

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

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POSTAL RATE AND FEE CHANGES, 1997

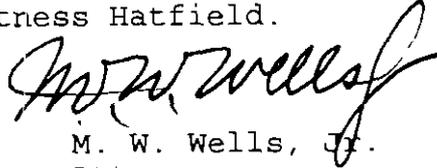
Docket No. R97-1

FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: PHILIP A HATFIELD

FGFSA/USPS-T16-1-15

July 28, 1997

Florida Gift Fruit Shippers Association hereby submits
interrogatories to USPS Witness Hatfield.



M. W. Wells, Jr.
Attorney
Florida Gift Fruit Shippers
Association

INTERROGATORIES TO WITNESS HATFIELD

FGFSA/USPS-T16-1

Is the total purchased transportation cost attributed to the various classes and subclasses of mail using the methodology described in your testimony?

- (a) If not, explain how such costs are attributed.
- (b) If not, do you recommend that your methodology be used for the attribution of total transportation costs?

FGFSA/USPS-T16-2

Provide and identify the source of the number of pieces of each class and subclass of mail transported in each type of highway transportation (intraSCF, inter SCF, intra BMC, and interBMC)

FGFSA/USPS-T-16-3

Provide and identify the source of the cubic feet of each class and subclass of mail transported in each type of highway transportation (intraSCF, interSCF, intraBMC and inter BMC).

FGFSA/USPS-T-16-4

Provide and identify the source of the cubic foot miles for each class and subclass of mail transported in each type of highway transportation (intra SCF, inter SCF, intra BMC and inter BMC).

FGFSA/USPS-T-16-5

Confirm that you treat the transportation costs between a BMC and a P&DC served by that BMC as "intermediate transportation costs".

If you do not confirm, please explain fully.

FGFSA/USPS-T-16-6

Are the cube-weight relationships which you describe in your testimony (beginning at page 11) used to determine the portion of total purchased highway transportation costs which is attributable to parcel post?

If not, do you recommend that such relationships be taken into account in determining the attribution of such costs?

FGFSA/USPS-T-16-7

For a machinable parcel mailed at Daytona Beach, Florida, for delivery in Dalton, Georgia, confirm that the parcel will receive:

intra BMC transportation

from Daytona Beach to the Jacksonville, Fl BMC

from the Atlanta, Ga BMC to Dalton, Ga.

inter BMC transportation

from the Jacksonville BMC to the Atlanta BMC

If you do not confirm, please fully explain.

If you do confirm, explain how the intra BMC transportation for this parcel is unrelated to the GCD between each BMC and the originating/destinating facilities.

FGFSA/USPS-T-16-8

Assume a 20# machinable parcel is placed in the mail at the Panama City, Florida, SCF for delivery to an addressee served by the Tampa, Florida, SCF. Confirm that this parcel will receive intra

BMC transportation from Panama City, FL to the Jacksonville, FL BMC and from the Jacksonville, FL BMC to Tampa, FL.

In this example, Panama City is Zone 3 from the Jacksonville BMC and from Tampa, and Tampa is also Zone 3 from the Jacksonville BMC.

What will be the actual miles for which transportation service is provided? Will this be actual highway mileage or GCD miles?

What will be the transportation miles taken into account for the determination of attributable costs?

What will be the transportation miles to be taken into account using the methodology explained in your testimony?

FGFSA/USPS-T-16-9

Assume a 20 lb. machinable parcel entered as parcel post at the Jacksonville, Florida SCF as Intra-BMC mail for delivery to an address served by the Tampa, Florida SCF, and an identical 20 lb. machinable parcel entered at the Jacksonville, Florida BMC as DBMC mail for delivery to the same address served by the Tampa, Florida SCF. Both parcels are received and processed at the Jacksonville BMC on the same day.

(a) Will both parcels be transported from the BMC to the SCF on the same vehicle?

(b) Will both parcels receive the same highway transportation service from the Jacksonville BMC to the Tampa SCF?

(c) Will the amount of the highway transportation costs from the BMC to the SCF for the Intra BMC parcel be determined on the basis of the cubic feet of the parcel, regardless of the distance?

If not, how will the cost be determined?

(d) Will the amount of the highway transportation costs from the BMC to the SCF for the DBMC parcel be determined on the basis of the cubic foot miles of the parcel? If not, how will the cost be determined? If so, is the mileage actual highway miles or the GCD distance?

(e) If the amounts under (c) and (d) are not the same, explain why the amount of transportation costs are different for the two parcels, when the transportation service utilized by each parcel will be the same.

FGFSA/USPS-T-16-10

Assume a machinable parcel is entered at the Tallahassee, Florida SCF for delivery to an addressee served by the Thomasville, Georgia SCF. Confirm that the transportation to be proved for this parcel will be: intra-BMC from Tallahassee to the Jacksonville BMC, inter-BMC from the Jacksonville BMC to the Atlanta BMC, and intra BMC from the Atlanta BMC to Thomasville. If you do not confirm, please explain fully.

(a) Is this circuitous route determined for the convenience of the USPS?

(b) Is the transportation cost assigned to this parcel for rate making purposes limited to the GCD mileage between the originating and destinating postal facilities?

FGFSA/USPS-T16-11

In your autobiographical sketch at page iii, you stat that your experience includes "attributable cost analysis in transportation" and you "have worked on various projects related to parcels and transportation." You also state that you have observed transportation cost system (TRACS) tests.

- (a) Are you sponsoring any of the material in LR-PCR-17 or LR-PCR-20? If not, is any other witness sponsoring any part of these references, and which witness is best qualified to answer questions pertaining to each of these library references?
- (b) Please describe fully your familiarity with the TRACS programs described in LR-PCR-17 used to develop the distribution keys for attributable highway costs. In your answer, please state explicitly whether you are knowledgeable about the methodology, procedures and formulas used by TRACS (i) to expand sampled mail volume up to the container level, (ii) to expand sampled mail volume from the container level up to the whole truck or van, and (iii) to compute cubic foot miles of transportation service for each class and subclass of mail.
- (c) Are you familiar with and knowledgeable about the way the TRACS sample is selected? For Intra-BMC routes, would you know how many TRACS samples are taken of trucks outbound from the BMC, and how many samples are taken of trucks inbound to the BMC (including samples taken at the BMC itself)?

- (d) Have you ever used any of the data contained in the CDs in LR-PCR-20 for any kind of analysis, or any other purpose? If so, please describe the nature of such analysis.

FGFSA/USPS-T16-12.

In Docket No. 96-3, the response to OCA/USPS-39(2), under Data Collection, stated that "[t]he following were added to TRACS since FY 93:

LL- Fourth class BSPS (Bulk Small Parcels)

- a. Please define Fourth-class BSPS as used in the TRACS data collection system.
- b. Explain how Fourth-class BSPS differs from third-class BSPS, and how TRACS data collectors distinguish between the two.
- c. Provide references to all instructions given to TRACS data collectors regarding criteria and definitions pertinent to entering data under the code "LL - Fourth-class BSPS." If the TRACS instructions are not on file as a library reference, please provide.

FGFSA/USPS-T16-13.

Please refer to LR-H-82, program TRACS.EXPAND.HWY.PQ*95.CNTL(HWY6) .

- a. Explain how and to what extent this program "adjust[s] measured cubic feet to match utilization proportions." In your response, please define the term "utilization proportions" as used here. In your answer, explain whether utilization proportions refers to capacity of the truck or something else.

- b. Please provide a plain language, non-technical explanation of how this program "expands the cubic feet to match the utilization proportions." Explain fully what is meant by the term "expands."

- c. Assume that 25 percent of the capacity of an OTR container was taken up by a single subclass of mail, and the remainder of the container is empty. By how much would this program expand the cubic feet of mail in that subclass? If the information given here is not sufficient to provide an answer, please provide indicate all additional information that is required.

- d. Assume (i) that 60 percent of the capacity of an OTR container was taken up by two subclasses, (ii) that two-fifths of the mail in the container was Subclass 1, (iii) the remaining three-fifths was Subclass 2, and (iv) and the other 40 percent of the container is empty. By how much would this program expand the cubic feet of mail in each subclass? If the information given here is not sufficient to provide an answer,

please provide indicate all additional information that is required.

- e. What is the rationale for assigning empty capacity in containers in proportion to the mail that is actually in the container? That is, why is mail in a container charged for main not in the container in proportion to mail in the container?

FGFSA/USPS-T16-14.

- a. Please list each type of container, along with the cubic capacity, that the Postal Service uses for each Intra-BMC and Inter-BMC highway transportation.
- b. For each container type specified in response to preceding part a, indicate whether loading of the container is customarily confined to one subclass, even when the container is only partially full.
- c. If any containers are customarily restricted to one subclass, regardless of whether the container is only partially full, please explain the rationale for limiting to one subclass what can be put into a single container.

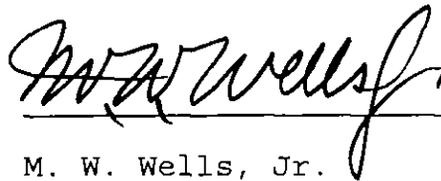
FGFSA/USPS-T16-15.

Explain the purpose, as well as the underlying rationale, for expanding the cubic feet occupied by mail in the TRACS sample up to the cubic capacity of the truck. If a causal relationship is asserted to exist between mail actually on a particular truck and empty capacity on that truck, please explain fully. If any principles of economics underlie the stated purpose or rationale, please list and describe each one fully. Finally, if any generally accepted accounting principles underlie the stated purpose or rationale, please list and describe each one fully.

CERTIFICATE OF SERVICE

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

Dated this 28th day of July, 1997.

A handwritten signature in cursive script, appearing to read "M. W. Wells, Jr.", is written over a horizontal line.

M. W. Wells, Jr.

Attorney