

# DOCKET SECTION

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS DEGEN; MOTION FOR THEIR LATE  
ACCEPTANCE; AND NOTICE REGARDING OCA/USPS-T12-44-49  
(OCA/USPS-T12-51-55)

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T12-51-55, filed on September 9, 1997, and redirected from witness Degen. Each interrogatory is stated verbatim and is followed by the response. Additionally, the Postal Service anticipates filing responses to OCA/USPS-T12-44-49 today; for ease of duplication, they will be submitted under separate cover.

These responses were due to have been filed yesterday, September 23. Unfortunately, the Law Department's computers were taken down for emergency

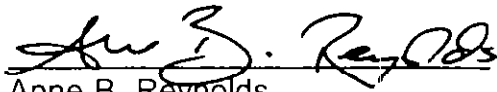
service all afternoon yesterday, and a response could therefore not be prepared until today. The Postal Service regrets this unavoidable delay.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 24, 1997

OCA/USPS-T12-51. Please refer to W/S 14.1.2.3, (PQ 1, 1996 Purchased Transportation Report), Workpaper B-14, USPS-T-5, at pages 5-7, (which presents the "Distribution Process" using TRACS keys for various modes of "Highway Service").

- a. Confirm that the TRACS intra-BMC key (p. 5) shows the following ratio of Special Fourth Class rate (SFCR) to Library rate (LR):  $5580 \div 1654 = 3.4$ ; i.e., approximately 3.4 to 1.
- b. Confirm that the TRACS inter-BMC key (p. 6) shows the following ratio of SFCR to LR:  $4976 \div 1010 = 4.9$ ; i.e., approximately 5 to 1.
- c. Confirm that the TRACS inter-BMC and freight rail key (p. 7) shows the following ratio of SFCR to LR:  $5906 \div 1147 = 5.1$ ; i.e., approximately 5 to 1.
- d. If you are unable to confirm parts a. through c., then please furnish all appropriate corrections.

RESPONSE:

- a. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- b. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- c. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- d. N/A

OCA/USPS-T12-52. Please refer to W/S 14.1.2.2, (PQ 2, 1996 Purchased Transportation Report), Workpaper B-14, USPS-T-5, at pages 5-7, (which presents the "Distribution Process" using TRACS keys for various modes of "Highway Service").

- a. Confirm that the TRACS intra-BMC key (p. 5) shows the following ratio of Special Fourth Class rate (SFCR) to Library rate (LR):  $6132 \div 2440 = 2.5$ ; i.e., approximately 2.5 to 1.
- b. Confirm that the TRACS inter-BMC key (p. 6) shows the following ratio of SFCR to LR:  $6109 \div 1339 = 4.6$ ; i.e., approximately 4.6 to 1.
- c. Confirm that the TRACS inter-BMC and freight rail key (p. 7) shows the following ratio of SFCR to LR:  $5501 \div 1121 = 4.9$ ; i.e., approximately 5 to 1.
- d. If you are unable to confirm parts a. through c., then please furnish all appropriate corrections.

RESPONSE:

- a. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- b. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- c. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- d. N/A

OCA/USPS-T12-53. Please refer to W/S 14.1.2.1, (PQ 3, 1996 Purchased Transportation Report), Workpaper B-14, USPS-T-5, at pages 5-7, (which presents the "Distribution Process" using TRACS keys for various modes of "Highway Service").

- a. Confirm that the TRACS intra-BMC key (p. 5) shows the following ratio of Special Fourth Class rate (SFCR) to Library rate (LR):  $5266 \div 749 = 7$ ; i.e., approximately 7 to 1.
- b. Confirm that the TRACS inter-BMC key (p. 6) shows the following ratio of SFCR to LR:  $5654 \div 1411 = 4$ ; i.e., approximately 4 to 1.
- c. Confirm that the TRACS inter-BMC and freight rail key (p. 7) shows the following ratio of SFCR to LR:  $6122 \div 1661 = 3.6$ ; i.e., approximately 3.6 to 1.
- d. If you are unable to confirm parts a. through c., then please furnish all appropriate corrections.

RESPONSE:

- a. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- b. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- c. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- d. N/A

OCA/USPS-T12-54. Please refer to W/S 14.1.2, (PQ 4, 1996 Purchased Transportation Report), Workpaper B-14, USPS-T-5, at pages 5-7, (which presents the "Distribution Process" using TRACS keys for various modes of "Highway Service").

- a. Confirm that the TRACS intra-BMC key (p. 5) shows the following ratio of Special Fourth Class rate (SFCR) to Library rate (LR):  $6409 \div 1654 = 3.8$ ; i.e., approximately 4 to 1.
- b. Confirm that the TRACS inter-BMC key (p. 6) shows the following ratio of SFCR to LR:  $7485 \div 1054 = 7.1$ ; i.e., approximately 7 to 1.
- c. Confirm that the TRACS inter-BMC and freight rail key (p. 7) shows the following ratio of SFCR to LR:  $7815 \div 1233 = 6.3$ ; i.e., approximately 6 to 1.
- d. If you are unable to confirm parts a. through c., then please furnish all appropriate corrections.

RESPONSE:

- a. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- b. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- c. Confirmed. Please note that, for these modes, TRACS distribution keys are based on cubic-foot miles.
- d. N/A

OCA/USPS-T12-55. The following table assembles the ratios computed in interrogatories OCA/USPS-T12-51 through -54.

<u>Postal Quarter</u>	<u>Intra-BMC</u>	<u>Inter-BMC</u>	<u>Inter-BMC &amp; Freight Rail</u>
1	3.4 to 1	5 to 1	5 to 1
2	2.5 to 1	4.6 to 1	5 to 1
3	7 to 1	4 to 1	3.6 to 1
4	4 to 1	7 to 1	6 to 1

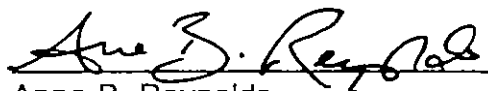
- a. With the exception of PQ 3, would you agree that these ratios tend to establish that Special Fourth Class rate (SFCR) utilizes comparatively more inter-BMC and inter-BMC/freight-rail service and less intra-BMC service than does Library rate (LR) mail? If you do not agree, please explain.
- b. Do you further agree that these ratios tend to show that SFCR exhibits a more nationwide distribution pattern than LR, and, that LR, in turn, exhibits a more localized distribution pattern? If you do not agree, please explain.

RESPONSE:

- a. Agree that the distribution keys reflect that, on average, Special Fourth-Class Rate used more cubic-foot miles of freight rail than did Library Rate, and less cubic-foot miles of intra-BMC highway transportation than Library Rate.
- b. Disagree. We can make no conclusions about the geographic concentration of distribution patterns of classes of mail; TRACS simply reflects the relative proportions of cubic-foot miles by class on each mode of transportation. Each mode of transportation has a separate cost account, and a separate distribution key is calculated for each. Comparing distribution keys across different modes of transportation does not necessarily indicate which mode may be more heavily used by a particular class of mail because the total costs by mode may be different.

## 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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September 24, 1997