

# DOCKET SECTION

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

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OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS HATFIELD TO INTERROGATORY OF  
UNITED PARCEL SERVICE  
(UPS/USPS-T16-26)

The United States Postal Service hereby provides the response of witness Hatfield to the following interrogatory of United Parcel Service: UPS/USPS-T16-26, filed on September 15, 1997.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 29, 1997

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD TO  
INTERROGATORY OF UNITED PARCEL SERVICE

**UPS/USPS-T16-26.** Please refer to Figure II-4, on page 11 of your direct testimony.

(a) How are GCD and zone determined for a DBMC parcel? Please explain your answer.

(b) Is a DBMC mailer permitted to designate the 3-digit ZIP Code of any of the P&DCs in the DBMC service area as the point of origin for purposes of deriving the zone applicable to the DBMC shipment? Please explain your answer.

(c) What percentage of DBMC volume has a P&DC designated as the point of origin?

(d) What percentage of DBMC volume has a P&DC designated as the point of origin where the 3-digit ZIP code of the designated P&DC is different from the 3-digit ZIP code area that would be assigned as the point of origin for the DBMC piece in the absence of mailer designation?

(e) Please explain how your analysis of the relationship between intermediate transportation costs and GCD for DBMC mail accounts for the ability of a mailer to designate any P&DC as the point of origin.

**RESPONSE:**

(a) As stated on page 5 of my testimony, zone for all Parcel Post pieces is determined based on great circle distance (GCD). Great circle distance is calculated as described in footnote 2 on that same page. Similar to all Parcel Post pieces, the destination used to determine GCD for DBMC pieces is defined by the delivery address of the piece. The origin used to determine GCD for DBMC pieces is the BMC or other facility where the pieces are dropshipped.

(b) No. Please see my response to part (a) of this question.

(c) It is my understanding that in certain situations DBMC pieces may be entered at a P&DC (please see DMM E652.4.0). The best available estimate of how

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many pieces of DBMC mail are entered at a P&DC can be found in witness Mayes' work papers (Mayes WP I.F.).

(d) 0 percent. To my knowledge the origin of a piece of DBMC Parcel Post cannot be selected by a mailer. The origin is determined by the location where the piece is dropshipped.

(e) My analysis does not account for this situation because, to my knowledge, this situation does not occur.

## DECLARATION

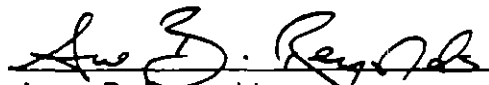
I, Philip A. Hatfield, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Philip A. Hatfield

Dated: 9-29-97

## 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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