fixed cost. However, other factors may also be taken into consideration in determining an appropriate sample allocation, including the availability of data collection resources. I have not evaluated the efficiency of these sampling rates. However, one factor that was taken into consideration in the allocation is the amount of mail available for sampling when a test is scheduled. The amount of mail unloaded varies substantially from facility to facility depending on the type of facility. On a typical Intra-SCF route, either inbound or outbound, much more mail is unloaded at the BMC or the SCF than at other facilities on the route. It is not rare that a truck only stops at the facility to pick up mail and sends it to the destination BMC or SCF. Consequently, chances for getting a zero volume test at these facilities are much greater than those at the destination BMC or SCF. The stratum that consists of these facilities is considered an expensive stratum for TRACS sampling, in the sense that the cost per useable test in that stratum can be five to ten times higher than that in other strata. Fewer tests are allocated for Inbound Other (FACCAT=2) and Outbound Other pm (FACCAT=5) for this

reason. What we need to keep in mind, though, is that the allocation of tests between strata only affects the precision (variance or coefficients of variation) of the estimates, and does not affect the accuracy (bias) of the estimates. Our expansion process reflects the varying selection probabilities between strata by using the reciprocal of the sampling rates as the expansion factor. The estimator used, as documented in USPS-LR-I-52, section 7, is a typical Horvitz -Thompson type of estimator. It produces unbiased estimates for the cubic-foot-mile numbers used in the distribution key calculation.

c) Confirmed for parts (i), (ii), (iii), (iv), (v), (vi), and (vii).

d) See response to part (b) above.

e) The requested sampling rates are shown in the following table. These sampling rates are developed based on the samples selected and the weekly frame units in program HWY2. Both numbers are contained in LR-I-207. PQ3 numbers can be found on page 0111, volume 5, LR-I-207. PQ4 numbers can be found on page 2448, volume 7 of the same library reference.

Sampling fraction	PQ3	PQ4
Inbound BMC or SCF	0.1700%	0.2233%
Inbound Other	0.0234%	0.0316%
Outbound BMC or SCF	2.1169%	2.6847%
Outbound Other am	0.0547%	0.0718%
Outbound Other pm	0.0325%	0.0434%

Total Intra-SCF	0.0716%	0.0949%

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UPS/USPS-T1-37. The following questions relate to the TRACS Highway Subsystem (USPS-LR-I-52). Table 2 on page 8 of library reference USPS-LR-I-52 shows that, of the Intra-SCF portion of the sample, 40% is to represent Inbound-BMC or SCF movements, and 7% is to represent Inbound-Other movements.
(a) Confirm that the above interpretation of Table 2 is correct. If not confirmed, explain.
(b) Confirm that, for the first quarter of FY1998, lines 142-153 of the program Hwy3 cause the program to select a sample of Intra-SCF movements of which 45% represents Inbound-BMC or SCF movements, and 2% of the sample is to represent Inbound-Other movements. If not confirmed, explain and provide the correct information.
(c) Explain why the proportion of the first quarter FY1998 sample representing each of those two strata does not match the proportion described by the written documentation.
(d) Confirm that, for the second quarter of FY1998, lines 143-154 of the program Hwy3 cause the program to select a sample of Intra-SCF movements of which 45% represents Inbound-BMC or SCF movements, and 2% of the sample is to represent Inbound-Other movements. If not confirmed, explain and provide the correct information.
(e) Explain why the proportion of the second quarter FY1998 sample representing each of those two strata does not match the proportion described by the written documentation.
(f) Confirm that, for the third and fourth quarters of 1998, the sampled proportions match those described in Table 2 of library reference USPS-LR-I-52. If not confirmed, explain.
(g) If (b), (d), and (f) are confirmed, explain why the proportions sampled vary between the first two quarters and the last two quarters of the sampled year.
(h) If any of (b), (d), or (f) are not confirmed:
(i) Confirm that the proportions sampled did not vary throughout the year and explain why the SAS programs confuse one into believing otherwise, or
(ii) Explain why the proportions sampled vary between the first two quarters and the last two quarters of the sampled year.

RESPONSE.

(a) Confirmed for PQ3 and PQ4.

(b) Confirmed.

(c) A situation was encountered where all the tests taken from the 2nd stratum of the Intra-SCF (Inbound-Other) were zero volume tests. To help avoid this in the

future, the sample size in that stratum was increased from 2% to 7% of the total Intra-SCF tests. The increase in that stratum was offset by a corresponding decrease in the number of tests in the 1st stratum (Inbound BMC/SCF). This adjustment was made starting PQ3, BY98. The written documentation reflected the numbers used in PQ4, BY98.

(d) Confirmed.

(e) See response to (c).

(f) Confirmed.

(g) See response to (c).

(h) N/A.

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UPS/USPS-T1-38. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52) for the first quarter of FY1998.
(a) Confirm that 56,642 out of 189,172 NASS records are dropped from the sample design process (in the program Hwy1, lines 311-342, as numbered in the SAS log file) because they could not be matched with route records from the Highway Pay Master File or the Highway Contract Support System. If not confirmed, explain and provide the correct numbers.
(b) Why are these records dropped? If multiple reasons are given, state the number or proportion of records dropped for each reason.
(c) State the proportion of records dropped because of a failure to match with the Highway Pay Master File, and the proportion dropped because of a failure to match with the Highway Contract Support System.

RESPONSE.

(a) Confirmed.

(b) These records are dropped because they do not match the routes in the Highway Pay Master data set ('account'). At that juncture in the processing, this particular data set only contains the routes that TRACS highway should be sampling, i.e. regular contracts that are not for box routes. Two major steps are involved in creating this data set. The first step is to extract the regular routes from the Highway Pay Master File. The second step is to eliminate the box routes from the data set resulting from the first step by merging it with the Highway Contract Support System (HCSS) extract file. The HCSS file is not directly matched with the NASS file; it's sole purpose is to provide a list of box routes for elimination from the Highway Pay Master File.

(c) The proportion of records dropped because of a failure to match with the Highway Pay Master File data set is 30 percent. The proportion dropped because of a failure to match with the HCSS file is not applicable.

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UPS/USPS-T1-39. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52) for the second quarter of FY1998.
(a) Confirm that 59,722 out of 194,189 NASS records are dropped from the sample design process (in the program Hwy1, lines 311-342, as numbered in the SAS log file) because they could not be matched with route records from the Highway Pay Master File or the Highway Contract Support System. If not confirmed, explain and provide the correct numbers.
(b) Why are these records dropped? If multiple reasons are given, state the number or proportion of records dropped for each reason.
(c) State the proportion of records dropped because of a failure to match with the Highway Pay Master File, and the proportion dropped because of a failure to match with the Highway Contract Support System.

RESPONSE.

(a) Confirmed.

(b) See response to UPS/USPS-T1-38 (b).

(c) The proportion of records dropped because of a failure to match with the Highway Pay Master File data set is 31 percent. The proportion dropped because of a failure to match with the HCSS file is not applicable.

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UPS/USPS-T1-40. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52) for the third quarter of FY1998.
(a) Confirm that 59,582 out of 197,341 NASS records are dropped from the sample design process (in the program Hwy1, lines 311-342, as numbered in the SAS log file) because they could not be matched with route records from the Highway Pay Master File or the Highway Contract Support System. If not confirmed, explain and provide the correct numbers.
(b) Why are these records dropped? If multiple reasons are given, state the number or proportion of records dropped for each reason.
(c) State the proportion of records dropped because of a failure to match with the Highway Pay Master File, and the proportion dropped because of a failure to match with the Highway Contract Support System.

RESPONSE.

(a) Confirmed.

((b) See response to UPS/USPS-T1-38 (b).

(c) The proportion of records dropped because of a failure to match with the Highway Pay Master File data set is 30 percent. The proportion dropped because of a failure to match with the HCSS file is not applicable.

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UPS/USPS-T1-41. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52) for the fourth quarter of FY1998.

(a) Confirm that 62,825 out of 202,584 NASS records are dropped from the sample design process (in the program Hwy1, lines 311-342, as numbered in the SAS log file) because they could not be matched with route records from the Highway Pay Master File or the Highway Contract Support System. If not confirmed, explain and provide the correct numbers.
(b) Why are these records dropped? If multiple reasons are given, state the number or proportion of records dropped for each reason.
(c) State the proportion of records dropped because of a failure to match with the Highway Pay Master File, and the proportion dropped because of a failure to match with the Highway Contract Support System.
(d) Justify the validity of the sampling process in light of the loss of 30% of the records in the database of highway movements.

RESPONSE.

(a) Confirmed.

(b) See response to UPS/USPS-T1-38 (b).

(c) The proportion of records dropped because of a failure to match with the Highway Pay Master File data set is 31 percent. The proportion dropped because of a failure to match with the HCSS file is not applicable.

(d) We only sample regular non-box routes, but NASS includes more than that. Although I have not reviewed why each record is dropped, the dropping rate is fairly consistent across time. We do have a process to check various non-matching rates every time the sample selection programs are run.

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UPS/USPS-TI-42. The following questions relate to the data files included with the TRACS Highway Subsystem (USPS-LR-I-52). Refer to Appendix I of library reference USPS-LR-I-52, which describes the variables in the Final Analysis File (Z-File).
(a) For the Containers component, Appendix I describes the CONTNO variable as being the container number. Confirm that this variable indicates the sequence in which containers are inspected as they are unloaded and that, if the value is three, the observation represents mail that was contained in the third container unloaded and inspected. If not confirmed, explain what the values in CONTNO represent.
(b) For the Loose Items component, Appendix I describes the ITEMNO variable as being the item number. Confirm that this variable indicates the sequence in which loose items are inspected as they are unloaded and that, if the value is three, the observation represents mail that was contained in the third loose item unloaded and inspected. If not confirmed, explain what the values in ITEMNO represent.
(c) For the Pallets component, Appendix I describes the PALLETNO variable as being the item number. Confirm that this variable indicates the sequence in which pallets are inspected as they are unloaded and that, if the value is three, the observation represents mail that was contained in the third pallet unloaded and inspected. If not confirmed, explain what the values in PALLETNO represent.

RESPONSE.

(a) Confirmed with clarification. The variable CONTNO indicates the sequence in which the container is recorded. It may be different from the order in which it was unloaded or selected.

(b) Confirmed with clarification. The variable ITEMNO indicates the sequence in which the item is recorded. It may be different from the order in which it was unloaded or selected.

(c) Confirmed with clarification. The variable PALLETNO indicates the sequence in which the pallet is recorded. It may be different from the order in which it was

unloaded or selected. Furthermore, this variable cannot have a value of three; at most, two pallets are recorded in a test.

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UPS/USPS-TI-43. The following questions relate to the TRACS Highway Subsystem (USPS-LR-I-52).
(a) Describe the updating process for the NASS data that serves as an input to the sample selection part of the procedure. How current is the information in the system at the time the TRACS sample selection process begins? How often is the data updated?
(b) Describe the updating process for the Highway Pay Master File data that serves as an input to the sample selection part of the procedure. How current is the information in the system at the time the TRACS sample selection process begins? How often is the data updated?
(c) Describe the updating process for the Highway Contract Support System data that serves as an input to the sample selection part of the procedure. How current is the information in the system at the time the TRACS sample selection process begins? How often is the data updated?
(d) Describe how far in advance of the beginning of a quarter the TRACS sample is selected. What is the age of the data files used at that time -- are they current as of that day, or were they set aside at an earlier time?

RESPONSE.

[Response to (a) and (b) not finalized yet]

(a) Redirected to the Postal Service.

(b) Redirected to the Postal Service.

(c) TRACS used two HCSS data sets extracted from the Highway Contract Support System (HCSS). They were updated intermittently. One was created prior to PQ1, FY97 (August 1996). Although there is some evidence indicating that the other one was created in August 1995, that evidence is not conclusive. It is possible that it was updated at the same time that the first data set was created, in the process of updating inputs for the PQ1, FY97 sample selection. They were subsequently updated and consolidated into one HCSS input file for the PQ1, FY99 sample selection process. As I stated in my response to UPS/USPS-T1-38 (a) and (b), the sole use of the HCSS file in the sample

selection process is to provide a list of box routes for elimination from the Highway Pay Master File.

(d) The TRACS sample selection process is usually initiated five weeks prior to the beginning of a postal quarter. See responses to (a), (b), and (c) of this question for the age of the input files.

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UPS/USPS-TI-44. The following questions relate to the TRACS Highway Subsystem (USPS-LR-I-52):
(a) How is the Hub and Spoke Program ("HASP") treated?
(b) Under which contract types are the highway movements under this Program found?
(c) How does the Highway Subsystem process ensure that a representative sample of the highway movements under this Program are (sic) taken?
(d) What information on the movements under this Program appears in the National Air and Surface System ("NASS"), the Highway Pay Master File, and the Highway Contract Support System ("HCSS")?

RESPONSE.

(a) In BY98, regular contracts serving HASP facilities were included in the sampling frame.

(b) In BY98, HASP facilities were served under Intra-SCF, Inter-SCF, and Intra-BMC contracts.

(c) The Highway Subsystem is not designed to ensure that a representative sample of contracts serving HASP facilities is selected. However, the sample selection process was revised in FY99 to ensure that HASP facilities are included in the same stratum as BMC's and SCF's.

(d) My understanding is that there is no difference between the way the NASS database treats these contract routes and the way it treats others. The same is true for the Highway Pay Master File and the HCSS extracts used in TRACS. No specific information in any one of these files indicates that a route services a HASP facility or not other than the facility code on the route.

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UPS/USPS-T1-45. The following questions relate to the TRACS Highway Subsystem (USPS-LR-I-52). In the Final Analysis File (Z-File), the "Test header" or "sample" file contains the variable FRMCOUNT.
(a) Confirm that the values in this variable do not represent the number of movements within each stratum that appear in the NASS file used in the sample selection process. If not confirmed, explain how one can verify, using the SAS logs provided as a part of USPS-LR-I-207, that the data in the variable FRMCOUNT match the data from the NASS file used in the sample selection process.
(b) Explain the source of the values in this variable.
(c) Explain why the values in this variable are the appropriate data to use in expanding the sample to represent the universe.

RESPONSE.

(a) Confirmed, if the 'number of movements' you refer to is as shown in the program 'HWY2'.

(b) This variable is created from program 'ZEDITS' (lines 18-38) by reading the data set 'frame' created from the frame compiling program 'FRAME'.

(c) This is the number of movements (frame units) for the quarter, while the number in the program 'HWY2' is the number of movements for a week. Which one is used in the expansion process should not make any difference since the number of weeks in the quarter does not vary by stratum. In BY98, the weekly frame used in the sample selection process was not saved for later use in the expansion process; the program 'FRAME' was run just prior to initiating the expansion process. Thus, the FRMCOUNT used in the expansion process may differ slightly from that used in the sample selection process, though the effect on the estimates should be negligible.

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UPS/USPS-T1-46. Provide a complete list of transportation contracts and accounts which are excluded from the TRACS sampling procedure.

RESPONSE

The list of contracts and accounts which are excluded from the TRACS sampling frame during BY98 is provided in USPS-LR-I-287.

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UPS/USPS-T1-47. Does the Highway Pay Master File data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts but not the Exceptional contracts.

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UPS/USPS-T1-48. Does the Highway Contract Support System data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts, but not on Exceptional contracts.

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UPS/USPS-T1-49. Does the National Air and Surface System data used in the TRACS Highway Subsystem (USPS-LR-I-52) include data on Emergency and Exceptional contracts?

RESPONSE.

It includes data on Emergency contracts, but not on Exceptional contracts.

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UPS/USPS-T1-50. The following questions deal with the movement of Priority Mail by highway transportation.
(a) In what types of containers, pallets, or loose items is Priority Mail handled when it moves by highway? Be specific as to the type of container, type of sack, etc. What is the proportion of use across the container types, and what measure is used to answer this question? (For example, "Priority mail moves in nylon sacks 25% of the time, as measured by cubic-foot miles.")
(b) How does a worker unloading a truck determine the priority for unloading?
(c) Are the items on a truck identified as to approximate mail composition?
(ii) Is time-sensitive mail identifiable as such by a worker?
(iii) Is it Postal Service policy or the typical procedure that time sensitive mail be unloaded from a truck first, to the extent possible, by the arrangement of mail within the truck? If not, what is the policy or typical procedure for unloading time sensitive mail?
(iv) Is it Postal Service policy or the typical procedure that low priority containers/pallets/ sacks are set aside so that higher priority mail may be processed first?
(v) Is it Postal Service policy or the typical procedure that high priority mail is expedited in moving from the dock to the next stage of processing? If not, what is the policy or typical procedure for moving high priority mail from the dock to the next stage of processing?
(vi) What categories of mail are considered to be high priority mail or time-sensitive mail for the purposes of loading and unloading trucks and for dock handling?
(vii) Describe any other policies or procedures that determine the sequence in which different classes or subclasses of mail or individual items or groups of items of mail are processed as they are removed from a truck, after removal, prior to loading, and during the loading process.

RESPONSE.

(a) My understanding is that Priority Mail generally moves in wheeled containers, sacks, and as loose items. Occasionally, it may be found on pallets and in flat tubs. The requested proportion has not been calculated. However, data have been provided in this proceeding which would allow an informed analyst to calculate this proportion, after making appropriate assumptions regarding the measure to be used. It can be calculated using data in the ZFILE provided in USPS-LR-I-52. The container and item information is kept in

variables 'SETASIDE' and 'CTYPE' for containerized items, respectively. The item information is kept in 'NCTYPE' for non-containerized items. Refer to Table 8, USPS-LR-52 for the exact definition of variables in the ZFILE.

(b) and (c) Redirected to the Postal Service.

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UPS/USPS-T1-61. The following questions relate to the sample design process for the TRACS Highway Subsystem (USPS-LR-I-52).
(a) Confirm that, for the first quarter of FY1998 (if not confirmed, explain):
(i) The design process consists of the following programs, executed in sequence: Hwy1, Hwy2, Hwy3, Hwy4, and Hwy2flat.
(ii) The data set created in Hwy2flat is used by the program Tracodes.
(iii) The program Frame is not a part of this process.
(b) For the first quarter of FY1998, explain the purpose of the program Frame.
(c) Confirm that, for the second quarter of FY1998 (if not confirmed, explain):
(i) The design process consists of the following programs, executed in sequence: Hwy1, Hwy2, Hwy3, Hwy4, and Hwy2flat.
(ii) The data set created in Hwy2flat is used by the program Tracodes.
(iii) The program Frame is not a part of this process.
(d) For the second quarter of FY1998, explain the purpose of the program Frame.
(e) Confirm that, for the third quarter of FY1998 (if not confirmed, explain):
(i) The design process consists of the following programs, executed in sequence: Hwy1, Hwy2, Hwy3, and Hwy4.
(ii) The data set created in Hwy4 is used by the program Tracodes.
(iii) The program Frame is not a part of this process.
(f) For the third quarter of FY1998, explain the purpose of the program Frame.
(g) Confirm that, for the fourth quarter of FYI998 (if not confirmed, explain):
(i) The design process consists of the following programs, executed in sequence: Hwy1, Hwy2, Hwy3, and Hwy4.
(ii) The data set created in Hwy4 is used by the program Tracodes.
(iii) The program Hwy0 is not a part of this process, but rather provides, for the edit stage of TRACS, NASS information for replacement inspections.
(iv) The program Frame is not a part of this process.
(h) For the fourth quarter of FY1998, explain the purpose of the program Frame.
(i) Confirm that the series of SAS programs, and the SAS code within each, used in creating the sample for each quarter of FY1998 vary from quarter to quarter. In confirming, consider the following examples, representative but not exhaustive of the variation:
(i) The program Hwy2flat is used in the first and second quarters but not in the third and fourth.
(ii) The program Hwy2 in the third quarter defines macros named SELECT and DIST-FAC, and each are executed several times. The program Hwy2 in the second quarter does not contain these macros.
(iii) For the third quarter, the last step of program Hwy1 begins on line 739, whereas for the fourth quarter, it begins on line 736.
(j) Explain why such variation in code across quarters occurs and explain the impact of this variation. If you do not confirm any of the above, explain.

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RESPONSE.

(a), (c), (e), (g) Confirmed.

(b), (d), (f), (h) The program 'FRAME' was used, prior to initiation of the expansion process, to obtain the FRMCOUNT as explained in my response to UPS/USPS-T1-45(c).

(i) Confirmed.

(j) I initiated numerous changes to improve the sample selection process. These changes were first implemented in PQ 3, and were finalized in PQ 4, and included the following enhancements:

(1) Changed sample allocations for the first and second strata for Intra-SCF to avoid a potential empty cell problem. See my response to UPS/USPS-T1-37 (c) for more information.

(2) Eliminated the use of district workload constraints used to adjust the sample resulting from a simple random sample selection algorithm. As an alternative, I implemented a systematic random selection from the list of frame units sorted by district, so that samples in the same stratum would have the same probability of selection. The random selection algorithm used in the old program causes fluctuation for samples at district level due to the nature of a small sampling fraction in TRACS. The district workload constrain algorithm was used to alleviate this workload problem. However, it distorted the selection probabilities. With the new algorithm, the number of samples in each district tends not to

fluctuate very much from quarter to quarter, since it is now only a function of the number of frame units in the district.

(3) Streamlined the programs to reduce manual process and implemented procedures to retain copies of sample selection input files.

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UPS/USPS-T1-62. The following questions relate to the Emery contract for Priority mail.
(a) Are any of the ground operations movements under that contract included in the NASS file from which the TRACS Highway Subsystem (USPS-LR-I-52) sample is drawn? If so, are any of those movements present in the drawn samples?
(b) Are any of the air operations movements under that contract included in the NASS or ACSS files from which the TRACS Commercial Air Subsystem (USPS-LR-I-49) or the TRACS Network Air Subsystem (USPS-LR-I-51) samples are drawn? If so, are any of those movements present in the drawn samples?

RESPONSE.

I assume that this interrogatory is referring to the Emery contract for the PMPC network.

(a) I am not sure if the ground operations movements paid under the Emery contract are included in the NASS extract file from which the TRACS Highway Subsystem sample is drawn. However, if they are in the NASS extract file they would not be included in the TRACS Highway Subsystem sampling frame since the sampling frame only includes contracts paid under the regular accounts. Therefore, such movements should not be in the TRACS Highway sample.

(b) Yes, for TRACS Commercial Air I am not sure if the air operations movements paid under the Emery contract are included in the ACSS extract file from which the TRACS Commercial Air Subsystem is drawn, but to the best of my knowledge, such movements are not present in the sample.

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UPS/USPS-T1-63. The following questions relate to the procedures that TRACS inspectors are to follow in conducting a data collection test.
(a) Does the "TRACS Instruction Manual" (USPS-LR-G-112/R94-1) describe the procedures currently in use for the collection of data on mail composition in the transportation systems? If not, describe the changes in these procedures between the time the manual was published and the present.
(b) Provide a current version of the TRACS Instruction Manual or other manual that describes the specific procedures for conducting data collection tests.

RESPONSE.

(a) (b) Yes. However, an updated version was published in July 1998, and is contained in Chapters 2 and 5 of the Handbook F-65, Cost System Data Collection Handbook. This handbook is provided in LR-I-18. Supplemental instructions are provided in Policy Memos - Statistical Programs Letters, copies of which are provided in USPS-LR-I-280.

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UPS/USPS-T1-64. Refer to page 23, Table 8, of your testimony. Confirm that in BY1998 Express Mail accounted for 24 percent of non-premium Eagle Network costs.

RESPONSE.

Confirmed.

DECLARATION

I, Jennifer J. Xie, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

Jennifer J. Xie

Date: April 6, 20[illegible]