## **DOCKET SECTION**

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE ALLIANCE OF NONPROFIT MAILERS WITNESS HALDI
(USPS/ANM-T1-1-19)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Alliance of Nonprofit Mailers witness Haldi: USPS/ANM-T1-1-19.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Anne B. Reynolds

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2970; Fax –5402 January 22, 1998

USPS/ANM-T1-1. Please refer to page 46 of your testimony. Please explain what you mean by "postage evidencing." Does this refer to postage, endorsements, or other mailpiece characteristics?

USPS/ANM-T1-2. On page 46, line 13 of your testimony, you state that TRACS samples water transportation movements. Please state your basis for this assertion.

USPS/ANM-T1-3. On page 45, line 5 of your testimony, you present a figure of \$11,451,000 to represent the increase in purchased transportation costs for Nonprofit Standard A Regular mail. Please confirm that this figure is the result of the subtraction of CRA 1996 costs from CRA 1995 costs or \$50,937,000 - \$39,486,000.

USPS/ANM-T1-4. Is it your testimony that the entire increase in transportation costs results from TRACS? Please explain any other reasons underlying this cost increase, including increases in accrued costs and increases in the percentage of costs that are considered volume variable or attributable.

USPS/ANM-T1-5. Is it your understanding that FY 1995 costs use the same volume variability factors for highway transportation as FY 1996? If it is not, please explain your understanding of any differences in the volume variabilities for highway transportation costs between FY 1995 and FY 1996.

## USPS/ANM-T1-6.

- (a) In developing your testimony regarding transportation cost changes from FY 1995 to FY 1996 did you consider any of the following:
  - (i) Changes in average weight per piece of Nonprofit Standard A Regular?
  - (ii) Changes in volume of Nonprofit Standard A Regular?
- (b) Would you agree that if Nonprofit Standard A Regular mail weighed more in FY 1996, other things being equal, it would tend to have a greater cube in FY 1996?

USPS/ANM-T1-7. Do you have any evidence to support the proposition that Nonprofit Standard A mail traveled the same distance on average in FY 1996 than in FY 1995? If so, please provide such evidence.

USPS/ANM-T1-8. Your testimony frequently uses terms such as "actual amount of mail" (e.g., page 46), "actual volumes of sampled mail" (page 49), "actual mail volume" (page 51), "actual volume of mail" (page 48), and "volume of mail actually transported" (page 54). To which of the following measures are you referring as "actual volume":

- (a) pieces
- (b) cubic feet
- (c) pounds
- (d) cubic foot miles
- (e) pound miles

If your answer is anything other than one of the above measures, please provide your preferred measure and explain why you prefer it.

USPS/ANM-T1-9. Please refer to page 47 of your testimony. On lines 8-9 you state that the truck capacity must "obviously be sized for whatever segment or segments have the highest average volume." Please explain the basis for this assertion.

USPS/ANM-T1-10. Please provide a list of all documents you reviewed in preparation of the portions of your testimony that deal with postal purchased transportation costs or operations, and TRACS.

USPS/ANM-T1-11. On pages 48-49 of your testimony, you state that in a TRACS highway test an OTR container "may have only one or two sacks of nonprofit mail" in it. Please provide your estimate of the frequency with which this occurred in TRACS tests in FY 1996 and in FY 1995.

USPS/ANM-T1-12. On page 51, lines 16-19 of your testimony, you explain that when one sack or container is on a truck, it gets "stuck" with the entire cube.

Please provide your estimate of the frequency with which this occurred in FY 1995 and FY 1996.

USPS/ANM-T1-13. On page 49, lines 4-5 of your testimony, you state that a container that is "practically empty" could have "just have easily been filled with something else". If no other mail is available would you recommend withholding the container from transportation until it can be filled? Please explain fully.

USPS/ANM-T1-14. On page 49, lines 11-13 of your testimony, you note that "the actual volume of mail is not recorded". Assume that an OTR is filled with nonprofit mail. Do you recommend that the entire contents of the OTR be counted in a TRACS test?

USPS/ANM-T1-15. Please refer to page 50, line 7 of your testimony, where you claim that TRACS is "capable of producing absolutely bizarre results." Please indicate which TRACS test in FY 1995 and FY 1996 produced results that you would consider to be "absolutely bizarre," and explain why you would view them in this manner.

USPS/ANM-T1-16. Please refer to your testimony on pages 49 - 50 where you state that TRACS assigns "all available cube" on a truck "to whatever mail happens to be off-loaded from the truck." Is it your testimony that TRACS assigns "all cube" to offloaded mail?

USPS/ANM-T1-17. Please refer to your testimony on page 53 where you assert that "trucks systematically utilize more capacity in one direction".

- (a) Is this your understanding for inter-SCF routes that are round trips?
- (b) Is this your understanding for inter-SCF routes that are one-way?
- (c) Is this your understanding for inter-BMC routes that are roundtrips?
- (d) Is this your understanding for inter-BMC routes that are one-way?

USPS/ANM-T1-18. Please refer to the following intra-BMC routing:

BMC1 to SCF1 to SCF2 to BMC1.

(a) Which of the three segments of this route do you consider to be inbound?

(b) Would you agree that the truck moving on the first leg (BMC1 to SCF1) would "average significantly higher capacity utilization" than when the truck moves on the last leg (SCF2 to BMC1)? Please fully explain your response.

USPS/ANM-T1-19. On page 55 of your testimony, you recommend that TRACS should eliminate the procedures used to "assign absolutely empty floor space on the truck".

- (a) Are you recommending that this step be taken for one way movements?
- (b) Are you recommending that this step be taken for round-trip movements?
- (c) For what specific TRACS subsystems (e.g., intra-BMC) are you making this recommendation?

## **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. Re<del>yn</del>olds

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 January 22, 1998