

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS NIETO TO INTERROGATORIES OF
UNITED PARCEL SERVICE, AND MOTION FOR
THEIR LATE ACCEPTANCE
(UPS/USPS-T2-1-9)

The United States Postal Service hereby provides responses of witness Nieto to the following interrogatories of United Parcel Service: UPS/USPS-T2-1-9, filed on August 25, 1997. Each interrogatory is stated verbatim and is followed by the response.

The Postal Service also requests that these responses be accepted today, one day late. Their transmission between the offices of the witness and Postal Service counsel was hindered by computer difficulties. The undersigned has discussed this motion with counsel for UPS, who states that UPS does not oppose it. The Postal Service does not consider that any party will be prejudiced by the filing of these responses today.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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September 9, 1997

RESPONSE OF POSTAL SERVICE WITNESS NIETO TO INTERROGATORIES
OF UNITED PARCEL SERVICE

UPS/USPS-T2-1. Referring to page 2 of your testimony, and Library Reference H-82 at page 4, please provide a complete description of the methodology, data collected, and results underlying the "Form 22 Density Study conducted in PQ4 of FY92" to establish density factors for different mailcodes.

(a) Please explain why the cube-density relationships estimated by USPS witness Hatfield (USPS-T-16 at pages 12 to 14), are not applied in connection with parcel post observations in place of the linear relationship assumed.

Response:

Please refer to Docket No. R94-1, USPS-LR-G-127 for a description of the methodology, data collected, and results underlying the Form 22 Density Study.

(a) As Witness Hatfield explains in his response to FGFS/USPS-T-16-6, the Form 22 Density Study collects loaded density (as mail travels) rather than intrinsic density (actual cubic feet of a single piece of parcel post). TRACS uses the loaded density to reflect the way mail travels on the transportation, such that the cubic feet of space allocated to a particular class of mail reflects the empty space inherent in loading mail into containers.

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UPS/USPS-T2-2. Referring to Library Reference H-82, Exhibit 2, page 3, please define the meaning of the terms "inbound" and "outbound" with respect to the location of the sampling test and the identification of mail sampled.

- (a) What mail is sampled at an "outbound" test? Is it the mail offloaded at the destination facility or the mail unloaded at the originating facility?
- (b) How are the sampling sites for "outbound" tests determined?
- (c) How are "inbound" vs. "outbound" tests distinguished in the TRACS databases?

Response:

These definitions apply only to intra-SCF and intra-BMC contracts. For intra-SCF contracts, a specific contract route-trip is defined as inbound when the final destination (last stop) is an SCF. Otherwise, it is considered outbound. For intra-BMC contracts, a specific contract route-trip is defined as inbound when the final destination (last stop) is a BMC. For both of these contracts, any stop on an inbound or outbound route-trip is eligible for sampling. The designation of a route-trip as inbound or outbound does not in anyway affect the identification of the mail sampled.

- (a) The mail sampled for all highway tests is the mail offloaded at the destination facility.
- (b) Each of the inbound and outbound route-trips are further divided into route-trip segments (stops). For example, a route-trip that travels from an AO to another AO to an SCF would have two segments. One would be AO-AO, and the other would be AO-SCF. The route-trip-segments are then grouped by the destination facility type and

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bound, and sampled randomly according to their bound and destination facility type sampling percentages. Please refer to USPS-LR-H-78, p.3 for the highway sampling percentages.

(c) The variable BOUND takes a value of 1 for inbound movements and 2 for outbound movements.

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UPS/USPS-T2-3. Referring to the TRACS highway expansion process described at page 4 of Library Reference H-82 [sic], please provide explicit formulas detailing each step of the process, from weight measurement of sampled pieces through expansion at the level of total highway cubic foot miles.

Response:

Assuming you are asking for formulas detailing each step of the TRACS highway expansion process described at page 4 of LR-H-78, please refer to the SAS program code and accompanying documentation found in LR-H-82, "TRACS Highway Distribution Key Development Programs and Documentation", beginning at Volume IV, p. 1.

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UPS/USPS-T2-4. Referring to the TRACS freight rail expansion process described at page 5 of Library Reference H-82 [sic], please provide explicit formulas detailing each step of the process, from weight measurement of sampled pieces through expansion at the level of total freight rail cubic foot miles.

Response:

Assuming you are asking for formulas detailing each step of the TRACS freight rail expansion process described at page 5 of LR-H-78, please refer to the SAS program code and accompanying documentation found in LR-H-83, "TRACS Rail Distribution Key Development Programs and Documentation", beginning at Volume I, p. 302.

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UPS/USPS-T2-5. Referring to the TRACS commercial air expansion process described at page 7 of Library Reference H-82 [sic], please provide explicit formulas detailing each step of the process, from weight measurement of sampled pieces through expansion at the level of all pound-miles flown on commercial air.

Response:

Assuming you are asking for formulas detailing each step of the TRACS commercial air expansion process described at page 7 of LR-H-78, please refer to the SAS program code and accompanying documentation found in LR-H-79, "TRACS Air Distribution Key Development Programs and Documentation", beginning at Volume IV, p. 384.

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UPS/USPS-T2-6. Referring to the TRACS expansion process for the Eagle and Western networks described at page 8 of Library Reference H-82 [sic], please provide explicit formulas detailing each step of the process, from weight measurement of sampled pieces through expansion at the level of all network pound-miles.

Response:

Assuming you are asking for formulas detailing each step of the TRACS Eagle and Western Networks expansion process described at page 8 of LR-H-78, please refer to the SAS program code and accompanying documentation found in LR-H-81, "TRACS Eagle Distribution Key Development Programs and Documentation", beginning at Volume I, p. 374.

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UPS/USPS-T2-7. Referring to the TRACS Amtrak expansion process described at page 10 of Library Reference H-82 [sic], please provide explicit formulas detailing each step of the process, from weight measurement of sampled pieces through expansion at the level of all Amtrak movements.

Response:

Assuming you are asking for formulas detailing each step of the TRACS Amtrak expansion process described at page 10 of LR-H-78, please refer to the SAS program code and accompanying documentation found in LR-H-81, "TRACS Eagle Distribution Key Development Programs and Documentation", beginning at Volume II, p. 716.

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UPS/USPS-T2-8. For the most recent FY 1996 accounting period, please provide all Forms 1H-Highway, 1R-Rail, 1A-Air, and 2 (surface), or their equivalent in hard copy form, from the TRACS system.

Response:

The TRACS system is no longer a paper-based "forms" system. Data collectors enter data via laptop using the Computerized On-Site Data Entry Software (CODES). All data entered by the data collectors is contained in the following files submitted in electronic format as part of LR-H-84, "TRACS Data Files and Programs in Machine-Readable Format". A hard copy equivalent of these files can be obtained by opening these files in a text editor and printing them:

<u>ORIGINAL FILENAME</u>	<u>LR-H-84 CD-ROM NUMBER AND FILENAME</u>
TRACSSMN.Z.AIR1.CODES.PQ196.TEST	#4: \RATECLAS\TRACS\AIR1\CODES\PQ196.TES
TRACSSMN.Z.AIR1.CODES.PQ296.TEST	#4: \RATECLAS\TRACS\AIR1\CODES\PQ296.TES
TRACSSMN.Z.AIR1.CODES.PQ396.TEST	#4: \RATECLAS\TRACS\AIR1\CODES\PQ396.TES
TRACSSMN.Z.AIR1.CODES.PQ496.TEST	#4: \RATECLAS\TRACS\AIR1\CODES\PQ496.TES
TRACSSMN.Z.AIR3.CODES.PQ196.TEXT	#4: \RATECLAS\TRACS\AIR3\CODES\PQ196.TEX
TRACSSMN.Z.AIR3.CODES.PQ296.TEXT	#4: \RATECLAS\TRACS\AIR3\CODES\PQ296.TEX
TRACSSMN.Z.AIR3.CODES.PQ396.TEXT	#4: \RATECLAS\TRACS\AIR3\CODES\PQ396.TEX
TRACSSMN.Z.AIR3.CODES.PQ496.TEXT	#4: \RATECLAS\TRACS\AIR3\CODES\PQ496.TEX
TRACSSMN.Z.AMT1.CODES.PQ196.TEST	#4: \RATECLAS\TRACS\AMT1\PQ196.TES
TRACSSMN.Z.AMT1.CODES.PQ296.TEST	#4: \RATECLAS\TRACS\AMT1\PQ296.TES
TRACSSMN.Z.AMT1.CODES.PQ396.TEST	#4: \RATECLAS\TRACS\AMT1\PQ396.TES
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TRACSSMN.Z.AMT2.CODES.PQ496.TEXT	#4: \RATECLAS\TRACS\AMT2\PQ496.TEX

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TRACSSMN.Z.RAIL1.CODES.PQ196.TEST #4: \RATECLAS\TRACS\RAIL1\CODES\PQ196.TES
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UPS/USPS-T2-9. Please confirm that a 2400 cubic foot trailer bedloaded with parcels one foot deep would have the same TRACS Form 2 (surface) capacity utilization (100%) and expanded cubic feet assigned to parcels (2400) as the same trailer bedloaded with parcels to a height of five feet. Please explain any nonconfirmation.

(a) If instead of bedloading, the original parcels are stacked to a height of five feet in the nose of the trailer and the trailer is 45 feet in length, please confirm that the TRACS Form 2 (surface) capacity utilization is 20 percent, but that the expanded cubic feet assigned to parcels remains at 2400.

Response:

Confirmed. The "Form 2" (surface) variables do not directly record utilization, but record floorspace percentages (percent empty, percent remaining after unloading, and percent unloaded). A fully bedloaded truck would have an empty floorspace percentage of 0 (thus a floorspace utilization of 100%) regardless of the height of the bedloaded mail.

The amount of expanded cubic feet assigned to the parcels is 2400 (the entire truck) in both cases because in both cases there is nothing on the truck except parcels. Note that because the sampling unit is based on route-trip-segments, the assignment of the entire capacity of the truck to parcels is for only that particular leg of the route.

(a) Confirmed. Assuming there are only parcels on the truck, they are assigned the entire cubic feet of the truck regardless of capacity utilization. Note that it is unlikely that a truck would be fully bedloaded with parcels.

DECLARATION


I, Norma B. Nieto, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Norma B. Nieto

Dated: Sept. 9, 1997

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.


Anne B. Reynolds

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