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

POSTAL RATE AND FEE CHANGES, 2001	Docket No. R2001–1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE TO INTERROGATORIES OF AMAZON.COM, INC. (AMZ/USPS-T2-3-6, 9)

The United States Postal Service hereby provides the responses of witness Xie to the following interrogatories of Amazon.com, Inc.: AMZ/USPS-T2-3-6, 9, filed on November 13, 2001. Interrogatories AMZ/USPS-T2-1-2, 7 were redirected from witness Xie to the Postal Service. An objection to AMZ/USPS-T2-8 was filed on November 23, 2001. The response to AMZ/USPS-T2-7 was filed on November 21, 2001, although it was mislabeled as AMZ/USPS-T2-9; an erratum will be filed to correct that.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 27, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE
TO INTERROGATORIES AMAZON.COM, INC.

AMZ/USPS-T2-1.
In Docket No. R2000-1, witness Bradley, USPS-T-18, at page 26, Table 4, provided the results of the then most recent survey by PricewaterhouseCoopers of the average size of trailers in leased trailer fleets.
(a). Has the Postal Service updated this survey since Docket No. R2000-l? If so, please provide the results in a format similar to that provided in witness Bradley's Table 4.
(b). Does the Postal Service have data which indicate the largest size trailers in use in its leased fleets? If so, please provide.
(c). Over the past 15 years, has there been a tendency for the average cubic capacity of trailers in the Postal Service's leased fleet to increase? Please provide all data on which you rely for your answer.

RESPONSE:

Redirected to the Postal Service.

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AMZ/USPS-T2-2.
The maximum weight of a trailer may vary by state and by the number of axles on the trailer. Recognizing that there is no uniform national weight limit, what does the Postal Service consider to be the maximum capacity, in terms of both total trailer weight and net weight of cargo, of (i) the four or five most commonly-used trailers in its leased trailer fleets,
and (ii) the largest trailers in its leased fleets?

RESPONSE:

Redirected to the Postal Service.

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AMZ/USPS-T2-3.
For purposes of this interrogatory, please assume that the maximum capacity of a particular trailer is either 4,000 cubic feet or 40,000 pounds, whichever occurs first. Assume further that the trailer utilized for inter-BMC transportation and is loaded with 1,000 cubic feet of mail that weighs 18,000 pounds (i.e., has an average density of 18 pounds per cubic foot).
The mail in the trailer has thus utilized 25 percent of the trailer's cubic capacity and 45 percent of its weight-carrying capacity.
(a). Under the Transportation Cost System ("TRACS") system, would the trailer be regarded as 25 percent utilized or 45 percent utilized? That is, would it be 75 percent empty, or 55 percent empty? Please explain the rationale for your answer.
(b). If this trailer were sampled as part of TRACS, would TRACS expand the sampled mail to fill the 75 percent of unutilized cube? Please explain the rationale for your answer.

RESPONSE:

(a) The trailer would be recorded as 75% empty, or 25% utilized, if the 1,000 cubic feet of mail occupied 25% of trailer's floor space. TRACS measures cubic-foot-miles of mail transported on various highway contracts. Data collectors, among other things, record the trailer's floor space occupied by mail and the origin facility where the mail was loaded onto the vehicle.

(b) TRACS would not expand the sampled mail to fill the 75% of unutilized floor space. Please see TRACS Highway Subsystem Statistical and Computer Documentation, filed as USPS-LR-J-32, page 25 for the rationale.

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AMZ/USPS-T2-4.
As in interrogatory AMZ/USPS-T2-3, please assume that the maximum capacity of a particular trailer is either 4,000 cubic feet or 40,000 pounds, whichever occurs first. In this case, however, assume that the trailer is loaded with 2,000 cubic feet of mail that weighs 36,000 pounds. The mail in the trailer has thus utilized 50 percent of the trailer's cubic capacity and 90 percent of its weight-carrying capacity.
(a) Under the TRACS system, would the trailer be regarded as 50 percent utilized or 90 percent utilized? That is, would the trailer be regarded as 50 percent empty or 10 percent empty?
(b) If this trailer were sampled as part of TRACS, would TRACS expand the sampled mail to till the 50 percent of unutilized cube? Please explain the rationale for your answer.

RESPONSE:

(a) The trailer would be recorded as 50% empty, or 50% utilized, if the 2,000 cubic feet of mail occupied 50% of trailer's floor space.

(b) TRACS would not expand the sampled mail to fill the 50% of unutilized floor space. See the response to part (b) of AMZ/USPS-T2-3 for the rationale.

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AMZ/USPS-T2-5.
As in interrogatory AMZ/USPS-T2-3, please assume that the maximum capacity of a particular trailer is either 4,000 cubic feet or 40,000 pounds, whichever occurs first. In this case, however, assume that the trailer is loaded with 2,220 cubic feet of mail that weighs 39,960 pounds. The mail has thus utilized 55.5 percent of the trailer's cubic capacity and 99.9
percent of its weight-carrying capacity.
(a). Under the TRACS system, would the trailer be regarded as 55.5 percent utilized or 99.9 percent utilized? That is, would the trailer be regarded as 44.5 percent empty or 0.1 percent empty?
(b). If this trailer were sampled as part of TRACS, would TRACS expand the sampled mail to fill the 44.5 percent of non-utilized cube? Please explain the rationale for your answer, and especially address why the sampled mail would be expanded to this non-utilized cube when only 40 more pounds can be added to the trailer.

RESPONSE:

(a) The trailer would be recorded as 44.5% empty, or 55.5% utilized, if the 2,220 cubic feet of mail occupied 55.5% of trailer's floor space.

(b) TRACS would not expand the sampled mail to fill the 44.5% of unutilized floor space. See the response to part (b) of AMZ/USPS-T2-3 for the rationale.

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AMZ/USPS-T2-6.
Based on data supplied by TRACS, witness Eggleston, USPS-T-25, at page 20, Table IV-3, reports that based on her computations the Postal Service's cost of transporting DSCF- entered parcel post (to DDUs) is $0.807 per cubic foot. Witness Eggleston, at page 28, Table VII-l, likewise reports the Postal Service's cost of transporting DSCF-entered Bound Printed Matter (to DDUs) is $0.029 per pound. Since Bound Printed Matter has an average density, according to USPS-LR-J-2, of 14.2 pounds per cubic foot, the Postal Service's cost of transporting a cubic foot of DSCF-entered Bound Printed Matter is $0.412 per cubic foot.
(a). Please explain why, on a per cubic foot basis, TRACS data result in DSCF-entered parcels having a transportation cost of 2.0 times as much as Bound Printed Matter.
(b). Does TRACS have an implicit bias that results in charging more per cubic foot for mail with a low density, such as Parcel Post? If so, please explain why. If not, please explain why TRACS results in a per cubic foot transportation costs for parcel post that is high relative to Bound Printed Matter.

RESPONSE:

(a) It is my understanding that your premise, that TRACS data result in DSCF-entered parcels having a transportation cost of 2.0 times as much as Bound Printed Matter, is false. Please see witness Eggleston's response to AMZ/USPS-T25-6(a).

(b) No. TRACS measures cubic-foot-miles transported on various contract types by classes and subclasses of mail. It results in the same transportation cost for each cubic-foot-mile of mail transported on the single contract type, regardless of how dense it is. The rest of the question is not applicable. See my response to part (a).

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AMZ/USPS-T2-7.

\What is the average distance for mail transported to Zone 5? To Zone 6? To Zone 7?

RESPONSE:

Redirected to the Postal Service.

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AMZ/USPS-T2-8.

What is the average rate charged by railroads to ship a van (on a flat car) the average distance to Zone 5? To Zone 6? To Zone 7?

RESPONSE

Objection filed.

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AMZ/USPS-T2-9.
(a). In terms of cubic feet, what is the average percentage capacity utilization of vans used in inter-BMC transportation?
(b). In terms of practical weight limit, what is the average percentage capacity utilization of vans used in inter-BMC transportation?

RESPONSE:

(a) TRACS data shows that the average utilization of rail vans in BY2000 is 92%. The utilization is measured based on the percent of floor space occupied by mail, not cubic feet of van capacity. A rail van is considered 100% full if all of its floor space is occupied by mail.

(b) The requested information is not available.

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.

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Kenneth N. Hollies

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