

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  
WITNESS NIETO TO INTERROGATORIES OF UNITED PARCEL SERVICE  
AND MOTION FOR EXTENSION OF TIME TO FILE PORTIONS  
OF RESPONSES TO UPS/USPS-T2-12 AND -13  
(UPS/USPS-T2-10, 12-13, 15-26)

The United States Postal Service hereby provides responses of witness Nieto to the following interrogatories of United Parcel Service: UPS/USPS-T2-10, 12-13, 15-26, filed on September 12, 1997. Objections to interrogatories UPS/USPS-T2-11 and 14, and partial objections to interrogatories UPS/USPS-T2-16-21, and 24 were filed on September 22, 1997. Each interrogatory is stated verbatim and is followed by the response.

Subpart (b) of interrogatories UPS/USPS-T2-12 and -13 ask the Postal Service to provide information for each quarter of FY 1996. Because of computer difficulties, witness Nieto has been unable to obtain one quarter of information. In the interest of filing responses in as timely a manner as possible, we are filing responses to these discovery requests today, and will supplement them on Monday with the remaining quarter's data. Counsel for UPS has indicated that we may state that he does not

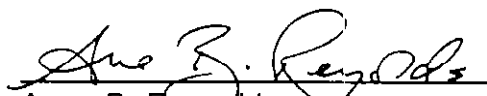
object to this approach, and we respectfully ask that the supplement to these responses be accepted on Monday, September 29, 1997.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 26, 1997

RESPONSE OF POSTAL SERVICE WITNESS NIETO TO INTERROGATORIES  
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**UPS/USPS-T2-10.** Please confirm that NASS, and thus TRACS, does not include emergency highway contracts. If confirmed, please explain how the construction of the highway sample frame accounts for these contracts for developing distribution keys. If not confirmed, please explain your answer.

**Response to UPS/USPS-T2-10:**

Confirmed. TRACS does not sample emergency contracts since the schedule information for these contracts is not available at the time of sampling. The TRACS distribution key for regular highway contracts is applied to all the costs in a particular account.

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**UPS/USPS-T2-11.** Please provide the most recent versions of all publications, handbooks, manuals, instructions and other literature for the following:

- (a) National Air and Surface System (NASS)
- (b) Rail Management Information System (RMIS)
- (c) Air Contract Support System (ACSS)
- (d) Air Contract Dispatch Computer System (ACDCS)

**Response to UPS/USPS-T2-11:**

Objection filed September 22, 1997.

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**UPS/USPS-T2-12.** Please refer to page 3 of LR-H-78.

- (a) Explain why contracts would be active in the Highway Pay Master File and not contained in NASS.
- (b) List for FY96, by postal quarter, the number of contracts and type (Intra-SCF, Inter-SCF, etc.) listed in the Highway Pay Master File and not contained in NASS.

**Response to UPS/USPS-T2-12:**

Please note that the following answer refers specifically to the extracts from the Highway Pay Master File and NASS which are taken on a specific day for the purposes of developing the TRACS sample frame. I have not conducted a comprehensive study of this for all highway contracts over an extended period of time.

(a) Emergency and exceptional contracts which had activity in the period prior to sample selection would not be contained in NASS since they are not scheduled movements is one example. Also, since these extract represent a snapshot of live databases, there may be information in one which has not yet been updated in the other.

(b) The table below lists those contracts which were active in the Highway Pay Master File and were not in NASS at the time of sample selection:

<u>Account</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Intra-SCF	4341	4230	*	3796
Inter-SCF	112	115	*	95
Intra-BMC	3	4	*	8
Inter-BMC	0	0	*	1

\*This information will be filed on Monday, September 29, 1997.

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**UPS/USPS-T2-13.** Please refer to page 3 of LR-H-78.

- (a) Explain why contracts would be contained in NASS but not listed as active in the Highway Pay Master File.
- (b) List for FY96, by postal quarter, the number of contracts and type (Intra-SCF, Inter-SCF, etc.) contained in NASS but not listed as active in the Highway Pay Master File.

**Response to UPS/USPS-T2-13:**

Please note that the following answer refers specifically to the extracts from the Highway Pay Master File and NASS which are taken on a specific day for the purposes of developing the TRACS sample frame. I have not conducted a comprehensive study of this for all highway contracts over an extended period of time.

(a) There are several reasons in which this might occur. A new contract may not yet have had any payments against it and thus would not show activity in the Highway Pay Master File. A terminated contract may reflect that in the Highway Pay Master File and not yet have been deleted from NASS. Again, since these extract represent a snapshot of live databases, there may be information in one which has not yet been updated in the other.

(b) The table below lists the number of contract route-trips by postal quarter. This information is not available at the contract level or by account type:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Route-Trips	48,071	49,749	*	53,950

\*This information will be filed on Monday, September 29, 1997.

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**UPS/USPS-T2-14.** Please refer to LR-H-78. Provide machine readable copies of the complete files and detailed descriptions of record layouts and definitions, for FY96, by postal quarter for the following:

- (a) National Air and Surface System (NASS)
- (b) Rail Management Information System (RMIS)
- (c) Air Contract Support System (ACSS)

**Response to UPS/USPS-T2-14:**

Objection filed September 22, 1997.

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**UPS/USPS-T2-15.** Please refer to your response to FGFSA/USPS-T13-30, and your reference therein to LR-H-82, pp. 2398, 2402, 2406, 2410, concerning TRACS utilization figures. For each OBS number (1-16), for each of the pages referenced in LR-H-82, identify which Contract Type and Destination Facility Type the OBS number pertains to in Exhibit 2 of LR-H-78.

**Response to UPS/USPS-T2-15:**

Please refer to the table below. These are applicable to all pages referred to.

OBS	Acct.	Test Taken At:
1	53121	Inbound SCF
2	53121	Inbound Other
3	53121	Outbound SCF
4	53121	Outbound Other (a.m.)
5	53121	Outbound Other (p.m.)
6	53124	BMC
7	53124	SCF
8	53124	Other
9	53127	BMC
10	53127	Inbound SCF
11	53127	Inbound Other
12	53127	Outbound SCF
13	53127	Outbound Other
14	53131	BMC
15	53131	SCF
16	53131	Other



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**UPS/USPS-T2-16.** Please refer to LR-H-78, Exhibit 2. For each Contract Type and Destination Facility Type shown, identify the:

- (a) origin facility(ies)
- (b) destination facility(ies)
- (c) facility location where the TRACs sample is taken

**Response to UPS/USPS-T2-16:**

Partial objection filed September 22, 1997. The TRACS sample facility location corresponds to the variable FCODE1, and the sample facility type corresponds to FTYPE1 in the survey data. The variable FCODE3 provides the origin facility of the particular sampled item or container of mail.

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**UPS/USPS-T2-17.** In reference to your testimony at page 2, please provide a detailed account of the information contained in the National Air and Surface System (NASS) concerning transportation routes and costs, including a definition of the sample frame elements (e.g., contract routes) used by TRACS, and a listing and definition of all data items associated with each such element in NASS.

**Response to UPS/USPS-T2-17:**

Partial objection filed September 22, 1997.

Please refer first to LR-H-82, Volume 1, TRACS Highway Sample Selection Programs and Documentation, program HWY1. This program reads in data from LAXSTN.PS272D13, a temporary file which contains all NASS planned route records available on the date on which the file was created, and extracts all records pertaining to each highway mode. Each record represents one segment on one trip on each contract route. The variables used from this file are listed and described beginning on p. 9, and these variables are read into HWY1 in lines 91-100 of p. 23 (for PQ 1, FY 96 program code for other quarters may be found in similar locations). NASS does not provide any cost data for highway routes. Please note that the NASS information used later for sampling (along with information on individual segments) may be found in LR-H-84 in the files TRACSSMN.Z.INTRASCF.EXPAND\*6.TEXT and TRACSSMN.Z.OTHERHWY.EXPAND\*6.TEXT.

Please refer next to LR-H-80, Volume 1, Amtrak Sample Selection Programs and Documentation, program AMTRAK1. This program also reads in data from LAXSTN.PS272D13 and extracts all records for which ROUTE = AMT .The variables used from this file are listed and described beginning on p. 8, and these variables are read into AMTRAK1 in lines 26-29 of p. 17 (for PQ 1, FY 96 program code for other

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quarters may be found in similar locations). As with highway routes, NASS does not provide any Amtrak cost data. Please note that the NASS data used later for sampling can be found either within the hard-coded data, the sample Amtrak data in the files TRACSSMN.Z.AMTRAK.SURVEY.PQ\*96.TEXT (in LR-H-84) or the actual Amtrak schedule, which is publicly available information.

Please refer lastly to LR-H-81, Volume 1, Eagle Sample Selection Programs and .Documentation, program EAGLE1. This program reads in data from LAXSTN.TEST.PS272D13, which contains NASS planned route records for the Eagle network. The variables used from this file are listed and described beginning on p. 15, and these variables are read into EAGLE1 in lines 12-23 on p. 15 (for PQ 1, FY 96 program code for other quarters may be found in similar locations). As above, NASS does not provide any cost data for Eagle flights. Please note that this information may also be found (along with daily volume and individual leg data) in LR-H-84 in the files TRACSSMN.Z.LAUTEST.ST476VAL.FYQT960\*.

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**UPS/USPS-T2-18.** In reference to your testimony at page 3, please provide a detailed account of the information contained in the Rail Management Information System (RMIS) concerning rail movements and costs thereof, including a definition of the sample frame elements (e.g., rail movements) used by TRACS, and a listing and definition of all data items associated with each element in RMIS.

**Response to UPS/USPS-T2-18:**

Partial objection filed September 22, 1997.

Please refer to LR-83, Volume 2, Rail Sample Selection Programs and Documentation, program RAIL1. This program reads in data from LABV.ST380D01, a temporary test file containing historical RMIS pay data for all rail movements, and extracts all rail movements occurring in the 12 weeks prior to the date of sample selection. Each record represents an origin-destination-day, the primary sampling unit a movement of one rail van on a particular day from liable origin to final destination. The variables used from this file are listed and described beginning on p. 7, and these variables are read into RAIL1 in lines 19-63 of p. 19 (for PQ 1, FY 96 program code for other quarters may be found in similar locations). Please note that the RMIS data used for sampling can be found in LR-H-84 in the files TRACSSMN.Z.RAIL\*96.EXPAND.TEXT, which contains summary information for all origin-destination pairs in the frame.

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**UPS/USPS-T2-19.** In reference to your testimony at page 4, please provide a detailed account of the information contained in the Air Contract Support System (ACSS) and the Official Airline Guide (OAG) concerning flights, including a definition of the sample frame elements used by TRACS (e.g., flight-days), and definition of all data items associated with each such element in ACSS and OAG.

**Response to UPS/USPS-T2-19:**

Partial objection filed September 22, 1997.

Please refer first to LR-H-79, Volume 1, Air Sample Selection Programs and Documentation, program ACSS1. This program reads in data from LAU.TEST.ST476TCR.WK9\*\*\*, which contains one weeks worth of ACSS volume, payment accrual and mileage data for one leg on a unique dispatch-day combination. The variables used from this file are listed and described beginning on p. 7, and these variables are read into ACSS1 in lines 3-42 on p. 18 (for one week in PQ 1, FY 96 program code for other weeks may be found in similar locations). Please note that this information may also be found (along with daily volume data for individual legs) in LR-H-84 in the files TRACSSMN.Z.AIRWK\*\*2.FY96.TEXT.

ACSS data is also utilized for the Eagle network (please refer to LR-H-81, Eagle Estimation Programs and Documentation, program ACSS2). The program ACSS2 reads in data from TRACSSMN.Z.LAUTEST.ST476VAL.FYQT960\*, which are provided in LR-H-84. These files contain one quarters worth of ACSS volume, payment accrual and mileage data for one leg on a unique dispatch-day combination. The variables used from this file are listed and described on pp. 379-81, and these variables are read into ACSS2 in lines 2-38 and 50-73 on p. 385 (for PQ 1, FY 96 program code for other quarters may be found in similar locations).

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OAG data is used for the commercial air network (please refer to LR-H-79, Volume 3, Air Sample Selection Programs and Documentation, program OAG). The program OAG reads in data from LAUV.TEST.ST570D01, which contains OAG data, including specific flight numbers, departure and arrival times, and aircraft types. The variables used from this file are listed and described on p. 1519, and these variables are read into the program OAG in lines 3-14 on p. 1534 (for PQ 1, FY 96 program code for other quarters may be found in similar locations). Please note that this information may also be found (along with flight-leg-level volume data for individual legs) in LR-H-84 in the files TRACSSMN.Z.AIRWK\*\*2.FY96.TEXT or by subscribing to OAG.

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**UPS/USPS-T2-20.** In reference to your testimony at page 5, please provide a detailed account of the information contained in the National Air and Surface System (NASS) concerning network city-days, including a definition of the sample frame elements (e.g., city-days) used by TRACS, and a listing and definition of all data items associated with each such element in NASS.

**Response to UPS/USPS-T2-20:**

Partial objection filed September 22, 1997.

Please refer to my response above in UPS/USPS-T2-17.

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**UPS/USPS-T2-21.** In reference to your testimony at page 7, please identify the data source used to select Amtrak train segment-days and costs thereof, including a definition of the sample frame elements (e.g., train segment-days) used by TRACS, and a listing and definition of all data items associated with such elements in this data source or available related data bases as NASS.

**Response to UPS/USPS-T2-21:**

Partial objection filed September 22, 1997.

In the selection of segment-days for Amtrak sampling, every segment (round-trip pair) is sampled on at least one random day, hence segment-day, the primary sampling unit. Two data sources are used in to build the Amtrak sample frame. The first source is NASS (please refer to my response above in UPS/USPS-T2-17), and the second is hard-coded data, which can be found in LR-H-84 in the program code for TRACS.DESIGN(AMTRAK1). The hard-coded variables are also listed and described in LR-H-80, Volume 1, Amtrak Sample Design Programs and Documentation, on p. 8.



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**UPS/USPS-T2-22.** In reference to your response to FGSA/USPS-T16-13, at page 2 of 5, please describe in detail how two dimensional floorspace percentages are converted to three dimensional cubic footages. Are the actual interior freights of each truck or van recorded for this purpose, or is a standard height applied, and if so, what standard height(s) are used for each category of truck or van?

**Response to UPS/USPS-T2-22:**

The floorspace percentage is multiplied by the specified minimum vehicle cube for the contract. For example, if the percentage of the floor space of a 2400 cubic-foot truck occupied by wheeled containers is 20, the cubic feet assigned to wheeled containers will be 480 cubic feet.

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**UPS/USPS-T2-23.** In reference to your testimony at page 2, please describe how highway contract costs factor into the development of total highway cubic-foot miles for the different classes and sub-classes of mail:

- (a) Are costs for sampled routes including in the expansion process, and if so, how are the costs for the specific segment and destination-day sample determined?
- (b) How and at what level of aggregation are total costs for sampled routes combined in developing proportions for the different mailcodes?

**Response to UPS/USPS-T2-23:**

- (a) and (b). Please refer to my response to FGSA/USPS-T2-13.

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**UPS/USPS-T2-24.** In reference to your testimony at page 2, and LR-H-78, at pages 2 to 3, please provide a complete listing of all contract highway routes in effect for the last accounting period of FY 1996, including the following information for each route:

HCRID number

Trip route specifications for each trip route, including

- Origin and destination of each segment
- Highway mileage of each segment
- Minimum truck capacity in cubic feet
- Schedule, including number of days of operation and arrival/departure times
- Annual cost of service

Identification of contract type (Intra-SCF, Inter-SCF, etc.)

**Response to UPS/USPS-T2-24:**

Partial objection filed September 22, 1997.

The requested information can be found in the following files already submitted under

LR-H-84:

Original Mainframe File Name	LR-H-84 CD-ROM Number and Path
TRACSSMN.Z.INTRASCF.EXPAND46.TEXT	#4: \RATECLAS\TRACS\INTRASCF\EXPAND46.TEX
TRACSSMN.Z.OTHERHWY.EXPAND46.TEXT	#4: \RATECLAS\TRACS\OTHERHWY\EXPAND46.TEX
TRACSSMN.Z.HIGHWAY.MILES.PQ496.TEXT	#4: \RATECLAS\TRACS\HIGHWAY\MILES\PQ496.TEX
TRACSSMN.Z.DIVTMO.LOOKUP.Q496.TEXT	#4: \RATECLAS\TRACS\DIVTMO\LOOKUP\Q496.TEX

Please refer to documentation for program

TRACS.EXPAND.HWY.PQ496.CNTL(FRAME), LR-H-82, p. 38, and documentation for

program TRACS.EXPAND.HWY.PQ496.CNTL(HWY10), LR-H-82, p. 441.

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**UPS/USPS-T2-25.** Please refer to LR-H-78, Exhibit 2.

- (a) Please explain the rationale for the different sampling percentages allocated to each facility type by type of highway contract.
- (b) For each mailcode and highway contract type, please provide BY96 distribution keys in total and computed separately, for Inbound and Outbound destination facility types.

**Response to UPS/USPS-T2-25:**

- (a) Please refer to my response to FGFS/USPS-T2-16, parts (c) and (e).
- (b) TRACS does not compute annual distribution keys nor does it compute separate Inbound and Outbound distribution keys, as these are not used in the development of transportation costs.

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**UPS/USPS-T2-26.** Your testimony at pages 8 and 9 refers to Table 2, but no reference is made to Table 1. Please explain the apparent omission of Table 1.

**Response to UPS/USPS-T2-26:**

Table 1 was intentionally removed from an early draft of my testimony, and Table 2 was not renamed.

DECLARATION

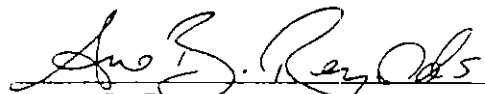
I, Norma B. Nieto, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Norma B. Nieto

Dated: 9-30-97

## 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 26, 1997