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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

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HATFIELD TO INTERROGATORIES OF
THE FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION
(FGFSA/USPS-T16-16-17(A), 18)

The United States Postal Service hereby provides responses of witness Hatfield to the following interrogatories of the Florida Gift Fruit Shippers Association: FGFSA/USPS-T16-16-17(a), 18, filed on September 3, 1997. Interrogatories FGFSA/USPS-T16-17(b)-(e) were redirected to the Postal Service for response.

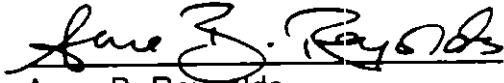
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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September 17, 1997

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FGFSA/USPS-T-16-16. Assume that there are two identical (size, shape, weight and cube) parcels, one using the intra-BMC rate and the other using the DBMC rate, with both parcels destined for the same address, that are transported on the same day in the same vehicle from the same BMC to the same destination SCF.

- a) Confirm that the transportation cost from the BMC to the SCF for the Intra-BMC parcel be determined on the basis of the cubic feet of the parcel. If you do not confirm, please explain.
- b) Confirm that the transportation cost from the BMC to the SCF for the DBMC parcel be determined on the basis of the cubic foot miles of the parcel. If you do not confirm, please explain.
- c) Explain why the transportation costs of these two identical parcels, for this portion of the transportation service should each be determined in a different manner.

RESPONSE:

- a) As stated in my response to FGFSA/USPS-T-16-9, the methodology used in my testimony is not able to uniquely calculate transportation costs for individual parcels and the methodology does not distinguish between transportation from the SCF to the BMC and transportation from the BMC to the SCF for intra-BMC parcels. Intermediate transportation costs (both from the SCF to the BMC and from the BMC to the SCF) for intra-BMC parcels are allocated to zone based on cubic feet of intra-BMC parcels in each zone.
- b) Again the methodology used in my testimony is not able to uniquely calculate transportation costs for individual parcels. Intermediate transportation costs for DBMC parcels are allocated to zone based on the cubic foot miles of DBMC in each zone.
- c) As stated in my responses to parts a) and b) of this question, the methodology used in my testimony is not able to uniquely calculate transportation costs for individual parcels. Intermediate transportation costs for intra-BMC parcels are

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allocated to zone based on cubic feet because these costs are not related to GCD. In contrast, intermediate transportation costs for DBMC parcels are allocated to zone based on cubic foot miles because these costs are related to GCD.

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FGFSA/USPS-T-16-17. Refer to your response to FGFSA/USPS-T-16-10 and your statement that "However, there do exist instances in which parcel post travels directly from an origin SCF to a destination SCF."

- a) Identify all of the factors taken into account in determining when those "instances" apply for machinable parcels entered using the Intra-BMC.
- b) Confirm that the usual and customary operating procedures for handling parcel post provide that the parcels will be sent to the BMC for sorting.
- c) Are the parcels sent to the BMC for sorting for the convenience of the Postal Service or the mailer?
- d) Confirm that one reason for sending the parcels to the BMC for sorting is to avoid manual sorting at the SCF.
- e) If more than 30 parcels, destined for various 5-digit delivery offices, are entered by the same mailer at the same time, will these parcels be sorted manually by the SCF or will they be sent to the BMC for sorting?

RESPONSE:

- a) In preparing my testimony, I did not take into account specific factors that determine when or why a parcel travels between P&DCs.
- b) - e) Redirected to the Postal Service.

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FGFSA/USPS-T-16-18. Refer to your response to FGFSA/USPS-T-16-8. Since you did not confirm the travel pattern described, please explain what other travel pattern would be used by the Postal Service for this parcel originating in Panama City, Florida and destinatting in Tampa, Florida.

a) Confirm that the selection of the travel pattern is for the convenience of the Postal Service. If you do not confirm, please fully explain.

RESPONSE:

As stated in my response to FGFSA/USPS T-16-8, data are not available to determine the transportation pattern of individual pieces between their origin and destination. Therefore, there are no data available to describe the different routings through the transportation network that an individual parcel may take. Although the transportation pattern described in FGFSA/USPS-T-16-8 may be a likely path for the hypothetical parcel, another possible path may include travel directly from origin P&DC to destination P&DC.

a) It is my understanding that transportation patterns are determined based on factors such as cost, geography, and service. I would not categorize these factors as only being related to the convenience of the Postal Service.

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: 9-17-97

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

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