

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,
2006

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Docket No. R2006-1

FIRST SET OF INTERROGATORIES OF
AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
TO USPS WITNESS ABDIRAHMAN
(ABA-NAPM/USPS-T22-1-2)
(June 14, 2006)

Pursuant to sections 25, 26 and 27 of the rules of practice, the American Bankers Association and the National Association of Presort Mailers direct the following interrogatories to United States Postal Service witness Abdulkadir M. Abdirahman (USPS-T-22). If the witness cannot answer a question or subpart, we request that the Postal Service answer through another witness or submit an institutional response.

Respectfully submitted,

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ABA-NAPM/USPS-T22-1. Please confirm that the table below of incremental passthroughs using both the USPS and Commission volume variable cost assumptions is correct. If you fail to confirm fully, please produce a corrected table, along with supporting analysis sufficient to replicate your results.

**Automation Letters - Cost Savings, Discounts and Passthroughs
(R2006-1, TY2008, After-Rates)**

USPS Version (Cents)					
FCLM Rate Category	Mail Processing Unit Cost	Cost Saving	Proposed Rates	Workshare Discounts	Incremental Pass Throughs
Mixed					
AADC	6.470		34.6		
AADC	5.325	1.145	33.5	1.1	96.0%
3-Digit	4.926	0.399	33.1	0.4	100.3%
5-Digit	3.625	1.300	31.2	1.9	146.1%

PRC Version (Cents)					
FCLM Rate Category	Mail Processing Unit Cost	Cost Saving	Proposed Rates	Workshare Discounts	Incremental Pass Throughs
Mixed					
AADC	7.159		34.6		
AADC	5.842	1.317	33.5	1.1	83.5%
3-Digit	5.383	0.459	33.1	0.4	87.2%
5-Digit	3.886	1.497	31.2	1.9	126.9%

Sources: R2006-1, USPS & PRC mail processing unit costs and USPS proposed rates are obtained from USPS-LR-L-48, USPS-LR-L-110, and USPS-LR-L-129, respectively.

ABA-NAPM/USPS-T22-2:

- a. Please confirm that the USPS, in determining cost avoidances and setting rates and discounts for workshared FCLM in this case, did not take into consideration any in-office delivery costs avoided by FCLM. If you fail to confirm without qualification, please explain fully and provide supporting analyses and data sufficient to replicate your results.

- b. Please provide the in-office delivery costs avoided by workshared FCLM, by automation rate category, in the same format as past cases, using both the USPS and PRC methodologies.

- c. Please revise the table set forth in ABA-NAPM/USPS-T22-1 to show the incremental passthroughs that result if the savings in in-office delivery costs are added to the mail processing cost savings already included in the table.