

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

**THIRD SET OF INTERROGATORIES FROM UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS HATFIELD
(UPS/USPS-T16-18-22)**

(August 19, 1997)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories directed to United States Postal Service witness Hatfield (UPS/USPS-T16-18 through 22).

Respectfully submitted,



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UPS/USPS-T-16-18. Please refer to page 19 of your testimony, and Appendix I, pages 7 to 13. Confirm that your determination of the average number of local, intermediate, and long distance legs traveled by a DBMC parcel, as adjusted for DBMC parcels entered at destination SCFs, includes no legs of transportation or portions thereof to account for returns of empty containers to the point of origin. If you cannot confirm, please explain how your analysis accounts for the costs incurred in returning containers.

UPS/USPS-T-16-19. Referring to Appendix I, pages 12 and 13, please indicate what portions of Alaska Parcel Post cubic feet or cubic feet miles are reflected in your calculations. Explain how you reconcile your answer with the omission of "Alaska non-pref air costs" in the total costs allocated at page 13.

UPS/USPS-T-16-20. Referring to page 6, Figure II-1, and page 10, Figure II-3, of your testimony, please confirm that all inter-BMC and intra-BMC parcels follow the indicated pathways including one or more BMC/ASFs, with the exception of the AO holdouts and DSCF parcels cited at rows 10 and 14 of Appendix I, page 13. Please explain any nonconfirmation and reconcile your answer with the \$14,027,000 in the inter-SCF highway transportation costs indicated at page 11 of Appendix I. Do parcels ever travel directly between P&DCs (line f in the above-referenced Figures)?

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UPS/USPS-T-16-21. Referring to Appendix 1, page 13, footnote 10, please provide your rationale and all evidence underlying the 0.5 factor applied to account for intra-BMC parcels being held out at the local AO.

UPS/USPS-T-16-22. Please refer to your testimony at pages 14 and 15, and Appendix I, at pages 11 and 12.

- (a) Please confirm that "parcel post postal owned vehicle costs are treated in the same manner as intra-SCF purchased transportation costs" (page 15 lines 21-22). Please explain any nonconfirmation.
- (b) Please confirm that intra-SCF purchased transportation costs are all assigned as local functional costs. Please explain any nonconfirmation.
- (c) Please confirm that intra-SCF purchased transportation costs include costs for the contractors' vehicles in addition to other highway contractor costs. Please explain any nonconfirmation.
- (d) Please confirm that Appendix I, page 12, line 16, is for Cost Segment 8, Vehicle Service Drivers, and does not include vehicle costs. Please explain any nonconfirmation.
- (e) Please explain how your analysis accounts for Vehicle Service Driver vehicle costs.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice.



Albert P. Parker, II

Dated: August 19, 1997
Philadelphia, PA