BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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EXHIBITS TO ACCOMPANY

TESTIMONY OF

LEONARD MEREWITZ

FGFSA-T-1

December 30, 1997

M.W. Wells, atty
P.O. Box 3628
Orlando, FL 32802

POSTAL RATE COMMISSION
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LAM-1

Historical Data on Intra and Inter BMC Purchased Transportation Cost

Year	Intra BMC	Inter BMC	Total
84	144.5	134.4	278.9
85	166.1	154.6	320.7
89	163.7	188.2	351.9
90	161.3	173.7	335
91	185.3	209.2	394.5
92	181.6	214.5	396.1
93	232.3	201.4	433.7
94	248.1	214.5	462.6
95	257.4	223.7	481.1
96	257.1	243	500.1

Source: National Consolidated Trial Balance 1990-96, 1985

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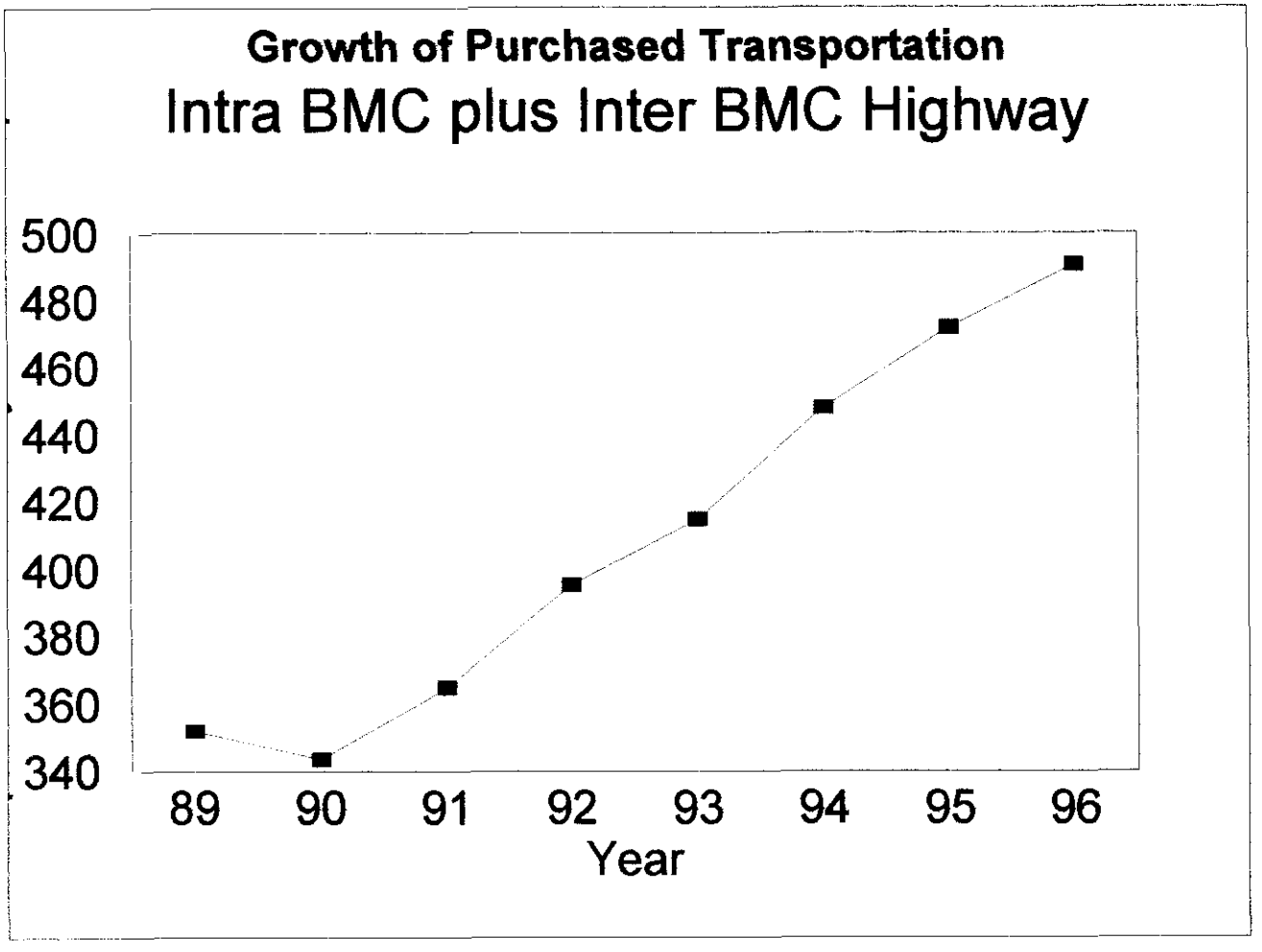
Growth of Purchased Transportation
Intra BMC plus Inter BMC Highway
500
480
460
440
420
400
380
360
340
89
90
91
92
93
94
95
96
Year

LAM-2b

Cost Accounts Within Purchased Transportation
Which We Study

IntraBMC	53127
Exceptional Service	53128
Emergency Service	53129
Leased Trailers	53136
InterBMC	53131
Exceptional Service	53132
Emergency Service	53133

PQ196 Distribution Keys Using		UNLOADED Mail	(Weighted)
1	First Class Letters	44,954,516	5.73
2	First Class Presort	25,453,944	3.25
3	Single-PC Cards	244,681	0.03
4	Prest Postcards	57,933	0.01
5	Total First Class	70,711,074	9.02
6	Priority	36,877,313	4.70
7	Express	845,758	0.11
8	Periodicals	84,121,040	10.73
9	Std A Single Piece	9,334,149	1.19
10	Std A ECR	49,013,095	6.25
11	Std A Other	169,860,723	21.67
12	Total Reg Std A	228,207,966	29.11
13	NonPref ECR	3,063,355	0.39
14	NonPref Other	17,369,743	2.22
15	Total Std A	248,641,064	31.71
16	Small Parcels	225,193	0.03
17	**Parcel Post**	**223,600,427**	**28.52**
18	Bound Printed Matter	56,151,668	7.16
19	Std B Special	42,358,627	5.40
20	Std B Library	10,326,617	1.32
21	Penalty-USPS	2,674,884	0.34
22	Free for Blind	658,955	0.08
23	International	6,828,011	0.87
24	Total All Mail	784,020,631	100.00

PQ296 Distribution Keys Using UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=.

LINE		CuFt	Percent CuFt
1	First Class Letters	75,802,597	9.58
2	First Class Presort	31,688,725	4.01
3	Single-PC Cards	247,078	0.03
4	Prest Postcards	5,052,764	0.64
5	Total First Class	112,791,164	14.26
6	Priority	58,567,334	7.40
7	Express	2,100,183	0.27
8	Periodicals	77,320,330	9.77
9	Std A Single Piece	15,638,855	1.98
10	Std A ECR	33,321,362	4.21
11	Std A Other	132,923,463	16.80
12	Total Reg Std A	181,883,679	22.99
13	NonPref ECR	3,230,256	0.41
14	NonPref Other	22,378,892	2.83
15	Total Std A	207,492,827	26.23
16	Small Parcels	739,461	0.09
17	**Parcel Post**	**222,344,175**	**28.10**

18	Bound Printed Matter	42,554,332	5.38
19	Std B Special	44,405,081	5.61
20	Std B Library	12,754,207	1.61
21	Penalty-USPS	1,160,658	0.15
22	Free for Blind	4,145,434	0.52
23	International	4,784,332	0.60
24	Total All Mail	791,159,519	100.00

PQ396 Distribution Keys Using UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=.

LINE		CuFt	Percent CuFt
1	First Class Letters	82,266,991	9.14
2	First Class Presort	48,041,022	5.34
3	Single-PC Cards	809,859	0.09
4	Prest Postcards	265,939	0.03
5	Total First Class	131,383,812	14.60
6	Priority	45,582,384	5.07
7	Express	891,565	0.10
8	Periodicals	96,633,971	10.74
9	Std A Single Piece	16,898,391	1.88
10	Std A ECR	38,016,039	4.23
11	Std A Other	188,094,148	20.90
12	Total Reg Std A	243,008,578	27.01
13	NonPref ECR	2,823,664	0.31
14	NonPref Other	30,890,553	3.43
15	Total Std A	276,722,796	30.75
16	Small Parcels	597,106	0.07
17	**Parcel Post**	**231,535,036**	**25.73**
18	Bound Printed Matter	50,528,781	5.62
19	Std B Special	45,917,265	5.10
20	Std B Library	10,865,388	1.21
21	Penalty-USPS	3,146,529	0.35
22	Free for Blind	830,283	0.09
23	International	5,137,628	0.57
24	Total All Mail	899,772,545	100.00

PQ496 Distribution Keys Using UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=.

LINE	CuFt	Percent CuFt

1	First Class Letters	128,477,417	13.47
2	First Class Presort	37,018,408	3.88
3	Single-PC Cards	1,812,386	0.19
4	Prest Postcards	431,755	0.05
5	Total First Class	167,739,966	17.59
6	Priority	43,840,126	4.60
7	Express	6,258,171	0.66
8	Periodicals	115,569,431	12.12
9	Std A Single Piece	22,755,876	2.39
10	Std A ECR	33,985,163	3.56
11	Std A Other	139,554,724	14.63
12	Total Reg Std A	196,295,762	20.58
13	NonPref ECR	1,162,833	0.12
14	NonPref Other	47,869,119	5.02
15	Total Std A	245,327,715	25.72
16	Small Parcels	1,632,598	0.17
17	**Parcel Post**	**254,912,563**	**26.73**
18	Bound Printed Matter	47,709,848	5.00
19	Std B Special	53,266,213	5.59
20	Std B Library	12,208,087	1.28
21	Penalty-USPS	1,713,626	0.18
22	Free for Blind	574,571	0.06
23	International	2,946,520	0.31
24	Total All Mail	953,699,435	100.00

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PQ196 Bound = .

CF, CFM and Cost for Inbound, Outbound Movements and Union, Various Mail Classes

LINE	Mail Category	CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1	First Class Letters	44,954,516	5.73	3,192,077,217	4.65	1,502,869	4.49
2	First Class Presort	25,453,944	3.25	1,321,645,999	1.93	587,551	1.76
3	Single-PC Cards	244,681	0.03	9,900,170	0.01	4,454	0.01
4	Prest Postcards	57,933	0.01	2,542,921	0.00	1,177	0.00
5	Total First Class	70,711,074	9.02	4,526,166,306	6.60	2,096,050	6.27
6	Priority	36,877,313	4.70	2,475,685,375	3.61	1,016,116	3.04
7	Express	845,758	0.11	32,745,528	0.05	16,424	0.05
8	Periodicals	84,121,040	10.73	6,495,409,463	9.47	2,598,884	7.77
9	Std A Single Piece	9,334,149	1.19	1,006,278,299	1.47	463,719	1.39
10	Std A ECR	49,013,095	6.25	4,771,943,508	6.96	2,921,048	8.73
11	Std A Other	169,860,723	21.67	15,388,469,739	22.43	6,829,481	20.42
12	Total Reg Std A	228,207,966	29.11	21,166,691,545	30.86	10,214,248	30.54
13	NonPref ECR	3,063,355	0.39	220,634,861	0.32	81,759	0.24
14	NonPref Other	17,369,743	2.22	1,794,507,223	2.62	681,198	2.04
15	Total Std A	248,641,064	31.71	23,181,833,629	33.79	10,977,205	32.82
16	Small Parcels	225,193	0.03	13,680,498	0.02	5,609	0.02
17	Parcel Post	223,600,427	28.52	21,096,269,312	30.75	11,472,201	34.30
18	Bound Printed Matte	56,151,668	7.16	4,518,848,849	6.59	2,484,651	7.43
19	Std B Special	42,358,627	5.40	4,367,076,708	6.37	1,797,805	5.38
20	Std B Library	10,326,617	1.32	1,002,374,601	1.46	541,393	1.62
21	Penalty-USPS	2,674,884	0.34	284,885,962	0.42	111,879	0.33
22	Free for Blind	658,955	0.08	43,728,285	0.06	58,112	0.17
23	International	6,828,011	0.87	558,089,631	0.81	269,955	0.81
24	Total All Mail	784,020,631	100.00	68,596,794,146	100.00	33,446,283	100.00

PQ196 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=1

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1	First Class Letters	12,813,826	4.21	1,477,023,344	4.48	663,789	4.20
2	First Class Presort	1,627,102	0.54	129,172,495	0.39	47,679	0.30
3	Single-PC Cards	53,692	0.02	5,266,019	0.02	2,126	0.01
4	Prest Postcards	15,671	0.01	1,145,811	0.00	525	0.00
5	Total First Class	14,510,291	4.77	1,612,607,668	4.90	714,119	4.52
6	Priority	11,933,348	3.92	1,142,375,085	3.47	488,765	3.10
7	Express	140,906	0.05	8,340,580	0.03	3,624	0.02
8	Periodicals	19,176,340	6.31	1,263,607,566	3.84	834,787	5.29
9	Std A Single Piece	5,769,829	1.90	696,297,700	2.11	334,825	2.12
10	Std A ECR	10,417,531	3.43	1,453,806,270	4.41	1,738,231	11.01
11	Std A Other	71,491,181	23.51	7,030,018,339	21.34	3,510,565	22.24
12	Total Reg Std A	87,678,541	28.84	9,180,122,308	27.87	5,583,621	35.37
13	NonPref ECR	338,171	0.11	57,589,728	0.17	24,831	0.16
14	NonPref Other	6,868,558	2.26	696,476,721	2.11	252,863	1.60
15	Total Std A	94,885,271	31.21	9,934,188,757	30.16	5,861,315	37.13
17	Parcel Post	101,383,527	33.34	12,662,773,499	38.44	4,929,651	31.22
18	Bound Printed Matte	20,369,801	6.70	1,521,211,955	4.62	770,439	4.88

7	Express	290,174	0.09	147,209,641	0.12	57,774	0.12
8	Periodicals	64,827,561	19.32	24,595,414,620	20.59	9,711,461	20.54
9	Std A Single Piece	3,230,475	0.96	1,715,289,689	1.44	675,246	1.43
10	Std A ECR	8,644,740	2.58	3,725,515,149	3.12	1,464,426	3.10
11	Std A Other	66,954,175	19.95	24,162,975,476	20.23	9,503,071	20.10
12	Total Reg Std A	78,829,390	23.49	29,603,780,314	24.79	11,642,743	24.62
13	NonPref ECR	2,119,140	0.63	627,591,032	0.53	244,519	0.52
14	NonPref Other	17,044,781	5.08	6,672,046,171	5.59	2,641,889	5.59
15	Total Std A	97,993,311	29.20	36,903,417,517	30.90	14,529,151	30.72
16	Small Parcels	146,242	0.04	71,898,970	0.06	28,256	0.06
17	Parcel Post	86,818,856	25.87	28,880,348,631	24.18	11,378,750	24.06
18	Bound Printed Matte	11,826,607	3.52	3,628,090,210	3.04	1,421,319	3.01
19	Std B Special	14,770,833	4.40	6,194,984,150	5.19	2,465,835	5.21
20	Std B Library	3,354,570	1.00	1,266,349,510	1.06	495,330	1.05
21	Penalty-USPS	3,420,830	1.02	1,156,567,115	0.97	463,664	0.98
22	Free for Blind	521,512	0.16	223,807,520	0.19	87,939	0.19
23	International	1,900,935	0.57	1,042,813,838	0.87	410,405	0.87
24	Total All Mail	335,612,762	100.00	119,429,385,825	100.00	47,289,829	100.00

PQ296 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=.

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1	First Class Letters	75,802,597	9.58	6,674,018,571	8.64	2,683,691	8.35
2	First Class Presort	31,688,725	4.01	2,772,098,240	3.59	1,216,862	3.78
3	Single-PC Cards	247,078	0.03	22,664,926	0.03	8,958	0.03
4	Prest Postcards	5,052,764	0.64	343,361,067	0.44	157,763	0.49
5	Total First Class	112,791,164	14.26	9,812,142,805	12.70	4,067,275	12.65
6	Priority	58,567,334	7.40	5,942,772,878	7.69	2,315,839	7.20
7	Express	2,100,183	0.27	62,858,705	0.08	49,254	0.15
8	Periodicals	77,320,330	9.77	6,211,774,408	8.04	2,997,513	9.32
9	Std A Single Piece	15,638,855	1.98	1,191,882,451	1.54	501,680	1.56
10	Std A ECR	33,321,362	4.21	3,340,428,772	4.32	1,777,780	5.53
11	Std A Other	132,923,463	16.80	11,816,521,573	15.29	4,969,830	15.46
12	Total Reg Std A	181,883,679	22.99	16,348,832,795	21.16	7,249,290	22.55
13	NonPref ECR	3,230,256	0.41	397,574,914	0.51	171,785	0.53
14	NonPref Other	22,378,892	2.83	2,196,186,736	2.84	949,425	2.95
15	Total Std A	207,492,827	26.23	18,942,594,446	24.51	8,370,500	26.03
16	Small Parcels	739,461	0.09	24,524,708	0.03	1,932	0.01
17	Parcel Post	222,344,175	28.10	23,806,063,318	30.80	9,525,137	29.63
18	Bound Printed Matte	42,554,332	5.38	3,752,695,135	4.86	1,649,902	5.13
19	Std B Special	44,405,081	5.61	6,292,430,623	8.14	2,167,681	6.74
20	Std B Library	12,754,207	1.61	1,532,860,345	1.98	618,328	1.92
21	Penalty-USPS	1,160,658	0.15	107,431,533	0.14	52,746	0.16
22	Free for Blind	4,145,434	0.52	529,321,020	0.68	216,880	0.67
23	International	4,784,332	0.60	263,615,643	0.34	118,677	0.37
24	Total All Mail	791,159,519	100.00	77,281,085,566	100.00	32,151,665	100.00

PQ296 Distribution Keys Usir UNLOADED Mail (Weighted)

19	Std B Special	25,704,997	8.45	3,175,741,947	9.64	1,304,997	8.27
20	Std B Library	8,537,183	2.81	839,987,433	2.55	476,373	3.02
21	Penalty-USPS	1,349,481	0.44	262,632,067	0.80	95,261	0.60
22	Free for Blind	620,718	0.20	40,606,438	0.12	57,059	0.36
23	International	5,433,925	1.79	474,045,281	1.44	251,281	1.59
24	Total All Mail	304,045,789	100.00	32,938,118,276	100.00	15,787,672	100.00

PQ196 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=2

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1	First Class Letters	32,140,690	6.70	1,715,053,874	4.81	839,080	4.75
2	First Class Presort	23,826,841	4.96	1,192,473,504	3.34	539,871	3.06
3	Single-PC Cards	190,989	0.04	4,634,151	0.01	2,328	0.01
4	Prest Postcards	42,263	0.01	1,397,110	0.00	652	0.00
5	Total First Class	56,200,783	11.71	2,913,558,639	8.17	1,381,931	7.83
6	Priority	24,943,965	5.20	1,333,310,290	3.74	527,351	2.99
7	Express	704,852	0.15	24,404,948	0.07	12,800	0.07
8	Periodicals	64,944,700	13.53	5,231,801,897	14.67	1,764,097	9.99
9	Std A Single Piece	3,564,320	0.74	309,980,599	0.87	128,894	0.73
10	Std A ECR	38,595,563	8.04	3,318,137,238	9.31	1,182,817	6.70
11	Std A Other	98,369,542	20.49	8,358,451,400	23.44	3,318,916	18.79
12	Total Reg Std A	140,529,425	29.28	11,986,569,237	33.61	4,630,627	26.22
13	NonPref ECR	2,725,184	0.57	163,045,133	0.46	56,928	0.32
14	NonPref Other	10,501,185	2.19	1,098,030,502	3.08	428,335	2.43
15	Total Std A	153,755,794	32.03	13,247,644,872	37.15	5,115,890	28.97
16	Small Parcels	225,193	0.05	13,680,498	0.04	5,609	0.03
17	Parcel Post	122,216,900	25.46	8,433,495,813	23.65	6,542,550	37.05
18	Bound Printed Matte	35,781,867	7.45	2,997,636,893	8.41	1,714,212	9.71
19	Std B Special	16,653,629	3.47	1,191,334,761	3.34	492,808	2.79
20	Std B Library	1,789,434	0.37	162,387,168	0.46	65,020	0.37
21	Penalty-USPS	1,325,403	0.28	22,253,895	0.06	16,618	0.09
22	Free for Blind	38,238	0.01	3,121,846	0.01	1,052	0.01
23	International	1,394,086	0.29	84,044,350	0.24	18,674	0.11
24	Total All Mail	479,974,843	100.00	35,658,675,869	100.00	17,658,612	100.00

PQ196 Distribution Keys Usir UNLOADED Mail (Weighted)
Inter-BMC

ACCOUNT=53131

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1	First Class Letters	27,047,645	8.06	9,001,176,913	7.54	3,570,273	7.55
2	First Class Presort	6,829,369	2.03	2,148,792,053	1.80	886,327	1.87
3	Single-PC Cards	191,900	0.06	63,112,480	0.05	29,411	0.06
4	Prest Postcards	10,587	0.00	3,671,059	0.00	1,451	0.00
5	Total First Class	34,079,500	10.15	11,216,752,505	9.39	4,487,462	9.49
6	Priority	15,661,831	4.67	4,101,731,598	3.43	1,752,483	3.71

PQ296 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=1

LINE	CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1 First Class Letters	21,418,825	7.07	2,346,385,701	7.19	830,915	5.67
2 First Class Presort	4,044,913	1.34	580,596,494	1.78	235,188	1.61
3 Single-PC Cards	119,705	0.04	9,402,673	0.03	3,754	0.03
4 Prest Postcards	1,139	0.00	117,706	0.00	49	0.00
5 Total First Class	25,584,582	8.45	2,936,502,575	9.00	1,069,906	7.30
6 Priority	23,645,618	7.81	3,788,074,767	11.61	1,329,192	9.07
7 Express	105,574	0.03	12,320,338	0.04	5,171	0.04
8 Periodicals	18,658,032	6.16	1,723,457,313	5.28	890,470	6.08
9 Std A Single Piece	7,127,539	2.35	647,334,357	1.98	268,412	1.83
10 Std A ECR	4,527,463	1.49	471,389,327	1.44	613,209	4.19
11 Std A Other	61,776,568	20.40	5,893,058,843	18.06	2,637,209	18.00
12 Total Reg Std A	73,431,570	24.25	7,011,782,526	21.49	3,518,830	24.02
13 NonPref ECR	397,578	0.13	18,433,840	0.06	7,199	0.05
14 NonPref Other	14,371,915	4.75	1,120,276,806	3.43	497,529	3.40
15 Total Std A	88,201,062	29.12	8,150,493,171	24.98	4,023,558	27.46
17 Parcel Post	100,362,670	33.14	10,316,676,617	31.62	4,870,897	33.25
18 Bound Printed Matte	12,800,560	4.23	1,266,521,160	3.88	637,097	4.35
19 Std B Special	18,972,808	6.26	2,898,124,836	8.88	1,198,386	8.18
20 Std B Library	10,060,132	3.32	1,199,873,134	3.68	466,271	3.18
21 Penalty-USPS	612,462	0.20	64,380,434	0.20	32,745	0.22
22 Free for Blind	869,965	0.29	111,277,550	0.34	54,452	0.37
23 International	2,974,900	0.98	160,421,790	0.49	73,090	0.50
24 Total All Mail	302,848,365	100.00	32,628,123,685	100.00	14,651,236	100.00

PQ296 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=2

LINE	CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percent Cost
1 First Class Letters	54,383,773	11.14	4,327,632,870	9.69	1,852,776	10.59
2 First Class Presort	27,643,812	5.66	2,191,501,746	4.91	981,675	5.61
3 Single-PC Cards	127,372	0.03	13,262,252	0.03	5,204	0.03
4 Prest Postcards	5,051,625	1.03	343,243,361	0.77	157,714	0.90
5 Total First Class	87,206,582	17.86	6,875,640,230	15.40	2,997,369	17.13
6 Priority	34,921,716	7.15	2,154,698,111	4.83	986,648	5.64
7 Express	1,994,609	0.41	50,538,367	0.11	44,083	0.25
8 Periodicals	58,662,298	12.01	4,488,317,095	10.05	2,107,043	12.04
9 Std A Single Piece	8,511,315	1.74	544,548,094	1.22	233,267	1.33
10 Std A ECR	28,793,899	5.90	2,869,039,445	6.43	1,164,571	6.65
11 Std A Other	71,146,895	14.57	5,923,462,731	13.27	2,332,621	13.33
12 Total Reg Std A	108,452,110	22.21	9,337,050,270	20.91	3,730,459	21.32
13 NonPref ECR	2,832,678	0.58	379,141,075	0.85	164,586	0.94
14 NonPref Other	8,006,978	1.64	1,075,909,930	2.41	451,896	2.58

15	Total Std A	119,291,765	24.43	10,792,101,274	24.17	4,346,941	24.84
16	Small Parcels	739,461	0.15	24,524,708	0.05	1,932	0.01
17	Parcel Post	121,981,505	24.98	13,489,386,701	30.21	4,654,240	26.60
18	Bound Printed Matte	29,753,773	6.09	2,486,173,976	5.57	1,012,805	5.79
19	Std B Special	25,432,273	5.21	3,394,305,787	7.60	969,295	5.54
20	Std B Library	2,694,075	0.55	332,987,211	0.75	152,057	0.87
21	Penalty-USPS	548,196	0.11	43,051,099	0.10	20,001	0.11
22	Free for Blind	3275468	0.67	418,043,470	0.94	162,428	0.93
23	International	1,809,432	0.37	103,193,853	0.23	45,588	0.26
24	Total All Mail	488,311,154 100.00		44,652,961,881	100.00	17,500,429	100.00

PQ296 Distribution Keys Usir UNLOADED Mail (Weighted)
Inter-BMC

ACCOUNT=53131

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percen Cost
1	First Class Letters	29,112,363	9.58	8,524,907,524	7.10	3,427,915	7.11
2	First Class Presort	6,126,209	2.02	1,626,400,067	1.35	656,482	1.36
3	Single-PC Cards	100,444	0.03	30,906,065	0.03	12,420	0.03
4	Prest Postcards	5,815	0.00	1,172,677	0.00	471	0.00
5	Total First Class	35,344,831	11.63	10,183,386,334	8.48	4,097,289	8.50
6	Priority	3,050,772	1.00	1,008,648,305	0.84	404,998	0.84
7	Express	33,599	0.01	5,711,747	0.00	2,296	0.00
8	Periodicals	68,277,771	22.47	26,072,946,343	21.72	10,541,486	21.86
9	Std A Single Piece	5,564,583	1.83	3,103,490,925	2.59	1,230,899	2.55
10	Std A ECR	7,191,808	2.37	2,706,668,126	2.25	1,089,421	2.26
11	Std A Other	61,342,067	20.19	26,626,057,318	22.18	10,715,016	22.22
12	Total Reg Std A	74,098,458	24.38	32,436,216,369	27.02	13,035,336	27.04
13	NonPref ECR	1,722,719	0.57	664,066,891	0.55	263,685	0.55
14	NonPref Other	15,559,011	5.12	6,146,244,238	5.12	2,509,133	5.20
15	Total Std A	91,380,188	30.07	39,246,527,498	32.69	15,808,153	32.79
16	Small Parcels	224,090	0.07	109,624,499	0.09	44,069	0.09
17	Parcel Post	71,022,643	23.37	28,350,465,163	23.62	11,293,922	23.43
18	Bound Printed Matte	10,685,170	3.52	4,484,568,523	3.74	1,796,712	3.73
19	Std B Special	15,469,009	5.09	6,994,354,389	5.83	2,789,849	5.79
20	Std B Library	3,558,540	1.17	1,644,399,438	1.37	663,244	1.38
21	Penalty-USPS	1,258,142	0.41	219,206,531	0.18	86,675	0.18
22	Free for Blind	527,749	0.17	396,528,521	0.33	159,404	0.33
23	International	3,051,342	1.00	1,332,202,089	1.11	524,381	1.09
24	Total All Mail	303,883,846	100.00	120,048,569,380	100.00	48,212,481	100.00

PQ396 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=.

LINE	CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percen Cost

1	First Class Letters	82,266,991	9.14	8,928,582,219	8.40	3,396,567	7.79
2	First Class Presort	48,041,022	5.34	3,891,105,157	3.66	1,669,668	3.83
3	Single-PC Cards	809,859	0.09	84,117,432	0.08	36,885	0.08
4	Prest Postcards	265,939	0.03	17,258,186	0.02	2,918	0.01
5	Total First Class	131,383,812	14.60	12,921,062,995	12.16	5,106,038	11.72
6	Priority	45,582,384	5.07	4,149,098,488	3.91	1,647,004	3.78
7	Express	891,565	0.10	67,894,578	0.06	45,310	0.10
8	Periodicals	96,633,971	10.74	11,452,600,410	10.78	4,113,671	9.44
9	Std A Single Piece	16,898,391	1.88	2,042,566,490	1.92	865,233	1.99
10	Std A ECR	38,016,039	4.23	4,995,840,988	4.70	2,088,784	4.79
11	Std A Other	188,094,148	20.90	24,162,677,238	22.74	10,977,395	25.19
12	Total Reg Std A	243,008,578	27.01	31,201,084,716	29.37	13,931,413	31.97
13	NonPref ECR	2,823,664	0.31	429,711,674	0.40	191,241	0.44
14	NonPref Other	30,890,553	3.43	3,243,885,387	3.05	1,322,048	3.03
15	Total Std A	276,722,796	30.75	34,874,681,777	32.82	15,444,701	35.44
16	Small Parcels	597,106	0.07	75,047,108	0.07	30,706	0.07
17	Parcel Post	231,535,036	25.73	28,710,400,875	27.02	12,023,062	27.59
18	Bound Printed Matte	50,528,781	5.62	4,643,988,866	4.37	1,932,868	4.44
19	Std B Special	45,917,265	5.10	7,488,830,423	7.05	2,475,771	5.68
20	Std B Library	10,865,388	1.21	986,667,189	0.93	421,591	0.97
21	Penalty-USPS	3,146,529	0.35	409,524,097	0.39	187,998	0.43
22	Free for Blind	830,283	0.09	60,530,195	0.06	23,464	0.05
23	International	5,137,628	0.57	410,034,146	0.39	127,016	0.29
24	Total All Mail	899,772,545	100.00	106,250,361,149	100.00	43,579,203	100.00

PQ396 Distribution Keys Usir UNLOADED Mail (Weighted)
Intra-BMC

ACCOUNT=53127 BOUND=1

LINE		CuFt	Percent CuFt	CFM	Percent CFM	Cost	Percen Cost
1	First Class Letters	31,609,961	10.37	3,900,544,507	11.20	1,516,479	10.46
2	First Class Presort	14,312,701	4.69	1,457,342,405	4.19	576,270	3.98
3	Single-PC Cards	252,788	0.08	40,444,511	0.12	16,472	0.11
4	Prest Postcards	235,399	0.08	15,236,009	0.04	1,917	0.01
5	Total First Class	46,410,849	15.22	5,413,567,432	15.55	2,111,138	14.57
6	Priority	9,942,003	3.26	1,318,253,185	3.79	538,561	3.72
7	Express	51,911	0.02	3,979,089	0.01	2,182	0.02
8	Periodicals	32,015,115	10.50	4,026,839,230	11.56	1,456,901	10.05
9	Std A Single Piece	6,464,928	2.12	493,322,243	1.42	249,867	1.72
10	Std A ECR	5,306,598	1.74	753,047,105	2.16	285,775	1.97
11	Std A Other	59,449,396	19.50	7,126,105,280	20.46	3,220,975	22.22
12	Total Reg Std A	71,220,922	23.36	8,372,474,629	24.04	3,756,616	25.92
13	NonPref ECR	615,938	0.20	78,356,742	0.23	38,752	0.27
14	NonPref Other	12,003,785	3.94	1,177,225,321	3.38	459,996	3.17
15	Total Std A	83,840,645	27.50	9,628,056,691	27.65	4,255,365	29.36
16	Small Parcels	558,958	0.18	65,398,057	0.19	26,813	0.19
17	Parcel Post	82,729,812	27.14	8,159,893,464	23.43	4,086,675	28.20
18	Bound Printed Matte	11,242,427	3.69	897,018,214	2.58	333,533	2.30

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Contrasting Estimates of CF of Mail Classes

Mail Category	Intra BMC	Cubic Feet (000)
Parcel Post	22,497	a
DBMC	70,468	b
	92,965	
	Inter BMC	Intra BMC
		92,965(d)
Standard A	136,980	395,737

Source: Lib. Ref. H-135, Parcel Post Cubic Feet by Weight by Zone
a. p. 32
b. p. 44
c. p. 38

	Cubic Feet (000) Inter BMC	Intra BMC
Parcel Post	42,600	92,965
Standard(A)	136,980	395,737

Source: Lib Ref. H-111 Dropship Savings in Periodicals and Standard Mail
Appendix A, Table 4
d: From above

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Estimates of Parcel Post and Standard A CF From Non-TRACS Sources

Panel A **Parcel Post**

Mail Category	Intra BMC		Cubic Feet (000)
Parcel Post	22,497	a	
DBMC	70,468	b	
	92,965		
	Inter BMC		
Parcel Post	42556	c	

Source: Lib. Ref. H-135, Standard Mail (B) Parcel Post Volume and Cubic Feet Data Distribution by Weight and Zone and BMC/ASF - GFY 1996, Attachment I.
a. p. 32
b. p. 44
c. p. 38

Panel B **Standard (A)**
Cubic Feet (000)

	Inter BMC	Intra BMC
Standard(A)	135,639	381,540

Source: Lib Ref. H-111 *Dropship Savings in Periodicals and Standard Mail* Appendix A, Table 4 and conversion factor .056583 = 1/17,673 from TRACS program "hwy 1", p. 171, Lib. Ref. H- 82.

Panel C **Summary Figures**

	Inter BMC		Intra BMC	
Parcel Post	42600	a	92965	b
Standard(A)	135639	c	381540	d

ratio StA/PP
4.104122

Sources: a Panel A . c Panel B
b Panel A d Panel B

Impact of Drop Shipping on Workload
In Intra-BMC and Inter BMC Purchased Transportation

		1991	1996	
Standard (A)	mail not ds beynd BMC e/	41914.1	33056.2	
	lb St (A)	5214.6	4546.5	0.872
Standard (B)	w. DBMC correction	1966.8	2442.6	1.242
		7181.4	**6989.1**	0.973

Standard A Mail

1991		1996		
	Standard			**Standard A**
Dest. SCF Entry	6619	**SCF DE**		20.26
DDU Entry	1821	**DDU DE**		5.87
	8440			
			59.3	26.13
Total BR Regular	50354.1	Tot St. A Reg		59331.2
Dst SCF or Dest DDU	8440	Single Piece		-145
not ds beynd BMC	41914.1	Dst SCF or Dest DDU		-26130
mail not ds beynd BMC e/	41914.1			33056.2
	ratio			0.7887
	change in workload measured by pieces			-21.1%

Notes:
a. Billing determinants 1991
b. SCF DE = SCF Destination Entry
c. Billing determinants 1996
d. ds = drop-shipped
e. "ds beyond BMC" means to SCF , AO or DU.

Impact of Drop Shipping on Workload
In Intra-BMC and Inter BMC Purchased Transportation

		1991		1996	
			millions		
Standard (A)	mail not ds beynd BMC ee/	41786.4	pcs	36945.2	
	lb regular See workpaper 2	5287.7	lbs	4602.9	workpaper 5
	nonprofit	695.4	lbs	655.4	
Standard (B)	w. DBMC correction	2061.3	lbs	2442.6	1.185
		8044.4	lbs	7700.9	0.957

Standard A Mail

1991			Standard A		1996		Standard A	
	a	Dest. SCF Entry	6619	bb	SCF DE		16516	c
	b	DDU Entry	1821		DDU DE		5870	d
			8440					
							22386	
see W/P 2	e	Total BR Regular	50226.4		Tot St. A Reg		59331.2	f
		Dst SCF or Dest D	8440					
		not ds beynd BMC	41786.4		Dst SCF or Dest DDU		-22386	
		mail not ds beynd BMC e/	41786.4				36945.2	
pieces		Nonprofit (millions)	pounds		pcs	Nonprofit (millions)	lbs.	
Nationwide Entry	10,193.716		659.618		12209.083		822.824	
				SCF entry	1287.673		70.964	
BMC Entry	575.571		35.762					
				SCF entry	961.524		72.9175	
				DU entry	371.126		23.5255	
Total	not ds beyond BMC		695.380	low transport	2620.323		167.407	
				notds byndBMC	9588.76		655.417	

Notes: 1. Single-letter notes refer to Workpaper 1.
2. ds = drop-shipped
bb. SCF DE = SCF Destination Entry
ee. "ds beyond BMC" means to SCF , AO or DU.

		Standard B Mail				
		1991		1996		
	Mail	Pieces	Weight	Pieces	Weight	
1	**PP**	129.9	660.2	212.8	1094.9	
2	**BPM**	363.2	917.4	516.1	1231.3	
3	**Special**	144.9	285.5	189.8	319.4	
4	**Library**	40	116.9	30.1	51	
5	**Total**	678	1980.0	948.8	2696.6	bef DBMC adjust
	ratio of workload			1.3619		
6	lbs/pc PP		5.1447		5.2688	
7	DBMC PP (mills)		5.12		96.41	
8	lbs saved millions		26.3		508.0	
9	half of DBMC savings		13.2		254.0	**0.9732**
10	Standard (B) after DBMC adj		**1966.8**		**2442.6**	1.242

dropship.incr.purch2.wb3

DBMC PP avoids inter BMC transp but it does not avoid intraBMC transp

Standard B Mail

	Mail	1991 Pieces (000)	1991 Weight thous lbs		1996 Pieces	1996 Weight
1	**PP**	138,494	729,724		212.8	1094.9
2	**BPM**	363,532	918,484		516.1	1231.3
3	**Special**	153,138	308,611		189.8	319.4
4	**Library**	40,228	117,641		30.1	51
5	**Total**	695392	2,074,480		948.8	2696.6
						bef DBMC adjus
	ratio of workload				1.3619	
6	lbs/pc PP		5.1447		5.2688	
7	DBMC PP (mills)		5.12		96.41	
8	lbs saved millions		26.3		508.0	
9	half of DBMC savings		13.2		254.0	**0.9732**
10	Standard (B) after DBMC adj		2061.3	mill lbs	**2442.6**	1.242

DBMC PP avoids inter BMC transp but it does not avoid intraBMC transp

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Price Index of Truck Transportation Except Local (a)

Jun	1992	100.0	
Jul	1992	99.8	
Aug	1992	99.7	
Sep	1992	99.5	
Oct	1992	99.5	
Nov	1992	99.4	
Dec	1992	99.4	
Annual	1992		
Jan	1993	100.7	
Feb	1993	100.5	
Mar	1993	100.6	
Apr	1993	100.6	
May	1993	100.3	
Jun	1993	100.8	
Jul	1993	100.1	
Aug	1993	100.8	
Sep	1993	100.8	
Oct	1993	100.8	
Nov	1993	101.1	
Dec	1993	101.1	
Annual	1993		100.7
Jan	1994	101.5	
Feb	1994	102.1	
Mar	1994	102.3	
Apr	1994	102.4	
May	1994	102.6	
Jun	1994	103.0	
Jul	1994	103.2	
Aug	1994	103.4	
Sep	1994	103.5	
Oct	1994	103.8	
Nov	1994	103.8	
Dec	1994	104.2	
Annual	1994		103.0
Jan	1995	104.4	
Feb	1995	105.0	
Mar	1995	105.1	
Apr	1995	105.0	
May	1995	105.1	
Jun	1995	105.4	
Jul	1995	104.7	
Aug	1995	105.4	
Sep	1995	105.3	
Oct	1995	105.6	
Nov	1995	105.5	
Dec	1995	105.0	
Annual	1995		105.1
Jan	1996	106.0	
Feb	1996	106.7	
Mar	1996	106.8	

Apr	1996	106.8	
May	1996	107.0	
Jun	1996	108.6	
Jul	1996	107.4	
Aug	1996	107.7	
Sep	1996	107.9	
Oct	1996	108.7	
Nov	1996	108.7	
Dec	1996	108.7	
Annual	1996		107.6
Jan	1997	109.9	
Feb	1997	110.3	
Mar	1997	110.1	
Apr	1997	110.4	
May	1997	110.5	
Jun	1997	110.5	
Jul	1997	110.8	
Aug	1997	111.2	
Sep	1997	111.1	
Oct	1997	111.3	
Nov	1997	111.0	

US Bureau of Labor Statistics, labstat Internet site, series PCU4213#P

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Estimation of Annual Rate of Growth of Trucking Price index

month	Yr.	Index	nat. log.	t
Jun	1992	100.0	4.60517	1
Jul	1992	99.8	4.603168	2
Aug	1992	99.7	4.602166	3
Sep	1992	99.5	4.600158	4
Oct	1992	99.5	4.600158	5
Nov	1992	99.4	4.599152	6
Dec	1992	99.4	4.599152	7
Jan	1993	100.7	4.612146	8
Feb	1993	100.5	4.610158	9
Mar	1993	100.6	4.611152	10
Apr	1993	100.6	4.611152	11
May	1993	100.3	4.608166	12
Jun	1993	100.8	4.613138	13
Jul	1993	100.1	4.60617	14
Aug	1993	100.8	4.613138	15
Sep	1993	100.8	4.613138	16
Oct	1993	100.8	4.613138	17
Nov	1993	101.1	4.61611	18
Dec	1993	101.1	4.61611	19
Jan	1994	101.5	4.620059	20
Feb	1994	102.1	4.625953	21
Mar	1994	102.3	4.62791	22
Apr	1994	102.4	4.628887	23
May	1994	102.6	4.630838	24
Jun	1994	103.0	4.634729	25
Jul	1994	103.2	4.636669	26
Aug	1994	103.4	4.638605	27
Sep	1994	103.5	4.639572	28
Oct	1994	103.8	4.642466	29
Nov	1994	103.8	4.642466	30
Dec	1994	104.2	4.646312	31
Jan	1995	104.4	4.64823	32
Feb	1995	105.0	4.65396	33
Mar	1995	105.1	4.654912	34
Apr	1995	105.0	4.65396	35
May	1995	105.1	4.654912	36
Jun	1995	105.4	4.657763	37
Jul	1995	104.7	4.651099	38
Aug	1995	105.4	4.657763	39
Sep	1995	105.3	4.656813	40
Oct	1995	105.6	4.659658	41
Nov	1995	105.5	4.658711	42
Dec	1995	105.0	4.65396	43
Jan	1996	106.0	4.663439	44
Feb	1996	106.7	4.670021	45
Mar	1996	106.8	4.670958	46
Apr	1996	106.8	4.670958	47
May	1996	107.0	4.672829	48
Jun	1996	108.6	4.687671	49
Jul	1996	107.4	4.67656	50

Regression Output:

Constant		4.588696
Std Err of Y Est		0.005332
R Squared		0.978215
No. of Observations		66
Degrees of Freedom		64
X Coefficient(s)	0.001847	
Std Err of Coef.	3.4E-05	
t value		53.60731
monthly growth fact		1.022389
moly rog	0.022389	
rate of growth	**2.238904**	% per yea

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Aug	1996	107.7	4.67935	51
Sep	1996	107.9	4.681205	52
Oct	1996	108.7	4.688592	53
Nov	1996	108.7	4.688592	54
Dec	1996	108.7	4.688592	55
Jan	1997	109.9	4.699571	56
Feb	1997	110.3	4.703204	57
Mar	1997	110.1	4.701389	58
Apr	1997	110.4	4.70411	59
May	1997	110.5	4.705016	60
Jun	1997	110.5	4.705016	61
Jul	1997	110.8	4.707727	62
Aug	1997	111.2	4.71133	63
Sep	1997	111.1	4.710431	64
Oct	1997	111.3	4.712229	65
Nov	1997	111.0	4.70953	66

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Totals for Mailcodes
Account 53127, BOUND 1

MAILCODE	PIECES	Percent	WT	Percent	CUFT	Percent
A	7,619	15.16	459.91	5.10	32.98	4.25
B	1,616	3.21	69.60	0.77	4.99	0.64
C	305	0.61	0.91	0.01	0.07	0.01
D	33	0.07	0.45	0.01	0.03	0.00
E	213	0.42	1.51	0.02	0.11	0.01
F	49	0.10	0.33	0.00	0.02	0.00
H	175	0.35	342.28	3.79	27.07	3.49
I	62	0.12	15.94	0.18	2.25	0.29
J	1,766	3.51	627.32	6.95	35.76	4.61
K	629	1.25	83.19	0.92	6.90	0.89
L	1,382	2.75	162.97	1.81	9.22	1.19
M	29,112	57.91	2,875.73	31.88	162.72	20.99
N	527	1.05	34.69	0.38	2.12	0.27
O	5,140	10.22	387.08	4.29	23.65	3.05
P	445	0.89	2,223.56	24.65	316.93	40.88
Q	243	0.48	518.13	5.74	34.79	4.49
R	375	0.75	623.56	6.91	58.90	7.60
S	57	0.11	212.94	2.36	15.80	2.04
T	102	0.20	7.53	0.08	0.53	0.07
U	89	0.18	55.06	0.61	5.36	0.69
V	11	0.02	0.88	0.01	0.07	0.01
W	252	0.50	114.75	1.27	7.06	0.91
Y	12	0.02	80.56	0.89	11.02	1.42
AA	10	0.02	1.13	0.01	0.13	0.02
DD	8	0.02	0.64	0.01	0.06	0.01
EE	1	0.00	1.31	0.01	0.08	0.01
GG	1	0.00	0.06	0.00	0.01	0.00
HH	7	0.01	1.27	0.01	0.09	0.01
II	1	0.00	0.31	0.00	0.02	0.00
LL	28	0.06	116.31	1.29	16.58	2.14
	50,270	100.00	9,019.91	100.00	775.31	100.00

LAM-9a p. 2 of 2

Totals for Mailcodes
Account 53127, BOUND 2

MAILCODE	PIECES	Percent	WT	Percent	CUFT	Percent
A	3,483	9.55	300.27	4.70	21.53	4.10
B	6,123	16.79	241.83	3.78	17.34	3.30
C	1	0.00	0.06	0.00	0.00	0.00
D	5	0.01	0.05	0.00	0.00	0.00
E	175	0.48	1.45	0.02	0.10	0.02
F	41	0.11	0.31	0.00	0.02	0.00
H	166	0.46	293.38	4.59	23.21	4.42
I	44	0.12	35.50	0.56	5.01	0.95
J	1,995	5.47	515.81	8.07	29.40	5.60
K	309	0.85	40.13	0.63	3.33	0.63
L	3,864	10.59	289.94	4.54	16.41	3.12
M	16,010	43.89	2,104.70	32.92	119.09	22.68
N	403	1.10	33.50	0.52	2.05	0.39
O	3,170	8.69	207.83	3.25	12.70	2.42
P	190	0.52	860.13	13.45	122.59	23.35
Q	174	0.48	496.13	7.76	33.31	6.34
R	104	0.29	209.38	3.28	19.78	3.77
S	25	0.07	44.31	0.69	3.29	0.63
T	20	0.05	30.31	0.47	2.15	0.41
U	2	0.01	29.19	0.46	2.84	0.54
V	1	0.00	0.19	0.00	0.01	0.00
Y	6	0.02	5.75	0.09	0.79	0.15
AA	5	0.01	2.38	0.04	0.28	0.05
BB	4	0.01	1.31	0.02	0.15	0.03
DD	2	0.01	0.06	0.00	0.01	0.00
EE	1	0.00	1.94	0.03	0.11	0.02
FF	1	0.00	3.81	0.06	0.46	0.09
HH	8	0.02	0.27	0.00	0.02	0.00
II	3	0.01	25.94	0.41	1.87	0.36
JJ	2	0.01	11.81	0.18	1.65	0.31
KK	1	0.00	3.13	0.05	0.30	0.06
LL	117	0.32	596.00	9.32	84.95	16.18
MM	20	0.05	5.75	0.09	0.33	0.06
NN	2	0.01	0.13	0.00	0.01	0.00
	36,477	100.00	6,392.64	100.00	525.09	100.00

LAM-9 b

Utilization of Truck Floor Space

Year	Intra BMC	Inter BMC
1993	58.35	73.00
1994	57.62	70.00
1995	57.40	68.32
1996	53.67	64.62

Source: Response to FGFSA/USPS J-2-12, Attachment 1

RESPONSE OF POSTAL SERVICE WITNESS NIETO TO INTERROGATORIES
OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION

Response to FGFSA/USPS-T2-12
Attachment 1

TRACS Historical Highway Capacity Utilization Factors FY90-FY94

	FY 1990	FY 1991				FY 1992				FY 1993				FY 1994			
	PQ1*	PQ1	PQ2	PQ3	PQ4	PQ1	PQ2	PQ3	PQ4	PQ1	PQ2	PQ3	PQ4	PQ1	PQ2	PQ3	PQ4
Intra-SCF	*49.7%*	*42.7%*	*40.9%*	*42.7%*	*39.5%*	*43.6%*	*41.7%*	*38.3%*	*39.8%*	*42.1%*	*38.4%*	*38.3%*	*38.0%*	*43.4%*	*38.4%*	*38.0%*	*39.3%*
Test Conducted At:																	
Inbound SCF	38.5%	47.8%	45.9%	45.3%	43.8%	50.7%	40.8%	40.3%	39.7%	48.5%	48.0%	42.1%	40.5%	40.3%	42.4%	45.1%	44.3%
Inbound Other	39.7%	36.0%	35.9%	58.3%	45.1%	38.6%	40.1%	32.8%	47.8%	27.3%	28.4%	29.3%	42.4%	41.7%	40.6%	39.7%	34.8%
Outbound SCF	56.0%	56.5%	49.3%	46.7%	49.1%	52.3%	52.3%	49.9%	42.3%	55.9%	42.6%	53.1%	42.7%	59.5%	49.8%	46.7%	42.9%
Outbound Other (a.m.)	64.8%	42.8%	39.4%	40.4%	34.5%	44.8%	41.0%	37.3%	40.3%	42.4%	39.3%	36.2%	33.6%	49.7%	36.6%	38.0%	40.2%
Outbound Other (p.m.)		30.3%	33.9%	22.7%	24.9%	31.8%	34.2%	31.3%	29.1%	36.5%	35.7%	30.9%	30.9%	25.8%	22.4%	22.6%	34.6%
Inter-SCF	*55.9%*	*54.6%*	*47.0%*	*53.6%*	*52.1%*	*47.8%*	*50.7%*	*45.7%*	*47.1%*	*46.6%*	*48.7%*	*50.7%*	*56.2%*	*45.7%*	*46.4%*	*50.2%*	*44.4%*
Test Conducted At:																	
BMC	64.8%	67.4%	47.5%	60.6%	68.8%	48.8%	53.2%	45.3%	49.8%	55.5%	46.7%	44.9%	72.6%	36.3%	42.3%	83.3%	48.4%
SCF	57.0%	55.7%	52.6%	50.5%	49.9%	52.6%	51.0%	49.0%	47.4%	48.1%	50.0%	53.6%	50.0%	55.6%	50.9%	49.7%	48.0%
Other	45.9%	40.6%	40.8%	49.6%	37.7%	41.9%	48.0%	42.8%	44.2%	36.3%	49.5%	53.7%	46.0%	45.1%	46.0%	37.8%	36.8%
Intra-BMC	*55.2%*	*60.5%*	*57.1%*	*51.8%*	*54.0%*	*57.5%*	*56.2%*	*56.5%*	*55.1%*	*56.7%*	*64.4%*	*58.4%*	*53.9%*	*55.6%*	*55.0%*	*57.3%*	*62.6%*
Test Conducted At:																	
BMC	43.7%	43.5%	44.1%	37.9%	38.0%	43.1%	42.5%	40.7%	39.5%	42.4%	40.3%	40.4%	41.9%	43.0%	42.0%	40.8%	42.5%
Inbound SCF	60.3%	56.7%	68.6%	55.7%	59.0%	61.1%	63.1%	60.8%	59.4%	55.8%	66.4%	61.8%	53.9%	61.6%	57.9%	53.8%	70.2%
Inbound Other	50.9%	58.3%	41.1%	48.7%	51.4%	63.5%	52.3%	50.8%	58.3%	61.7%	80.1%	60.0%	58.7%	49.3%	42.3%	55.7%	68.0%
Outbound SCF	72.5%	74.1%	73.6%	65.8%	76.4%	79.2%	72.5%	70.4%	72.2%	79.1%	76.9%	80.9%	70.0%	67.7%	71.7%	76.6%	68.0%
Outbound Other	48.6%	69.8%	58.2%	50.9%	45.4%	40.8%	50.5%	59.9%	46.3%	44.4%	58.3%	49.1%	45.2%	56.6%	61.0%	59.3%	64.5%
Inter-BMC	*75.5%*	*78.8%*	*62.7%*	*71.4%*	*66.2%*	*72.0%*	*74.9%*	*71.2%*	*66.5%*	*69.0%*	*71.7%*	*76.5%*	*74.8%*	*66.6%*	*76.5%*	*68.2%*	*68.7%*
Test Conducted At:																	
BMC	72.7%	72.7%	68.8%	66.3%	69.3%	69.9%	69.0%	63.7%	62.7%	69.1%	64.2%	71.3%	66.8%	66.8%	69.4%	68.9%	62.7%
SCF	68.9%	74.2%	69.3%	73.0%	65.4%	67.7%	71.7%	71.4%	66.0%	69.8%	72.2%	73.8%	74.1%	59.7%	72.3%	69.9%	72.8%
Other	84.9%	89.4%	50.0%	75.0%	63.7%	78.4%	83.9%	78.4%	70.8%	68.0%	78.6%	84.4%	83.8%	73.5%	87.9%	65.9%	70.6%

* Only PQ1 available for FY90.

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RESPONSE OF POSTAL SERVICE WITNESS NIETO TO INTERROGATORIES OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION

b. Highway capacity utilization factors for FY96 can be seen in the table below:

Highway Capacity Utilization Factors
FY96

	FY 1996			
	PQ 1	PQ 2	PQ 3	PQ 4
Intra-SCF	*43.1%*	*44.1%*	*41.7%*	*35.1%*
Test Conducted At:				
Inbound SCF	33.3%	41.5%	35.1%	29.3%
Inbound Other	56.3%	51.4%	43.5%	28.6%
Outbound SCF	51.6%	56.4%	50.6%	52.1%
Outbound Other (a.m.)	47.1%	48.3%	43.9%	42.5%
Outbound Other (p.m.)	27.1%	22.9%	35.3%	22.9%
Inter-SCF	*54.7%*	*44.7%*	*40.9%*	*38.3%*
Test Conducted At:				
BMC	63.5%	38.1%	28.2%	23.2%
SCF	53.1%	53.1%	50.3%	49.3%
Other	47.5%	42.9%	44.2%	42.5%
Intra-BMC	*53.8%*	*58.8%*	*54.0%*	*48.1%*
Test Conducted At:				
BMC	44.8%	40.5%	38.0%	41.3%
Inbound SCF	57.1%	61.2%	60.0%	56.9%
Inbound Other	37.5%	58.9%	42.8%	29.5%
Outbound SCF	73.8%	75.2%	72.2%	66.2%
Outbound Other	55.6%	58.2%	56.7%	46.6%
Inter-BMC	*70.1%*	*67.3%*	*63.6%*	*57.5%*
Test Conducted At:				
BMC	69.1%	71.0%	63.2%	61.1%
SCF	69.3%	67.4%	64.0%	61.3%
Other	71.8%	63.3%	63.4%	50.0%

c. Objection filed September 15, 1997.

1990-91

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RESPONSE OF POSTAL SERVICE WITNESS NIETO TO INTERROGATORIES OF FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION

Highway Capacity Utilization Factors

FY95

	FY 1995			
	PQ1	PQ2	PQ3	PQ4
Intra-SCF	*39.4%*	*39.3%*	*39.7%*	*35.4%*
Test Conducted At:				
Inbound SCF	43.5%	37.7%	37.1%	33.4%
Inbound Other	29.2%	31.6%	32.3%	27.3%
Outbound SCF	48.8%	47.2%	52.9%	45.8%
Outbound Other (a.m.)	50.2%	52.7%	47.6%	45.8%
Outbound Other (p.m.)	25.4%	27.5%	28.4%	24.8%
Inter-SCF	*49.6%*	*43.4%*	*45.3%*	*40.3%*
Test Conducted At:				
BMC	49.5%	40.6%	41.9%	32.5%
SCF	53.3%	49.7%	51.3%	49.0%
Other	46.0%	40.1%	42.5%	39.4%
Intra-BMC	*57.7%*	*59.7%*	*60.2%*	*52.0%*
Test Conducted At:				
BMC	42.0%	42.1%	40.2%	37.7%
Inbound SCF	64.2%	54.8%	61.4%	48.6%
Inbound Other	50.9%	66.3%	57.1%	47.8%
Outbound SCF	74.9%	72.1%	74.7%	67.2%
Outbound Other	56.3%	63.1%	67.5%	58.5%
Inter-BMC	*64.1%*	*73.0%*	*66.3%*	*69.9%*
Test Conducted At:				
BMC	68.9%	68.7%	65.5%	64.2%
SCF	67.5%	69.0%	59.9%	68.5%
Other	56.0%	81.4%	73.6%	77.2%

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Bowersox, Smykay, La Londe

Foreword by Wendell Smith

Physical Distribution Management

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Logistics Problems of the Firm

PHYSICAL DISTRIBUTION MANAGEMENT

LOGISTICS PROBLEMS OF THE FIRM

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REVISED EDITION E

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Graduate School of Business Administration, Michigan State University

Foreword by WENDELL R. SMITH

THE MACMILLAN COMPANY, NEW YORK

COLLIER-MACMILLAN LIMITED, LONDON

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or by multiplying the cost per cwt mile by the given distance. For example, the cost per cwt for a distance of 125 miles (exactly one-half the average length of haul from study results) is $.175, exactly one-half the key cost. Of course, this applies only to the given load factor of 231 cwt.

Cost Recovery Factor. It was stated earlier that the carrier must attempt to recover at least his out-of-pocket costs to assure a sound pricing structure. From Table 7–1, the necessary recovery factor for line-haul costs is $.0014 per cwt mile. It then follows that at the average length of haul of 250 miles, the required revenue to cover the cost is $80.85 (250 miles × 231 cwt × $.0014/cwt mile). If the carrier sets his key price equal to his key cost, his revenue generation is $80.85 ($.35 cwt × 231 cwt).

For a haul of 125 miles (exactly one-half of the average length of haul), the cost recovery factor is $40.42, which is exactly the result of multiplying $.0014/cwt mile by 125 miles by 231 cwt.

Cost Variations by Weight. Thus far, it has been shown that the line-haul costs, by ICC formulas, are strictly linear with distance, and that a cost per cwt scale can be constructed to recover out-of-pocket line-haul costs for any distance if the load factor is held constant.

By the same token, changes in load factor will affect cost scales. Recalling that the purpose of a cost scale is to recover the total line-haul cost for any distance, doubling the load factor to 462(2 × 231 cwt) will result in a cost per cwt mile of exactly one-half the key cost or $.0007/cwt mile. Multiplying the new load factor times the new cost and key distance (250 miles) results in a revenue recovery factor of $80.85, initially the same as the revenue recovery resulting from the application of the key cost to its average load factor and average length of haul.

It is now possible to construct the line-haul out-of-pocket cost for any distance and any weight. The simplest way to understand the basic economics involved is to consider it to be similar to ordinary factory accounting. The cost that must be charged to cover a lathe operation is determined by dividing the lathe costs by the output. Similarly, the line-haul costs are analogous to a truck trailer, and its unit cost depends upon how far it travels and the amount of weight it carries. A table developed for various load factors is shown in Table 7–2.

Note that Table 7–2 refers to round-trip load factor. This is an example of one of the joint cost allocation problems in transportation. Because a truck usually goes from an origin to a destination and back, line-haul costs are generated in both directions. The usual way of allocating these costs is to calculate a round-trip load factor. Thus, if 30,000 pounds are shipped in one direction, and 10,000 in the other, the round-trip load factor is 20,000 (40,000 ÷ 2). The approximate line-haul cost per cwt is then found under the 20,000-pound load factor (or 200 cwt), and in Table 7–2 is $.1575 per cwt mile.

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T E 7–2* OUT-OF-
RO ND-TRIP LOADS

Average Round-trip Load (pounds)	Co
10,000	
11,000	
12,000	
13,000	
14,000	
15,000	
16,000	
17,000	
18,000	
19,000	
20,000	
21,000	
22,000	
23,000	
24,000	
25,000	

One-way costs are the same a
same. When the loads in each c
plus the inbound load must be c
For example, if the outbound
the average round-trip load is 20,
is $.1575. For 300-mile actual h
(300 miles × $.1575/cwt. mile).

*SOURCE: Previous data we
of Transporting Freight by Class
modities — Middlewest Region.
April, 1967.

Pickup and Delivery Costs
costs have service units ass
(fuel). These costs are first c
of cwt delivered in that spe
from shipment records. Div
total cwt gives a cost per c
It is now necessary to know
in a specific shipment to ca
For example, if the shipment
are $44.20 ($.17/cwt × 260
the $.17/cwt for pickup an
240 cwt picked up and delive

TABLE 7-2* OUT-OF-POCKET LINE-HAUL COSTS FOR VARIOUS ROUND-TRIP LOADS (Based upon a cost of $.31499/vehicle mile)

Average Round-trip Load (pounds)	Cost in Cents per cwt mile	Average Round-trip Load (pounds)	Cost in Cents per cwt mile
10,000	$.3150	26,000	$.1212
11,000	.2864	27,000	.1167
12,000	.2625	28,000	.1125
13,000	.2423	29,000	.1086
14,000	.2250	30,000	.1050
15,000	.2100	31,000	.1016
16,000	.1969	32,000	.0984
17,000	.1853	33,000	.0955
18,000	.1750	34,000	.0926
19,000	.1658	35,000	.0900
20,000	.1575	36,000	.0875
21,000	.1500	37,000	.0851
22,000	.1432	38,000	.0829
23,000	.1370	39,000	.0808
24,000	.1312	40,000	.0787
25,000	.1260	41,000	.0768

One-way costs are the same as round-trip costs when the load in each direction is the same. When the loads in each direction are different, the average of the outbound load plus the inbound load must be computed to select the proper cost.

For example, if the outbound load is 30,000 pounds and the inbound load is 10,000, the average round-trip load is 20,000 pounds. The out-of-pocket line-haul cost per cwt. mile is $.1575. For 300-mile actual haul, the out-of-pocket line-haul cost is $.473/100 pounds (300 miles × $.1575/cwt. mile).

*SOURCE: Previous data were based upon approximations. Data here are from *Cost of Transporting Freight by Class I and Class II Motor Common Carriers of General Commodities — Middlewest Region*, 1965, ICC Statement No. 4-67, Washington, D. C., April, 1967.

Pickup and Delivery Costs. As with line-haul costs, pickup and delivery costs have service units associated with time (drivers' wages) and distance (fuel). These costs are first collected from the books of account. The amount of cwt delivered in that specific pickup and delivery area is then collected from shipment records. Dividing the total pickup and delivery costs by the total cwt gives a cost per cwt. This cost was determined to be $.17/cwt.

It is now necessary to know only the number of cwt picked up and delivered in a specific shipment to calculate its share of pickup and delivery cost. For example, if the shipment weight is 260 cwt, the pickup and delivery costs are $44.20 ($.17/cwt × 260 cwt). In fact, Table 7-3, column 3, shows that the $.17/cwt for pickup and delivery cost is based upon an average of 240 cwt picked up and delivered.

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THE URBAN TRANSPORTATION PROBLEM

J. R. Meyer, J. F. Kain, M. Wohl

Harvard University Press, Cambridge, Massachusetts

1965

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Printed in the United States of America

Preface

Urban transportation, for a complex set of reasons, has become
concern of American life and public policy in the mid-twentieth
It is perhaps an example *par excellence* of the type of probl
priority by a society which has solved many of its more basic
problems, such as achieving a high general standard of living and
ing its more obvious or pressing problems of unemployment and
Whatever the cause, it has become increasingly fashionable w
United States to say that "an urban transportation problem" e
to explore a variety of ways, some quite exotic, to alleviate or
this "problem." It is the purpose of this study, by integrating
verse but relevant pieces of information, to help focus and expe
cogent discussions of urban transportation alternatives. In broa
text, an integrated set of data is presented on the forces that
demand for and supply of urban transportation services in orde
vide a more rational context for decision-making on these probl
underlying premises are that it should be possible to identify, wit
able agreement, basic economic and technological forces that are
our urban areas and that if this is accomplished it will then be p
focus discussion on appropriate goals or criteria in setting urban
tation policies. Debate on appropriate goals or criteria in a c
reasonable agreement about basic economic and technologic
should improve decision-making in this area significantly.

This book is one report of many developed as part of
Corporation study of urban transportation problems which s
the summer of 1960. It should be immediately emphasized
particular study is heavily indebted to the other RAND urban tr
tion reports for much of its evidence, data, and analyses. Citati
contributions of these different reports are to be found throughou

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the *relative* demand pattern for downtown-oriented travel by different modes might be hypothesized to remain the same as that during the peak hours, providing that equivalent service and relative cost structures were retained for basic systems.[2] For reasons explained and documented in previous chapters, however, it is clear that the off-peak utilization of different modes is not equivalent, in large part because origination-destination and trip purpose patterns are different during off-peak hours and because the avoidance of discomfort, inconvenience, and other travel conditions seem to be more important to off-peak than peak travelers. (See Figures 1 through 5 and Table 30.) Off-peak travel is relatively less by transit modes than by private automobile. The specific rank ordering seems to be that long-distance rail commuting is most highly concentrated during the rush hours, rail rapid transit is second, and bus transit third, while automobile travel is the least rush-hour-oriented of all the major modes. Therefore, the net result of placing the cost analyses on a twenty-four-hour rather than a four-hour basis would certainly be to reduce the costs of automobile travel most and rail modes least.

Equally important in determining the relevant time period for a cost analysis is the matter of for whom are the system costs incurred, and therefore to whom should they be charged. If the basis of design and justification of downtown-oriented systems is the rush-hour flow, as it usually seems to be, then it can be argued that the full costs of providing the capacity needed for that service should be charged to rush-hour travelers. In particular, if the rush-hour downtown movement were not of high volume and highly peaked, it is doubtful whether the construction of expensive, high-capacity, and inflexible (in the sense of not serving all types of regional trips) rail or other specialized transit systems ever would be considered. Consequently, the costs of constructing facilities to meet highly peaked, downtown movements probably should be charged largely to rush-hour passengers. (This point is more fully elaborated in chapter 13.) Under these circumstances, the result is that little net effect will be made on rush-hour costs,[3] relative or absolute, by the inclusion of off-peak travel.

Different route lengths were specified for costing in order to provide data for different sizes of communities (in terms of geographical distribution and density) and to categorize in quantitative form any changes in the relative positions of alternative technological systems which might

[2] This is a very tricky assumption, of course, and one hard to validate without actually examining detailed cost structures. The additional transit expenditures—both capital and operating—should be small compared to the peak-hour costs, and the same would hold true for automobile travel. For automobiles, additional parking, ownership, and accident costs would be small because of joint use and cost sharing (that is, high turnover in parking garages, use of automobiles for vacation trips, and so forth); further economies would result because of higher car occupancy during off-peak hours.

[3] In this connection, it is vital to distinguish between cost and price.

TABLE 59

LINE-HAUL FACILITY RO

Type of facility and location
Rail transit lines
Chicago, Congress St.
Chicago, Congress St.–Milwaukee
Cleveland, Westside
Cleveland, Eastside
Boston, Highland Branch
Philadelphia, Market–Frankford
South Jersey (proposed)
Washington, D.C. (proposed in 1962)
N.W. Bethesda
Petworth–Columbia
Silver Spring–Rockville
Queens Chapel–Route 95
Anacostia–Henson Creek
Alexandria–Springfield
Rosslyn–Route 66
Express bus lines on mixed traffic expressways
Washington, D.C. (proposed in 1962)
GWMP (Maryland)
Route 95
Suitland Parkway
Henson Creek
Bolling
Shirley Highway
Dulles Airport
Highway routes (average distance to outer bel
Washington, D.C.
Baltimore
Boston
St. Louis
Philadelphia

occur because different route lengths were r
lengths for highway and transit line-haul fac
Figures 29, 30, and 31 provide informat
evaluating route lengths needed for urban
the basis of these present-day data, it appear
employed in the present cost-analyses—6,
most relevant cases,[4] both present and future

[4] It should be noted that attention generally
transit technologies and does not include con
muter railroad operations.

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Distribution Modes

Figures 42 through 46 display the results obtained in costing each of the five types of downtown distribution modes on the basis of the cost relationships reported in the previous section. The three surface systems—integrated bus, separate feeder bus, and integrated automobile—exhibit near-perfect divisibility for all downtown route lengths, and the two types of surface bus service (integrated bus and separate feeder bus) have unit costs which are identical for all practical purposes. By contrast, the rail and bus subway modes are both highly indivisible, thus producing high unit costs at the lowest volume levels, but a leveling-off in costs as volumes approach a 1-way hourly maximum load point volume of 20,000. It should be noted that some of the rail subway cost undulations indicated in Figures 42 through 45 undoubtedly result from the failure to reoptimize the over-all system operation, and some result from inherent indivisibilities. They can be ignored for most comparisons.

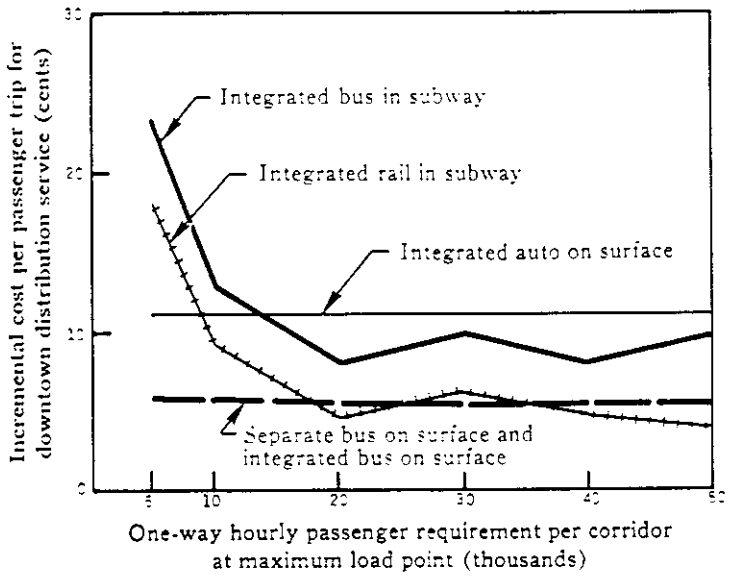

Figure 42. Comparative costs of downtown distribution modes. 1½-mile downtown route length.

For all travel modes an almost linear relationship exists between unit costs and downtown route length—with cost increases being more or less directly proportional to route length increases for all modes except automobile on surface streets. (See Figure 46 in particular.) For automobile on surface streets, the increases are somewhat less than proportional.

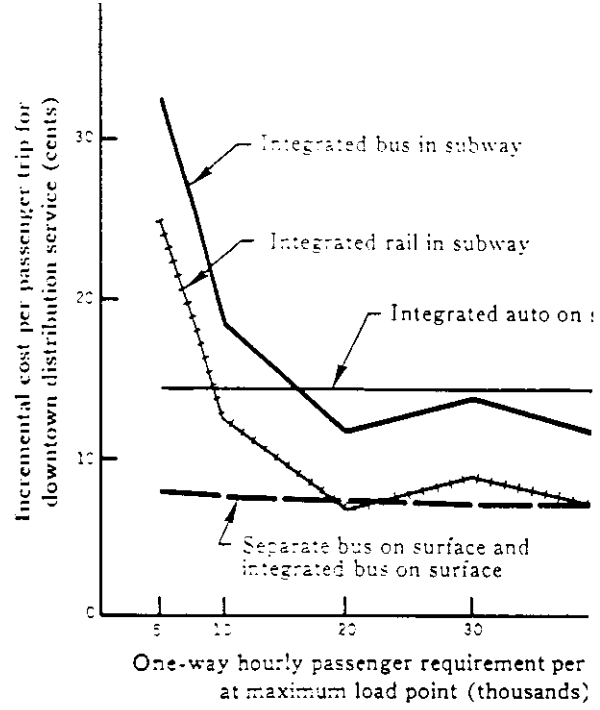

Figure 43. Comparative costs of downtown dis
modes. 2-mile downtown route length.

since fixed parking costs are spread over longer trip dis
length increases. These relationships seemingly hold for

A clear distinction can be made between the cost rela
ble above and below 20,000 passengers per corridor pe
dor volumes below 20,000 an hour, the surface bu
cheapest in downtown operations, particularly when con
bus or rail transit in subway on the longer downtown
the two surface bus modes, the integrated bus service g
the more desirable since passenger transfers would be a
time would be involved, and no important cost differenti
more, even at the lowest volume ranges, the integrated
town service runs about 6 cents a trip higher than int
1½-mile downtown route, and about 8 cents a trip hi
route; in relative terms, the integrated bus service is g
per cent less costly than integrated automobile for dov
surface streets.

Estimates of the travel times for the various modes
ure 47. (Bus passenger trip times were assessed as on

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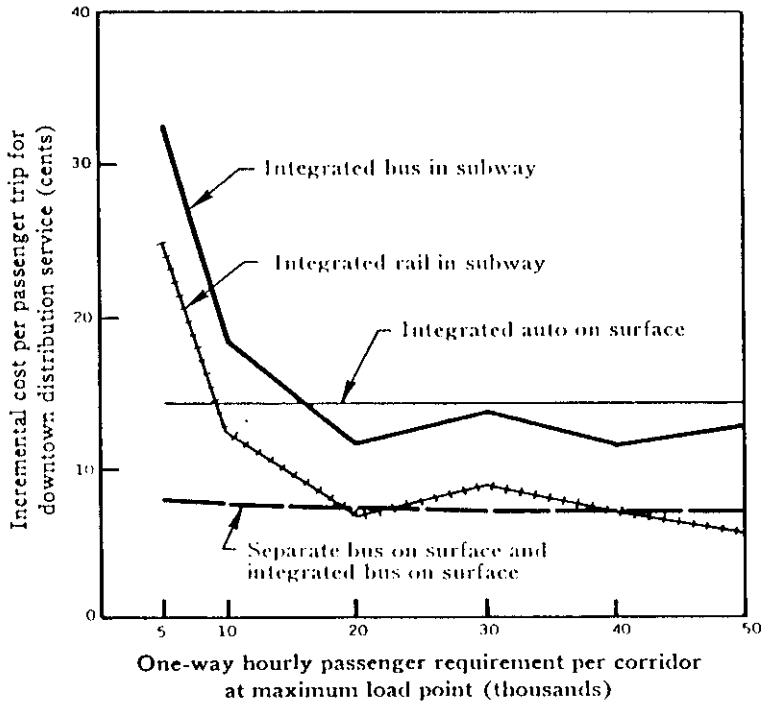

Figure 43. Comparative costs of downtown distribution modes, 2-mile downtown route length.

since fixed parking costs are spread over longer trip distances with route length increases. These relationships seemingly hold for all volume levels.

A clear distinction can be made between the cost relationships applicable above and below 20,000 passengers per corridor per hour. At corridor volumes below 20,000 an hour, the surface bus modes are the cheapest in downtown operations, particularly when compared with either bus or rail transit in subway on the longer downtown route lengths. Of the two surface bus modes, the integrated bus service generally would be the more desirable since passenger transfers would be avoided, less travel time would be involved, and no important cost differentials exist. Furthermore, even at the lowest volume ranges, the integrated automobile downtown service runs about 6 cents a trip higher than integrated bus for a 1½-mile downtown route, and about 8 cents a trip higher for a 4-mile route; in relative terms, the integrated bus service is generally 50 to 60 per cent less costly than integrated automobile for downtown service on surface streets.

Estimates of the travel times for the various modes are shown in Figure 47. (Bus passenger trip times were assessed as one-half of the one-

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding on this date in accordance with Section 12 of the Rules of Practice and Procedure.

Dated : December 30, 1997.

M. W. Wells, Jr., Attorney