

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 PARCEL SHIPPERS ASSOCIATION  
REDIRECTED FROM WITNESS EGGLESTON  
(PSA/USPS-T25-4-5)

The United States Postal Service hereby provides the responses of witness Xie to the following interrogatories of Parcel Shippers Association: PSA/USPS-T25-4-5, filed on November 16, 2001. Interrogatories PSA/USPS-T25-4-5 were redirected from witness Eggleston.

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

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Kenneth N. Hollies

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3083 Fax -5402  
November 30, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS XIE  
TO INTERROGATORY OF PARCEL SHIPPERS ASSOCIATION  
(REDIRECTED FROM WITNESS EGGLESTON)

**PSA/USPS-T25-4.** Please refer to your response to PSA/USPS-T25-1 (d) where you state, "[t]he costs in the inter-[BMC] highway account also include stops at facilities other than BMCs, and therefore may be used by both intra-BMC and DBMC mail. In fact, only 45 percent of the stop-days of Inter-BMC highway transportation are at BMCs." Please refer further to the table you provided in your response to PSA/USPS-T25-3(d) that was titled "BY 2000 Inter-BMC Stop-Days". Finally, please refer to USPS-LR-J-64, 2ptran.xls.

- (a) Please define stop-days as used in your response to PSA/USPS-T25-1(d).
- (b) Please define Non-Bulk Mail Center (Non-BMC) Stop-Days as used in the table provided in your response to PSA/USPS-T25-3(d).
- (c) Please define [BMC] Stop-Days as used in the table provided in your response to PSA/USPS-T25-3(d).
- (d) Is mail ever transported on Inter-BMC Transportation directly from a [BMC] to a sectional center facility (SCF) that is in the service territory of a different BMC? If so, would the "stop-days" for this type of transportation leg be counted in the table titled "BY 2000 Inter-BMC Stop-Days" in the Non-BMC category.
- (e) Is Parcel Post ever transported on Inter-BMC Transportation directly from a BMC to an SCF that is in the service territory of a different BMC?
- ...
- (g) Does the Transportation Cost System (TRACS) contain any information from which one can determine whether sampled Parcel Post mail was Parcel Select mail or not? If so, please provide the TRACS field that contains the information.
- (h) Is there any way to determine from TRACS data the percentage of Non-BMC stop-days from the table provided in your response to PSA/USPS-T25-3(d) that were for trips that began at a BMC whose service territory does not include the destination facility? If so, please explain the method fully.

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**RESPONSE:**

- (a) Stop-days, or route-trip-stop-days, are the primary sampling units (PSU) of the TRACS-highway subsystem. A stop-day is defined as all mail unloaded from a truck at one facility on a specific trip, on a specific day. Under TRACS, a trip that originates from facility A and stops at facilities B and C with a daily operation frequency will contribute 728 (2 facilities x 7 days per week x 52 weeks) stop-days a year to the TRACS-highway sampling frame.
- (b) Non-BMC stop-days are the stop-days that trucks made at facilities other than BMCs, which include SCFs, AMCs, Associated Offices (AOs), etc. For the hypothetical example cited in my response to part (a), if facility B is an SCF and facility C is a BMC, the trip would contribute 364 non-BMC stop-days and 364 BMC stop-days.
- (c) BMC stop-days are the stop-days that trucks made at BMCs. See my responses to parts (a) and (b) for a hypothetical example.
- (d) Yes. Yes.
- (e) Yes.
- (g) Yes. The SAS-logs filed in the Library Reference USPS-LR-J-32/R2001-1 contain the distribution key information for both Zone-Rated Parcel Post and Parcel Select, under the column 'key-cfm'. The mail code for Zone-Rated Parcel Post is 'P', and for Parcel Select, it is 'LL'.

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- (h) Yes. The NASS facility file used as one of inputs for TRACS frame compilation contains a variable indicating the BMC service area to which a facility belongs. Appending this variable to the TRACS Inter-BMC frame allows one to calculate such a percentage.

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**PSA/USPS-T25-5.** Please refer to your response to PSA/USPS-T25-1 (d) where you state, "[t]he methodological change to the Parcel Post transportation model deals with how inter-[BMC] highway transportation costs were distributed. In the Parcel Post transportation model presented in Docket No. R2000-1, it was assumed that all costs contained in the inter-[BMC] highway transportation account were costs associated with transporting mail from one BMC to another BMC. Therefore, all highway transportation costs were distributed to the long distance zone-related cost category. Between the filing of Docket No. R2000-1 and Docket No. R2001-1, I learned that this was not an accurate assumption." Please refer to USPS-LR-J-64, 2ptran.xls, worksheet Cost-dist 1.

...

- (c) Are intra-BMC highway transportation contracts ever used to transport mail from the service territory of one BMC (including the BMC itself) to the service territory of another BMC (including the [BMC] itself)? Please explain your response fully.
- (d) Are inter-SCF highway transportation contracts ever used to transport mail from the service territory of one BMC (including the BMC itself) to the service territory of another BMC (including the [BMC] itself)? Please explain your response fully.
- (e) Are intra-BMC highway transportation contracts ever used to transport Parcel Post from the service territory of one BMC (including the BMC itself) to the service territory of another BMC (including the BMC itself)? Please explain your response fully.
- (f) Are inter-SCF highway transportation contracts ever used to transport Parcel Post from the service territory of one BMC (including the BMC itself) to the service territory of another BMC (including the [BMC] itself)? Please explain your response fully.

**RESPONSE**

(c), (d), (e), (f) Yes. These were observed in BY2000 TRACS tests.

## 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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Washington, D.C. 20260-1137  
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