

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

RECEIVED
SEP 17 4 54 PM '97

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HATFIELD TO INTERROGATORIES OF
UNITED PARCEL SERVICE
(UPS/USPS-T16-23-24)

The United States Postal Service hereby provides responses of witness Hatfield to the following interrogatories of United Parcel Service: UPS/USPS-T16-23-24, filed on September 3, 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


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2970; Fax -5402
September 17, 1997

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD TO
INTERROGATORIES OF UNTIED PARCEL SERVICE

1

UPS/USPS-T-16-23. Did you perform any studies, analyses or reviews to identify activities and areas where additional Postal Service transportation costs are incurred due to DBMC mail, on average, compared to intra-BMC parcels (not DBMC mail) that are dropshipped to destination BMCs? If yes, please provide copies of all workpapers and results. If no, explain why this has not been done.

RESPONSE:

It's difficult to answer this question because the meaning of "activities and areas" is unclear. For example, the analysis contained in my testimony will show that the average transportation cost for a piece of DBMC mail will be higher than that of an intra-BMC parcel on a given leg because DBMC parcels tend to be less dense than intra-BMC parcels. However, no individual studies were performed that attempted to measure unique transportation activities that are incurred by DBMC parcels but are not incurred by intra-BMC parcels.

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD TO
INTERROGATORIES OF UNTIED PARCEL SERVICE

UPS/USPS-T-16-24. Did you perform any studies, analyses or reviews to identify activities and areas where additional Postal Service transportation costs will be incurred due to the proposed DSCF mail, on average, compared to intra-BMC parcels (not DBMC mail) that are dropshipped at destination SCFs? If yes, please provide copies of all workpapers and results. If no, explain why this has not been done.

RESPONSE:

As stated in my response to UPS/USPS-T-16-23, it is difficult to answer this question because the meaning of "activities and areas" is unclear. For example, the analysis contained in my testimony will show that the average transportation cost for a piece of DBMC mail entered at a destination P&DC will be higher than that of an intra-BMC parcel on a given leg because DBMC parcels tend to be less dense than intra-BMC parcels. However, no individual studies were performed that attempted to measure unique transportation activities that are incurred by DBMC parcels entered at destination P&DCs but are not incurred by intra-BMC parcels.

DECLARATION

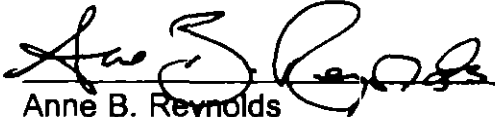
I, Philip A. Hatfield, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Philip A. Hatfield

Dated: 7-17-97

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.


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 17, 1997