

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Periodic Reporting
(Proposal Nine)

Docket No. RM2015-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued November 14, 2014)

To clarify the Postal Service's petition to consider changes to analytical principles, filed October 31, 2014, the Postal Service is requested to provide a written response to the following questions.¹ The answers should be provided by November 21, 2014.

1. In its Petition, Attachment at 1, the Postal Service states that it "seeks to utilize the Time Attendance Collection System (TACS) to decompose city carrier accrued costs into office costs (cost segment 6) and street costs (cost segment 7), replacing the current methodology that uses the In-Office Cost System (IOCS)." Petition, Attachment at 1. The Postal Service further states that "operational systems have matured to the point where they can now provide the necessary data. Thus, these percentages estimated by IOCS can be replaced with census data from TACS." *Id.*
 - a. How long has TACS been in existence?
 - b. Please identify when the operational systems matured.
 - c. By what means did the Postal Service determine the maturity point?

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Nine), October 31, 2014 (Petition).

2. In Docket No. RM2011-3, Order No. 1626, the Commission identified a study on city delivery carrier street time costs as a near-term research priority for the Postal Service. On April 18, 2013, in its response to Order No. 1626, the Postal Service provided a report on the research issues and reporting requirements related to city carrier street time costs.² Please explain the relationship of Proposal Nine to the research priorities for city carrier street time costs identified by the Commission in Order No. 1626.³
3. Please refer to Library Reference USPS-RM2015-2/1. The Preface states that workbooks 'L_Forms_TACS.xlsx' and 'CS06&7_TACS' replace the worksheets publicly filed in the FY 2013 Annual Compliance Report (ACR) with Proposal Nine incorporated.
 - a. For each workbook referenced above, please provide references to the original FY 2013 ACR filings (without Proposal Nine incorporated).
 - b. For each worksheet in the workbooks referenced above, please indicate what cells are impacted by changes related to Proposal Nine.
4. Please confirm that in the workbook 'L_Forms_TACS.xlsx' the tab 'TACS Offc_Str' (filed in Library Reference USPS-RM2015-2/1) is the only completely new worksheet (in comparison with the original FY 2013 ACR filing) created by the impact of Proposal Nine. If not confirmed, please explain.
5. In its Petition, Attachment at 2, the Postal Service notes: "In the administration of delivery operations, loading and unloading vehicles are considered to be street functions."

² Docket No. RM2011-3, Postal Service Report Regarding Cost Studies: Response to PRC Order No. 1626, April 18, 2013, at 3-19 (Report).

³ Extensive work has been done in Docket No. RM2011-3 which analyzed the Form 3999 route and DOIS datasets as possible sources with which to update the city carrier street time variabilities.

- a. Please discuss why the Postal Service now proposes shifting the street vehicle loading/unloading time from Cost Segment 6 to Cost Segment 7.⁴
 - b. In the description and rationale for cost segment classification provided in its periodic report on the development of costs by segments and components, the Postal Service states that loading the vehicle is an in-office support cost.⁵ In Docket No. R2006-1, this same cost segment classification description (section 6.2.1) included additional information related to in-office support that can and can't be associated with a specific route type ("overhead" and "other"). If the in-office support can be associated with a route type, the costs are considered to be "other" support and include activities that support both office and street activities.⁶ Please discuss how the Postal Service will distribute in-office support work not associated with a specific route type in the DOIS data.
6. For each route listed in the Library Reference USPS-RM2015-2/1 workbook 'Form_3999_Load_Unload.xlsx,' please indicate:
- a. Type of route (*e.g.*, residential, business, mixed residential, mixed business) and transportation type/mode of delivery (*e.g.*, dismount, curblin, foot, park & loop or "other"-please describe).
 - b. Which routes (if any) in the workbook 'Form_3999_Load_Unload.xlsx' are Package Delivery, Collection, Express/Expedited Delivery or Run, Relay, or "Combination/Other".⁷ Please describe what "other" routes are.

⁴ Petition, Attachment at 3, Component Number 2.

⁵ Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2013, July 1, 2014, at 6-2, section 6.2.1.

⁶ Docket No. R2006-1, Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2005, USPS-LR-L-1, May 3, 2006, at 6-3, section 6.2.1.

⁷ This level of route detail is available and collected in Questions 'Q16E01' and 'Q16E02' of the IOCS.

7. Component Seven of Proposal Nine provides that “Data will be reported by route groups (letter and special purpose) rather than by route type.” Petition, Attachment at 4. The Excel workbooks, ‘CS06&7_TACS.xlsx’ and ‘I_Forms_TACS.xlsx’ provided in Library Reference USPS-RM2015-2/1 contain several worksheets that show data by route type.
 - a. Please indicate which cost segments the Postal Service proposes to only report by two route groups.
 - b. Please identify the worksheets where the route groups are found.
 - c. Please explain the benefits of reporting by route groups rather than by route type.
8. In its Petition, Attachment at 4, the Postal Service states: “Most city carriers have the street portion of their routes evaluated annually.” There are 64,405 routes that appear to have been evaluated between October 1, 2012 and June 3, 2013 in the ‘Form_3999_Load_Unload.xlsx’ workbook provided in Library Reference USPS-RM2015-2/1. Given the annual variation in the number of evaluated routes, is there a minimum annual number of evaluated routes the Postal Service will use to calculate the street vehicle loading and unloading times? Please explain your response.
9. How do the routes identified in the ‘Form_3999_Load_Unload.xlsx’ workbook for FY 2013 differ from the routes that were not evaluated in FY 2013? Please include in your response the method and assessments made to determine inclusion of the routes listed in the ‘Form_3999_Load_Unload.xlsx’ file provided in Library Reference USPS-RM2015-2/1.
10. Please provide the TACS F-21 Handbook and the TACS Timecard codes and MODS codes used to create the office and street workhours split, and the motorized and foot workhours for Proposal Nine.

11. Please indicate which (if any) source SAS programs and calculations changed as a result of Proposal Nine. For the SAS programs that were changed as a result, please file the SAS programs with the Commission and indicate sections modified and related worksheet calculation(s).
12. In its Petition, Attachment at 1, the Postal Service notes that the Proposal is being filed now to allow ample time for consideration and, if approved, to allow the Postal Service sufficient time to make the necessary changes to the IOCS data processing software.⁸ Please describe and provide a comprehensive list of the related IOCS data processing changes associated with Proposal Nine.
13. Slide 32 presented at the Technical Conference in Docket No. RM2011-3 notes that Form 3999 may not include all parcels.⁹ Loading/unloading time may differ based on volumes and the type of mail delivered. The percent loading/unloading in the 'Form_3999_Load_Unload.xlsx' workbook filed in Library Reference USPS-RM2015-2/1 shows a large range of street times for loading and unloading the vehicle. From the data shown in the CS06&07_TACS.xlsx in worksheet tab '6.0.3' (filed in Library Reference USPS-RM2015-2/1), it appears that the average loading time from all years listed in the 'Form_3999_Load_Unload.xlsx' workbook, approximately 5 percent, was multiplied by the total FY 2013 city carrier street time to obtain the overall loading and unloading vehicle time.
 - a. Please explain why the Form 3999 data may not include all parcels.
 - b. How does the absence of some parcel data impact the loading/unloading vehicle time?

⁸ In its Petition, Attachment at 1 of the Petition notes: "The Postal Service hopes to implement this methodology change for reporting costs at the conclusion of Fiscal Year 2015."

⁹ Docket No. RM2011-3, Technical Conference Slides, PRC-RM2011-3-LR1, August 7, 2013.

- c. Please explain why it is appropriate to calculate an average loading/unloading vehicle time, from a consolidated number of years, over a variety of routes and transportation types/delivery modes.
14. Please refer to the Scoping Study Report of the United States Postal Service filed in Docket No. RM2011-3.¹⁰ On page 11 of the Scoping Study Report, the Postal Service reports that the Form 3999 data set does not include accountables or collection volume. With respect to Proposal Nine, please discuss the impact of the absence of accountables and collection volumes on the loading/unloading vehicle times.
15. In Library Reference USPS-FY13-2 and USPS-FY13-32 filed in Docket No. ACR 2013, the preface discusses the Cost and Revenue Analysis (CRA) process and the 'Public CRA Revisions of 02/06/2014': "All data from the outputs to the CRA tab gets uploaded into the CRA model."
 - a. Please provide the worksheet tabs from Library Reference USPS-FY13-31 – FY2013 CRA Model/costs/FY13.Revised.Public.B.xlsx filed in Docket No. ACR 2013 that show the Development of Cost by Segment and Component for cost segments 06, 07, 12 and 13 with the incorporated Proposal Nine methodology.
 - b. Please provide and identify any other model, report or cost inputs in USPS-FY13-31 by worksheet and worksheet cell affected by Proposal Nine.
 - c. Please also provide the comparable information to that requested in parts a. and b. to this question for the nonpublic library reference in USPS-FY13-NP13 filed in Docket No. ACR 2013.

¹⁰ Docket No. RM2011-3, Scoping Study Report of the United States Postal Service, May 25, 2012 (Scoping Study Report).

16. In Library Reference USPS-FY13-19, 'FY 2013 Delivery Costs by Shape' filed in Docket No. ACR 2013, uses the IOCS cost segments 6 and 7 in the 'UDCinputs13.xlsx' file which is subsequently used in the unit delivery costs model file 'UDCModel13.xlsx.'
 - a. Please provide the 'UDCinputs13.xlsx' file and the 'UDCModel13.xlsx' file with the Proposal Nine methodology incorporated and identify which worksheets and cells were impacted by the proposed methodology change.
 - b. For the SAS log text files provided in USPS-FY13-19, 'KL Table13_All,' 'KL Table 13_Casing' and 'KL Table 3_FCSP_Collection_Cost_By_Indicia', please indicate which (if any) are impacted by Proposal Nine.

17. Please describe the route type "Other" as shown in the Code A Variables 'F260' list on the last page of the IOCSDataDictionaryFY13.xlsx filed in Library Reference USPS-FY13-37 in Docket No. ACR 2013.

18. Please refer to the Scoping Study Report of the United States Postal Service filed in Docket No. RM2011-3.¹¹ The Postal Service states: "A route evaluation is the process through which the Postal Service collects data on times the carrier spends in the various office (Form 1838) and street (Form 3999) activities on a route." Scoping Study Report at 8.
 - a. Does the Form 1838 provide office time for loading/unloading the vehicle?

¹¹ *Id.* Scoping Study Report.

- b. If so, why does the Postal Service propose using the Form 3999 in Proposal Nine for the loading times on the street (rather than the IOCS) and not the vehicle loading time for the office using Form 1838 (rather than the IOCS)?

By the Chairman.

Ruth Y. Goldway