

DOCKET SECTION

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

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DOCKET NO. R97-1

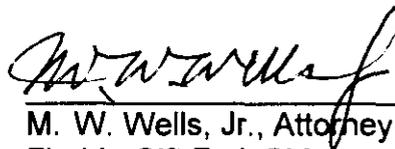
FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION  
ANSWERS OF WITNESS BALL TO INTERROGATORIES  
OF UNITED STATES POSTAL SERVICE (USPS)

USPS/FGFSA-T2-1-8

February 17, 1998

Florida Gift Fruit Shippers Association (FGFSA) hereby provides the  
Answers of Witness Ball to interrogatories of USPS, USPS/FGFSA-T2-1-8.

Each interrogatory is stated verbatim, followed by the Answer.



M. W. Wells, Jr., Attorney for  
Florida Gift Fruit Shippers Association

## USPS/FGFSA-T2-1

Please refer to your discussion of the transportation or truck program sponsored by the FGFSA.

- a. On page 6 line 20, you describe the pickup service that is provided as part of the truck program. When your pickups are run, do your trucks operate full on each leg of their journey? If your answer is anything but an unqualified yes, please explain.
- b. On page 7 line 1, you state that trucks are routed "as required". Please describe what you mean by "as required". Are minimum volumes required to participate in the program? Who determines when volume is sufficient to constitute a pick up?
- c. Are any materials shipped from the terminal to customers, or do the shipments only move from the customers to the terminal?
- d. Are the rates described on page 8, lines 21-22, charged by the Association to the participants in the program, or are these rates charged to the Association by a third party trucking firm?
- e. Please confirm that the typical truck may serve as many as seven destinations (the final destination and "as many as six" (page 8, line 23) partial unloadings along the way). If you do not confirm, please explain.
- f. Please confirm the average number of destination is usually less than four ("less than three" (page 8, line 23) partial unloadings plus the final destination). If you do not confirm please explain.
- g. Have you studied the extent to which ECR Standard A mail is entered beyond the BMC? If so what are the results of your research?

## ANSWER

- a. Trucks are generally empty on the outbound leg. However, occasionally, we will carry a load of foam rubber packing material or other supplies to our members.
- b. Trucks are routed as member volume requires. We seek to optimize volume by selective pickup based upon volume. We request a minimum volume of 15 parcels. The Transportation Committee determines the minimum, based on stop costs.
- c. See a above.
- d. These are the rates charged to the Association by third party carriers.
- e. confirmed.
- f. confirmed.
- g. No.

**USPS/FGFSA-T2-2**

Please refer to your discussion of Standard A and parcel post volumes on page 11 of your testimony.

- a. Please describe and provide the derivation of the average “distribution key” for Standard A mail of 26.652%. Please confirm whether this figure includes Nonprofit Standard A mail. Please confirm whether this figure includes ECR Standard A mail.
- b. Please describe and provide the derivation of the average “distribution key” for Intra-BMC parcel post of 21.618%.
- c. Please describe and provide the derivation of the average “distribution key” for DBMC parcel post of 7.597%.
- d. Is it your understanding that the distribution factors listed in parts a through c are based on cubic feet or on cubic foot-miles?
- e. Have you studied the extent to which ECR Standard A mail is entered beyond the BMC? If so what are the results of your research?

**ANSWER**

- a. TRACS material in USPS-LR-H-82 and 84
- b. Same as a
- c. same as a
- d. I understand that TRACS develops the distribution key on the basis of cubic foot miles.
- e. No.

**USPS/FGFSA-T2-3**

On page 11-12 of your testimony, you state that "inconsistencies appear to exist in the development of distribution keys for other subclasses of fourth-class mail, but the mail flow to establish the true quantity of such sub-classes (sic) use of intra-BMC transportation cannot be determined from the data available to me."

- a. Please specify the data that you considered in making this conclusion.
- b. Please explain, how, in the absence of data that you consider to be appropriate, you can draw conclusions about mail flows.
- c. Is it your testimony that the commission should make decisions on cost distributions based on speculation regarding the magnitude of mail flows?

**ANSWER**

- a. CRA - Statistics by Class of Mail
- b. The distribution keys for purchased highway transportation do not reflect the relative volume of mail in each sub-class.
- c. No.

USPS/FGFSA-T2-4

Please refer to page 12, lines 4-5 of your testimony.

- a. By "highway transportation costs", are you referring to all highway transportation, not just intra-BMC?
- b. If the answer to (a) is yes, please provide a source for the assertion that intra-BMC, inter-BMC and inter-SCF transportation distribution are based on cubic feet.

ANSWER

- a. It is my understanding that some highway transportation costs are distributed on the basis of cubic feet, and others on the basis of cubic foot miles.
- b. Not applicable.

USPS/FGFSA-T2-5

Please explain what you mean by the statement: "This sampling is heavily biased . . ." at page 12, line 14 of your testimony.

ANSWER

Standard A mail has a high incidence of drop shipping to utilize various discounts, and the volume into the BMC would be significantly less than the volume out from the BMC. Since the samples are taken 70% on the inbound movement, this would result in the bias I refer to in my testimony.

**USPS/FGFSA-T2-6**

In your opinion does a “biased sample” lead to biased estimates? Please explain.

**ANSWER**

The bias in the sampling process will result in bias in the results.

USPS/FGFSA-T2-7

On page 12, lines 17-18 of your testimony, you state: "Thus, 70% of the TRACS sampling will not record any significant part of the third class volume." Please describe and provide the derivation of this 70% figure.

ANSWER

TRACS sampling percentages - 70% inbound and 30% outbound. See USPS-LR-H-82, which I understand provides this information.

**USPS/FGFSA-T2-8**

On page 13, lines 7-8 of your testimony, you state that the "USPS has and uses capacity in excess of that needed for moving mail."

- a. Please describe what you regard as the amount of capacity "needed for moving the mail."
- b. Is this statement based on your understanding of the amount of empty space measured in TRACS tests? If not, please explain the basis for your statement.

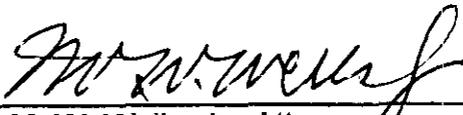
**ANSWER**

- a. The capacity to handle the average volume on the heaviest portion of the trip. Peak volumes could be handled by extra trips, probably at lower total cost.
- b. Yes, but is also based on my personal observations of unloading of vehicles at Postal Service facilities.

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 : February 17, 1998

  
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M. W. Wells, Jr., Attorney