

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS HATFIELD TO INTERROGATORIES OF
DOUGLAS CARLSON
(DFC/USPS-T25-3-6)**

The United States Postal Service hereby provides responses of witness Hatfield to the following interrogatories of Douglas Carlson: DFC/USPS-T25-1-2, dated August 29, 1997.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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September 12, 1997

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD TO
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DFC/USPS-T-25-3. Please refer to your response to DFC/USPS-T-32-3. Please confirm that the processing costs at a fully automated facility of type (a) mail (as defined in DFC/USPS-T-32-2) are lower than the processing costs at a fully automated facility of type (d) mail (as defined in DFC/USPS-T-32-2).

RESPONSE:

All else being equal, the mail processing costs associated with a letter that receives a delivery point barcode from an OCR, without receiving any RBCS processing, will be less than the mail processing costs associated with a letter whose image must be keyed at a REC after being run through an RBCS ISS operation.

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DFC/USPS-T-25-4. Please refer to the four types of mail described in DFC/USPS-T-32-2. Please confirm that some of the type (a) mail is produced by "individuals" (defined as "single human beings, as contrasted with a social group or institution").

RESPONSE:

I would agree that there exist both presorted and single piece First-Class Mail letters that receive a delivery point barcode from an OCR without receiving any RBCS processing.

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DFC/USPS-T-25-5. To the extent that customers who presently prepare OCR-readable, non-bar-coded single-piece First-Class letters or cards switched to an addressing method such as handwriting that could not be fully resolved by an OCR, would you expect that processing costs would increase? Please explain your answer.

RESPONSE:

If a portion of the volume of First-Class letters that currently receive a delivery point barcode from an OCR, without receiving any RBCS processing, were to change such that they would require RBCS processing in order to receive the same barcode, then I would expect the costs of processing these letters would increase. For an explanation of my answer, please see my response to DFC/USPS-T-25-3.

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DFC/USPS-T-25-6. To the extent that customers who presently prepare mail that can be processed on automated sorting equipment switched to envelope or card materials that, due to their color or surface texture, reduced the percentage of pieces that could be processed on automated sorting equipment, would you expect that processing costs would increase? Would the reverse be true, too? Please explain your answer.

RESPONSE:

If a portion of the volume of First-Class letters that are currently processed on OCRs and BCSs, were to change such that they would require manual piece distribution, then I would expect the costs of processing these letters to increase. Likewise, if a portion of the volume of First-Class letters that currently receive manual piece distribution, were to change such that they could be sorted on OCRs and BCSs, then I would expect the costs of processing these letters to decrease. My response to this question is based upon the fact that, in general, manual piece distribution operations are more costly than automated piece distribution operations.

DECLARATION

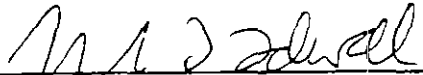
I, Philip A. Hatfield, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



Dated: 9-12-97

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.



Michael T. Tidwell

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