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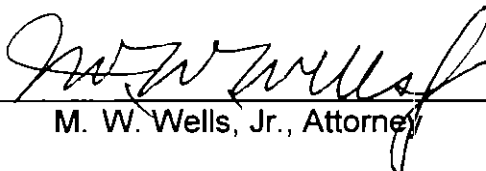POSTAL RATE AND FEE CHANGES, 1997   DOCKET NO. R97-1

FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS NORMA B. NIETO
USPS-T-2

FGFSA/USPS-T2-1-47

SEPTEMBER 3, 1997

Florida Gift Fruit Shippers Association,(FGFSA) hereby submits the attached
interrogatories to USPS Witness Nieto (USPS - T -2), and requests a timely and
full response under oath.

Florida Gift Fruit Shippers Association

By _____
M. W. Wells, Jr., Attorney

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P. O. Box 3628
Orlando, Florida 32802

FGFSA/USPS-T2-1

Refer to the Library References pertaining to TRACS - USPS-LR-H-78 through 84:

A. Was each library reference prepared by you or under your direction?

B. Are you the sponsor of any or all of these library references?

FGFSA/USPS-T2-2

Were the data collection instructions applicable during FY 1996 the same as those shown in LR-G-112, Docket No. R94-1? Please identify any changes.

FGFSA/USPS-T2-3

Refer to LR-H-82. Please provide the code to read the 5 digit TESTDATE which begins with the numbers "78".

FGFSA/USPS-T2-4

Refer to LR-H-82. Explain the derivation and method of determining the numbers shown in the columns headed "TOTWT" and 'WT".

a) Are these numbers actual weights from a scale measurement, or computed weights? If the latter, explain what weight factor is used in the TRACS programs to calculate the weight for each mailcode.
b) Where mail is sacked, trayed or containerized, is the weight of the sack, tray or container taken into account? If so, explain , with the weight factor used for each type of container. Also, explain how the weight of the sack, tray or container is distributed to the mail contained therein.

FGFSA/USPS-T2-5

Confirm that, as used in LR-H-82, transportation account number 53127 is Intra BMC and 53131 is Inter BMC.

FGFSA/USPS-T2-6

Confirm that the percent of total sample size allocated to each facility type is as shown in Exhibit 2 on page 3 of LR-H-78. If you do not confirm, please provide the correct percentage for each.

a) In Exhibit 2, for the Intra-BMC entries, confirm that the "inbound" refers to inbound to the BMC and that the "outbound" refers to outbound from the BMC. If you do not confirm, please provide complete clarification.

b) Explain the basis and criteria used in assigning the percentage to each facility type.

c) For the Inter-SCF account, it is stated, on page 2 of LR-H-78, that "BMCs are generally not served." Explain why 5% of the samples for Inter-SCF are taken at BMC destinations.

d) For Intra-BMC, the volume of mail outbound from the BMC is greater than the volume of mail inbound to the BMC. Explain why 70% of the samples are taken on the inbound move, and only 30% on the outbound move.

FGFSA/USPS-T2-7

Do you agree that, as a general rule, Inter-BMC transportation is not used for Priority or Express mail, except to destinations other than a BMC? If not, please fully explain.

FGFSA/USPS-T2-8

Confirm that, in Q1 1996, TRACS sample data for account 53131

a) Records 1 sample at a BMC destination facility for Priority Mail (see, TESTID no. 70346UA) Please provide, for that TESTID, the place of origin of the sampled priority mail, and explain why this mail was unloaded at a BMC facility.

b) No other sample of Priority mail was recorded at a BMC destination facility.

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

FGFSA/USPS-T2-9

Confirm that, in Q1, 1996, TRACS data for account 53131

a) Records 4 samples at BMC destination facilities for Express mail. See, TESTID nos. 70086YB, 70706QM, 73016JX and 77026RY.

b) No other samples of Express mail were taken at BMC destination facilities.

c) If you do not confirm any of the foregoing, please fully explain.

d) For each of the above TESTID numbers, provide the place of origin of the sampled Express mail, and explain why Express mail was unloaded at a BMC facility.

FGFSA/USPS-T2-10.

a) Within the Intra-BMC highway transportation account, do most or all contracts specify a trip from/to a BMC with a return trip to/from the BMC (that is, a round trip)? If the number or percentage of IntraBMC highway contracts that do not specify or require a return trip (that is, a non-paired trip) is known, please provide.

b) For those Intra-BMC highway contracts that specify a round trip, do most such round trips originate and terminate at (i)   the BMC, or (ii) some other point, such as an SCF?

c) For those Intra-BMC highway contracts that specify a round trip, (i) do most such trips stop at specified facilities on the outbound leg and then return to the BMC via the same route (stopping at the same facilities), or (ii) do most such trips make a "loop" back to the BMC without retracing the stops (ie., making only one stop at all or most facilities before returning to the BMC)?

FGFSA/USPS-T2-11.

a) .Confirm that under TRACS all samples of highway transportation are taken when the truck is unloaded. Please explain fully any non-confirmation.

b) Please confirm that when a truck on an intra-BMC route is sampled at the BMC, (i) the sample necessarily represents a truck that was in-bound to the BMC, and (ii) mail that is unloaded at the BMC consists of mail that originated at facilities from within the area served by the BMC. Please explain fully any non-confirmation.

FGFSA/USPS-T2-12.

Please confirm that TRACS data are used to estimate on a quarterly basis the percentage of capacity utilized with respect to the four different highway accounts.

a. Confirm that the TRACS data for the highway capacity utilization factors for FY 1995 is accurately reflected in the following table.

b. Provide a similar table showing the highway capacity utilization factors for FY96.

c. Provide comparable capacity utilization data for each of the FYs from 1990 through 1994.

FGFSA/USPS-T2-13.

For purposes of your response to this interrogatory, assume that an intra-BMC truck makes a 200-mile run out from the BMC and en route to the final destination facility it makes four equidistant stops including the final destination facility (i.e., 50 miles per segment), then returns to the BMC via the same route. For simplicity, assume that the total cost for the entire trip is $400, which averages $1.00 per mile.

a. Please confirm that (i) under TRACS the cost of the 200-mile outbound run is considered to be equal to the cost of the return inbound run, and (ii) under the hypothetical posited here, the cost of one outbound and one inbound run would each be $200.

b. Please confirm that TRACS would treat each of the four outbound segments and each of the four inbound segments as having a cost of $50. If you do not confirm, please explain how TRACS determines the cost of individual segments.

c. Please confirm that under TRACS neither the cost apportioned to segments on the outbound portion of the trip nor the cost apportioned to segments on the inbound portion depend on (i) the actual load factor (capacity utilization) of the sampled trip, or (ii) the average load factors outbound from and inbound to BMCS. if you do not confirm, please explain how load factors enter into apportionment of the total trip cost to the different segments.

FGFSA/USPS-T2-14.

a. For purposes of your response to this interrogatory, assume that an intra-BMC
    truck makes a run out from the BMC and en route to the final destination it
    makes five stops at facilities A, B, C, D and E, where E is the final destination.
    Assume further that (i) the truck picks up and drops off mail at each stop, and
    (ii) the truck is sampled at an intermediate point, such as when the truck arrives
    at point D from point C. For the sample taken at point D, does the TRACS
    program distribute any of the cost apportioned to prior segments (e.g., from the
    BMC to facility A, or from A to B, or from B to C) or the final segment (e.g., from
    D to or does the TRACS program limit itself to distributing only the cost
    apportioned to the trip segment between facilities c and D?

b. When a particular trip is sampled, does the TRACS program distribute any
    portion of the cost of segments prior or subsequent to the segment that was
    sampled? If so, please state (i) the percent of such other segment costs that
    are distributed, and (ii) explain the basis for distributing costs of other segments
    even though no sample was taken at A, B, C or E.

FGFSA/USPS-T2-15.

With respect to intra-BMC highway transportation, please confirm that under
TRACS if capacity utilization on the initial leg out from the BMC were to average
twice the capacity utilization on the return portion of the trip back to the BMC, then
on average the intra-BMC transportation cost that TRACS assigns to mail
travelling to the BMC on the return portion of the trip will be twice as great per
cubic foot of actual mail as on the initial leg outbound from the BMC. if you do not
confirm, please explain fully why not.

FGFSA/USPS-T2-16.

a. For Base Year 1996 in this docket, please indicate the TRACS sample design
    for Intra-BMC highway transportation (in terms of facilities sampled) and the
    actual number of samples taken at each facility type, including whether the
    truck was inbound or outbound at facilities other than the BMC.

b. in the TRACS Intra-BMC sample design for Base Year 1996, do trucks
    outbound from the BMC have the same probability of being sampled as do
    trucks inbound to the BMC?

c. If an imbalance exists in the frequency of sampling between inbound and
outbound legs, please explain how and why this occurs.

d. If an imbalance exists in the frequency of sampling between inbound and outbound legs of intra-BMC highway transportation, please explain whether TRACS makes any "correction" for such imbalance when expanding the sample data to the universe and deriving final estimates used to determine the distribution key for Intra-BMC highway transportation costs. If any such correction is made, please (i) indicate which components of the various programs within TRACS make this adjustment, and (ii) state the adjusting blow-up factors actually used by the TRACS program(s) to correct for any such imbalance in the sample design.

e. Please explain whether the rationale for the TRACS Intra-BMC sample design bears any relationship to the volume of mail that moves outbound from the BMC and the volume of mail that moves inbound to the BMC.

FGFSA/USPS-T2-17.

In Docket No. R90-1, the response to FGFSA-USPS-TII-B, at Tr. 1283-84, briefly explains the distinction between the variables TYPE, FACTYPE and FACCAT. As stated there,

"For Intra-BMC, FACCAT equals: 1 when FACTYPE is BMC, 2 when FACTYPE is SCF and the trip is inbound, 3 when FACTYPE is OTH and the trip is inbound, 4 when FACTYPE is SCF and the trip is outbound, and 5 when FACTYPE is OTH and the trip is outbound."

a. For the base year in this case, FY 1996, are the above definitions applicable to the TRACS data base? If not, please indicate all changes made to the definition of the variables TYPE, FACTYPE and FACCAT since 1990.

c. Where in the TRACS data base can there be determined:

i. the actual square feet of floor space occupied by Standard (A) regular rate and Standard (B) parcel post, before the data are blown up or adjusted to any level above that of the trucks that were sampled?

ii. the actual cubic feet of Standard (A) regular rate and Standard (B) parcel post recorded in the TRACS sample, before the data are blown up to any level above that of the trucks that were sampled?

iii. the total cubic feet of Standard (A) regular rate and Standard (B) parcel post (including empty space assigned to each), before the data are blown up to any level above that of the trucks that were sampled; and/or

iv. estimated cubic foot-miles of Standard (A) regular rate and Standard (B) parcel post before the data are blown up to any level above that of the trucks that were sampled.

d. Please provide a non-technical but full explanation of why the TRACS data base cannot provide compilations of the data specified.

FGFSA/USPS-T2-18.

a. With respect to the 1996 TRACS data base, please confirm that the value assigned to the variable FACCAT distinguishes whether an intra-BMC truck sampled at a non-BMC facility was travelling outbound from or inbound to the BMC. If you do not confirm, please explain whether any other variable in the 1995 TRACS database distinguishes whether the truck was outbound from or inbound to the BMC.

FGFSA/USPS-T2-19.

Please refer to LR-H-82, TRACS Estimation Programs and Documentation. For
intra-BMC highway transportation, account 53127, please identify the program (or
programs) which add empty cube to the basic data on the actual amount of mail
that was measured or identified in the sample.

FGFSA/USPS-T2-20.

Please provide a detailed but non-technical explanation of the procedure by which
TRACS assigns empty cube to the different classes of mail on intra-BMC highway
transportation. For purposes of your explanation, assume that after leaving the
BMC a truck makes stops at facilities A, B and C, and is sampled at facility B.
Assume further that from A to B the truck was 50 percent empty, and when it
arrived at B it contained only two classes of mail. Starting with the actual volume
of mail in the truck and the square feet of floor space occupied by that mail when
the truck arrived at facility B, explain how TRACS apportions the empty cube to the
classes of mail (please make explicit any further assumptions necessary for a
complete explanation).

FGFSA/USPS-T2-21.

This interrogatory posits a hypothetical. Assume that the TRACS data base for intra-BMC highway transportation consists of only two samples taken when each truck was off-loaded. The sampled segments each had the same total cost, and each of the two sampled trucks had the same cubic capacity, 1,200 cubic feet. One truck (Alpha, say) was 100 percent fully loaded (i.e., it had no empty cube), and the load consisted of 90 percent Standard (A) regular rate mail and 10 percent Standard (B) parcel post. The other truck (Beta), was 30 percent full (i.e., it was 70 percent empty), and the load consisted of 10 percent Standard (A) regular rate mail and 20 percent Standard (B) parcel post. In terms of total cubic feet of mail, the situation can be summarized as follows:

Truck	Standard (A) (regular rate)	Standard (B) (parcel post)	Empty
Alpha	1,080	120	0
Beta	100	200	900
Total	1,180	320	900

a. Please confirm that if the empty cube were to be computed on the basis of each truck individually, then no empty cube would be assigned to the mail on truck Alpha, and the empty cube on truck Beta would be assigned one-third to Standard (A)regular rate mail and two-thirds to Standard (B) parcel post; ie., empty capacity assigned to Standard (A) regular rate would equal 300 cubic feet, and empty capacity assigned to Standard (B) parcel post would equal 600 cubic feet.

b. Please confirm that if empty cube is averaged over the total utilization of the two Intra-BMC trucks, then the empty cube assigned to Standard (A) regular rate would equal 708 cubic feet (1180/1500 x 900), and the empty cube assigned to Standard (B) parcel post would equal 192 cubic feet (320/1500 x 900).

c. In terms of the preceding two alternatives for apportioning empty cube, please explain which one best describes the way in which TRACS assigns empty capacity of intra-BMC highway transportation. If neither of the two preceding alternatives provides a good analogy to the way TRACS assigns empty cube, please use the hypothetical to explain how the empty cube would be assigned.

d. Please explain the rationale that underlies the way in which TRACS assigns empty capacity of intra-BMC highway transportation to the different classes and subclasses of mail.

As a hypothetical, consider two identical-size Intra-BMC trucks travelling inbound to the BMC. For simplicity, assume that each truck can hold 10 over-the-road containers. The bed of each truck is fully loaded with over-the-road containers that, essentially, are being returned to the BMC from various facilities served by the BMC. In truck number 1, one container has some Standard (A) mail and exactly one Standard (B) parcel post item is in each of the other nine containers. Truck number 2 also has one container with some Standard (A) mail and it has the same number of Standard (B) parcel post items as truck number 1, but all parcel post items have been loaded into one container, and all other 8 containers in the truck are conspicuously empty. Finally, assume that both trucks happen to be sampled by TRACS upon arrival at the BMC.

a. is it correct that under the TRACS accounting system 90 percent of the cost of the return trip of truck number one, which has one parcel post item in each of 9 containers, would be charged to Standard (B) parcel post? If not, please explain what percentage of the cost of the return segment would be charged to Standard (B) parcel post. if the answer is indeterminate, please explain what information is missing.

b. With respect to truck number 2, assume that the only two containers with mail in it were sampled, and they were found to contain all Standard (A) and Standard (B) parcel post, as specified above. The sampler notes that all the other 8 containers are empty. Under the conditions specified here, would half the cost of the return segment to the BMC be charged to Standard (B) parcel post, or would some of the cost of the return trip be charged to "moving empty equipment" (or to something else)? If the answer is indeterminate, please explain what information is missing.

c. The purpose of the above hypothetical, obviously, is to inquire about whether - or the extent to which - the way that largely empty trucks are loaded can affect the assignment of costs when such a truck happens to be sampled under TRACS. Please give a non-technical description explaining how the way a largely empty truck is loaded can cause the apportionment of cost to vary, and why.

FGFSA/USPS-T2-23.

Please refer to LR-H-82, Part 5, TRACS Edit Check, Programs and
Documentation, PFY 1996, the program
TRACS.EDIT.HWY.PQ*95.CNTL(IMPUTED).

a. For PQ*96 (i.e., for the four quarters of FY 1996), how many highway records
    were missing weight information at the time the edit check program was run?

b. What was the number of total highway records for PQ*96, and what
    percentage (or what number) of such records were missing weight information
    prior to the edit check program being run?

c. What was the average weight that was imputed to all Standard A (then 3C)
    subclass items that were missing weight information? If separate average weights
    were used for
    BSPS and (ii) other third-class items, please specify the weights used for each.

d. What was the average weight that was imputed to all Standard B parcel post
    (then 4CPP) subclass items that were missing weight information?

e. For Standard A (then 3C) and Standard B parcel post (then 4CPP), what basis
    is used to determine the average weight that is imputed by this program?
    Please specify (i) the data used in the numerator and the denominator, (ii) the
    source of the data (e.g., TRACS, RPW, etc.), and (iii) the time period over
    which the data in the numerator and denominator were gathered.

FGFSA/USPS-T2-24.

Please refer to LR-H-82, Part 5, TRACS Edit Check, Programs and
Documentation, program TRACS.EDIT.HWY.PQ*96.CNTL(FLAT),   Please
provide a list showing the name and description of each of the 124/126 variables
contained in the final edited data set available in the output file
TRACSSMAN.HIGHWAY.PQ*96.SURVEY.TEXT.

In Docket No. MC96-3, witness Patelunas (USPS-T-5, page 9, revised 8/7/96) testified as follows:

Another set of IOCS-related changes to the Fiscal Year 1995 CRA and the Base Year 1995 consists of refinements in the rules used to assign activity codes for Bulk Small Parcel Service (BSPS), third-class single piece, and First-Class ZIP+4 barcoded flats. The BSPS changes were made in the assignment of tallies for bulk small parcels to correct an overstatement of Parcel Post. Under this modification, bulk small parcels weighing one pound or less are assigned to either First- or third-class. Prior to this change, all bulk small parcel tallies were assigned to parcel post.

a. Please define or explain what the Bulk Small Parcel Service (BSPS) consists of.

b. Please explain how items in the BSPS that were sampled under TRACS during Base Year 1996 were recorded. In you explanation, give explicit attention to instructions given to TRACS samplers and the possibility that BSPS items may have been assigned to parcel post, and not third-class, as they were in IOCS tallies.

c. What assurance is there that TRACS samplers do not record BSPS items as parcel post? Specifically, are any of the edit programs in TRACS capable of checking for and correcting such an error? If so, please explain which program(s) accomplish this correction.

FGFSA/USPS-T2-26.

a. LR-H-82, Part 4 states that in the TRACS program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY) the input file TRACSSMN.HIGHWAY.PQ*96.SURVEY.TEXT contains a number of "observations" for each PQ, and the output file TRACSSMN.HIGHWAY.Q*96.CREATE.SURVEY.DATA likewise contains a number of "observations" for each PQ. Please define the term "observation" as used here.

b. To provide a concrete illustration, assume that at a destination where a TRACS sample is taken, 4 pallets, 6 wheeled containers and 15 bed-loaded parcels are unloaded. Of these, the TRACS sampler records appropriate data pertaining to 2 pallets, 2 wheeled containers (containing mixed subclasses), and 8 of the bed-loaded parcels. The data recorded by the TRACS sampler at the time this one truck was off-loaded would represent how many observations (as defined in preceding part a)? If the preceding information is not sufficient to determine the number of observations, please specify all missing information and
indicate how such information would affect the number of observations for the sample from this particular truck.

FGFSA/USPS-T2-26.

Please refer to LR-H-82, Part 4, program
TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), which lists and describes the final (48) variables in the SAS dataset containing the cleaned survey data, .
Assume that during FY 1996 one of the sampled items from an Intra-BMC highway truck was a wheeled container, 60 percent full, the contents of which consisted of:
i).70 percent parcels (parcel post), or 42 percent of the container;
ii).20 percent bound printed matter, or 12 percent of the container; and
iii).10 percent Special fourth-class, or 6 percent of the container.
a. Would the contents of the container be recorded by the TRACS sampler as only parcel post? If not, how would the contents be entered or recorded (i) in the original data set, or
ii)the input dataset TRACSSMN.HIGHWAY.PQ*96.SURVEY.TEXT?

b. In the program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), in the 48 variable SAS dataset comprising the file
TRACSSMAN.HIGHWAY.Q*96.CREATE.SURVEY.DATA, would the
contents of the container be recorded as only parcel post?

c. Unless your answer to the preceding part b is an unqualified affirmative, please indicate (i) which of the 48 output variables show the amount of mail in each of the three subclasses, and (ii) how the original input data pertaining to the

contents of the container are transformed to the data contained in the 48 variable SAS dataset TRACSSMAN.HIGHWAY.Q*96.CREATE.SURVEY.DATA.

d. Which of the variables in the SAS dataset indicates that the container is only 60 percent full?

e. Which of the variables in the SAS dataset TRACSSMAN.HIGHWAY.Q*96.CREATE.SURVEY.DATA indicates (i) the weight, and (ii) the volume of parcel post in the wheeled container?

f. Do any of the input variables in the SAS dataset TRACSSMAN.HIGHWAY.Q*96.CREATE.SURVEY.DATA indicate (i) the estimated square feet occupied by parcel posts or (ii) the cubic feet of parcel post? If so, provide the name and description of each such variable.

9. For the parcel post that was in the sampled container, which variables in the SAS dataset TRACSSMAN.HIGHWAY.Q*96.CREATE.SURVEY.DATA reflect the number of square feet occupied by parcel post? If the number of square feet do not constitute one of the 48 SAS dataset variables, please indicate whether the square feet occupied by parcel post is computed subsequently in one of the other TRACS programs, (ii) if so, in which program, and (iii) how the computation is made, including which of the output variables listed on pp. 2026-2028 are used to compute the square feet occupied by parcel post.

h. For the parcel post that was in the sampled container, which of the 48 output variables reflect the number of cubic feet occupied by parcel post? If the number of cubic feet do not constitute one of the 48 output variables, please indicate (i) whether the cubic feet occupied by parcel post is computed subsequently in one of the other TRACS programs, (ii) if so, in which program, and (iii)how the computation is made, including which of the output variables are used to compute the cubic feet of parcel post.

FGFSA/USPS-T2-27.

Please refer to LR-H-82, Part 4, program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), which lists and describes the 48 output variables in the SAS dataset containing the cleaned survey data, TRACSSMN.HIGHWAY.Q*96.CREATE.SURVEY.DATA. Assume that one of the sampled items from an Intra-BMC highway truck was a wheeled container, 80 percent full, the contents of which were (i) 90 percent Standard (A) parcels (parcel post), (ii) 10 percent Standard (B) small (under 16 oz.) parcels in a sack (or sacks) placed in the container on top of the parcels.

a. Would the contents of the container be recorded by the TRACS sampler as only parcel post? If not, how would the contents be entered in the original data set?

b. .In the program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), in the 48 variable SAS dataset output, TRACSSMN.HIGHWAY.Q*96.CREATE.SURVEY.DATA, would the contents of the container be recorded as only parcel post?

c. Unless your answer to the preceding part b is an unqualified affirmative, please indicate (i) which of the 48 variables listed in the above-cited reference would show the appropriate data pertaining to the volume of each of the two subclasses actually recorded in the survey data, and whether (and how) the original input data are transformed to the data contained in the 48 variable SAS dataset.

FGFSA/USPS-T2-28

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Assume that part of a TRACS sample consists of two large, loose parcels that were bed loaded in an Intra-BMC truck.

a. In the program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), the input file TRACSSMN.HIGHWAY.PQ*96.SURVEY.TEXT, which of the 124/126 input variables record the weight and volume of these two parcels?

b. Which of the 124/126 input variables record the square feet occupied by these two parcels?

c. Which of the 124/126 input variables record the cubic feet of these two parcels?

d. From the program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), the 48 variable SAS dataset output file TRACSSMN.HIGHWAY.Q*96.CREATE.SURVEY.DATA, which output variables

indicate (i) the square feet occupied by these two parcels, and (ii) the cubic feet occupied by these two parcels?

e. If the square feet or the cubic feet are not part of either the input data in the file TRACSSMN.HIGHWAY.PQ*96.SURVEY.TEXT or the output data in the file TRACS.EXPAND.HWY.Q*96.CREATE.SURVEY.DATA, please indicate where and how these measures are subsequently derived in the TRACS program.

FGFSA/USPS-T2-29.

a. Assume that a pallet has a length of 4 feet, a width of 3 feet, and it is sampled upon being unloaded from a truck. Would TRACS compute the floor space occupied by that pallet as 12 square feet, or as something greater than 12 square feet? That is, does TRACS add any margin to allow for the fact that pallets may not fit precisely against each other?

b. Assume that two pallets measuring 4ft. x 3 ft. are stacked one on top of the other; i.e., two-high. Under the TRACS method for entering and computing data, would the average square feet of floor space occupied by each of the two pallets in a highway truck be considered equal to 6 square feet; ie., one half the number of square feet occupied by pallets when they are only one-high? Please explain fully any answer that is not an unqualified affirmative.

FGFSA/USPS-T2-30.

a. In the program TRACS.EXPAND.HWY.PQ*96.CNTL(SURVEY), the SAS dataset TRACSSMAN-HIGHWAY.Q*96.CREATE.SURVEY.DATA, which of the 48 variables indicates whether pallets were stacked one-high or two-high?

b. If no variable indicates whether pallets are stacked one-high or two-high, please explain how TRACS computes the average square feet of floor space occupied by palletized mail (i) when pallets are stacked only one-high, and
ii) when pallets are stacked two-high.

FGFSA/USPS-T2-31.

Please refer to LR-H-82, program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI), Under outputs, it is stated that
TRACSSMN.EXPAND.HIGHWAY.PQ*96.DATA(DENSITY) has 41 observations
and 2 variables.
a. Please define "observation" as the term is used here and explain what the 41
observations consist of.

b. What is the source of these 41 observations? In your answer, please state
specifically whether they represent observations and data recorded by TRACS
data collectors.

c. What are the 2 variables?

FGFSA/USPS-T2-32

Please refer to LR-H-82, program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI), Under outputs, it is stated that
TRACSSMN.EXPAND.HIGHWAY.PQ*96.DATA(CONTCUFT) has 7 observations
and 2 variables.

a. Please define "observation" as the term is used here and explain what the 7
observations consist of.

b. What is the source of these 7 observations? In your answer, please state
specifically whether they represent observations and data recorded by TRACS
data collectors.

c. What are the 2 variables?

FGFSA/USPS-T2-33.

Please refer to LR-H-82, program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI), Under outputs, it is stated that
TRACSSMN.EXPAND.HIGHWAY.PQ*96.DATA(ITEMCUFT) has 5 observations
and 3 variables.

a. Please define "observation" as the term is used here and explain what the 5
observations consist of.

b. What is the source of these 5 observations? In your answer, please state
specifically whether they represent observations and data recorded by TRACS
data collectors.

FGFSA/USPS-T2-34.

Please refer to LR-H-82 program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI),   Under outputs, it is stated that
TRACSSMN.EXPAND.HIGHWAY.PQ*96.DATA(CONTAINER)   has   8,756
observations in PQ4 and 7 variables.

a. Please define "observation" as the term is used here and explain what the
    8,756 observations consist of, and how the 8,756 observations are derived
    from or related to the 16,475 PQ4 observations contained in the input data file.

b. What is the source of these 8,756 observations? In your answer, please state
specifically whether they represent observations and data recorded by TRACS
data collectors.

C. What are the 7 variables?

FGFSA/USPS-T2-35.

Please refer to LR-H-82 program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI),

a. What is the source of data used to arrive at the FY 96 density factors for each
    mail rate category? In your answer, please specify whether any of these
    density factors were originally derived from observations and sample data
    collected by TRACS data collectors during FY 96. If not, what was the source
    of these density factors?

b. For the new mail rate categories created as a result of reclassification in MC95-
    1, what is the source of density factors that will be used in the TRACS program
    for FY 1997?

c. How many container types are there (please specify), and what is the source of
    "standard cubic feet" (CONTCUFT) for each container type (SETASIDE),

d. How many item types are there (please specify), and what is the source of the
standard cubic feet (ITEMCUFT) for each item type (CTYPE)?

e. With respect to lines 191-205, it states that the program "calculates the
    average cubic feet for each mailcode, compares each observation to the
    average, and prints those observations with cubic feet exceeding 15 times the
    average for that mailcode." When an observation is 15 times the average for
    that mailcode, by how many standard deviations is it removed from the
    average? Also, what does the TRACS program then do with these "outliers"
    that get printed?

f. The discussion with respect to lines 214-252 contains several references to measured cubic feet. Please define the term "measured cubic feet" as used here. In your answer, please address specifically whether measured cubic feet represents data recorded directly by TRACS data collectors, or whether it is a computed number based on other data recorded by TRACS data collectors. If it is computed, please explain how it is computed.

FGFSA/USPS-T2-36.

Please refer to LR-H-82 , program TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI).

a. It is stated that "the objective of the program is to expand the sample containerized mail up to the container level." Please explain whether this program adds any empty cube (e.g., in partially filled containers) to the actual cubic feet that were measured or counted in the sampling process. If this is not what occurs with this program, please explain fully what is meant by the phrase "expand the sample ... up to the container level."

b. Please define and describe the 7 variables contained in the dataset TRACS.EXPAND.HWY.PQ*96.DATA(CONTAINR).

c. What do the observations in the dataset TRACS.EXPAND.liWY.PQ*96.DATA(CONTAINR) consist of; i.e.., what information do they contain?

d. From the dataset TRACS.EXPAND.HWY.PQ*96.DATA(CONTAINR), how can one determine the total weight and cubic feet of containerized mail assigned to each rate category at this stage of the expansion process?

FGFSA/USPS-T2-37.

Please refer to LR-H-82, program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI). Under "action of program," for lines 105-110, it states that the program "merges in standard rate category density factors," and for lines 126-134 it "merges in standard item cubic feet."

a. Please explain the source of the standard rate category density factors contained in or used by this program.

b. Does this TRACS program incorporate and use the different cube-weight relationship results for Intra-BMC, Inter-BMC and DBMC? If not, please explain why these different cube-weight relationships are not used.

c. Does the TRACS program TRACS.EXPAND.HWY.PQ*96.CNTL(HWYI) contain separate standard rate category density factors for Bulk Small Parcel Service and other third-class mail? If so, please provide those factors.

d. What is the source of the "standard item cubic feet" that are merged in?

e. What are the standard item cubic feet for (i) parcel post, and (ii) BSPS, or bulk small parcels that weigh less than 16 ounces?

FGFSA/USPS-T2-38.

Please refer to LR-H-82, program
TRACS.EXPAND.HWY.PQ*96.CNTL(HWY2).

a. Please define the term "loose items" as used by this TRACS program.

b. Are bed-loaded pieces of parcel post considered to be loose items?

c. Are sacks of BSPS (i.e., small, under 16 OZ. parcels) that are loaded (i) on top of bed-loaded parcel post, or (ii) on top of OTR containers considered to be loose items?

d. From the dataset TRACS.EXPAND.HWY.PQ*96.DATA(LOOSE), how can one determine the total weight and cubic feet of loose items
assigned to each rate category at this stage of the expansion process?

e. Assume that a TRACS sampler has recorded some pieces of parcel post as being bed-loaded on an Intra-BMC truck. How, and in what way, would the weight and cubic feet assigned to those parcels by this expand program differ from the actual weight and cubic feet of those parcels as recorded by the TRACS sampler?

FGFSA/USPS-T2-39

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. At destination the TRACS data reflects that, for the day 1 trip the truck was 0% empty, and for the day 2 trip the truck was 50% empty.

Please confirm that, in the TRACS program::

a) The computed cubic feet for each of the two parcels will be the same.

b) In the expansion process different factors are taken into account for each parcel to reflect the different "empty" percentages.

c) The expanded cubic feet for each of the two parcels will be different.

d) The expanded cubic feet of the parcel sampled on day 1 will be less than the expanded cubic feet of the parcel sampled on day 2.

e) The computed cubic foot miles for each of the parcels will be different.

f) The computed cubic foot miles for the parcel sampled on day 1 will be less than the computed cubic foot miles for the parcel sampled on day 2.

g) Fully explain how and why the expanded cubic feet for these two parcels will be different.

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

FGFSA/USPS-T-2-40

When a TRACS test is taken, the data collector records the percentage of floor space that was (a) already empty, (b) unloaded and © remaining after unloading.

a) Confirm that these are percentages of square feet of floor space. If you do not confirm, please explain.

b) Confirm that the utilization figures which you identified in response to FGFSA/USPS-T-13-30 are the averages for each quarter of the empty square feet as recorded by the data collectors.

FGFSA/USPS-T-2-41

To what extent are the trailers used in Intra-BMC and Inter-BMC vertically utilized? Are these trailers ever fully vertically utilized?

FGFSA/USPS-T-2-42

Do you agree that the cubic feet of available capacity for any given route on any particular day is provided in fixed and equal amounts on each mile of the route service by the vehicle on that day? Please fully explain any disagreement.

FGFSA/USPS-T-2-43

Do you agree that, for any given route on any particular day, the cost of providing cubic capacity for each mile of the route represents an example of what economists refer to as a "joint cost"?

If you do not agree, please explain how the contractor can (and does) vary the amount of capacity on different segments of the route.

FGFSA/USPS-T-2-44

a) Do you agree that, under TRACS, the cost of a route is allocated to individual segments of a route? Please explain any disagreement.

b) Is this allocation of costs to individual segments of a route simply a division of the joint cost of providing capacity over the entire route? Please explain any negative response.

FGFSA/USPS-T-2-45

Refer to your response to FGFSA/USPS-T16-15. There you state: "The cost of a cubic-foot mile is determined for the whole contract, not for each specific leg." And "The purchased capacity of a truck is a resource purchased for all the types of mail which use it, and empty space on a truck reflects the requirements of all the mail on that particular contract route."

a) Explain why TRACS divides the joint cost of the route into segment costs and assigns complete responsibility for individual segments to the mail on that segment.

b) Explain why the joint cost of the entire route should not be allocated to all mail using the route on that day.

c) Explain why TRACS assigns responsibility for empty space on a particular segment of a route to the mail that was on the truck over that segment, rather than assign the empty space to the mail that caused the truck to be dispatched on the day when the sample was taken.

d) Do you agree that it would be proper to average the empty space along each segment of the total route over all of the mail utilizing the truck on that day?

FGFSA/USPS-T-2-46

Your response to FGFSA/USPS-T16015 characterized TRACS as a "measurement system"

a) Explain what is "measured" by the allocation of total route cost to individual segments of the route.

b) Explain whether the "measurement" of individual segment costs is an accounting measure, an economic measure, or some other type of measure. Please include definitions of your terms.

FGFSA/USPS-T-2-47

a) Confirm that, under TRACS, the distribution key is developed through the assignment of joint costs to individual segments of the route. If you do not confirm, please explain.

b) Do you agree that a reasonable distribution key would reflect actual utilization of the Intra-BMC capacity over the entire route? Please explain any negative response.

c) Do you agree that distribution keys developed under a and b above would be significantly different?

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon

all parties of record in this proceeding on this date in accordance with Section

12 of the Rules of Practice and Procedure.

Dated :September 3, 1997

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M. W. Wells, Jr., Attorney