

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ABDULKADIR M. ABDIRAHMAN
TO INTERROGATORY OF DAVID B. POPKIN [Errata]
(DBP/USPS-T3-5)

The United States Postal Service hereby provides the revised response of witness Abdirahman to the following interrogatory: DBP/USPS-T3-5, filed by David B. Popkin on November 24, 2004. In part [a] of the original response, filed on December 20, 2004, the last sentence inadvertently referred to the "collection of postage due at a call window" instead of the "post office box application transaction." Moreover, two new sentences have been added about the other cost figures mentioned in part [a].

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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/s/ _____
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DBP/USPS-T3-5. [a] Please confirm, or explain if you are unable to do so, that on Page 2 of the Appendix, the \$3.46 cost is the total cost of the proxy cost of a post office box application; the \$0.02 is the total cost of the proxy cost of the collection of postage due at a call window; and the \$1.53 is the total cost of the processing of a Change-of-Address card. [b] Please provide a breakdown of the labor time and wage rate for the \$1.53. [c] Please explain how the \$3.46 labor cost was determined including an explanation of the definition of "Overhead Cost Factor", "Waiting Time Factor", and "Piggyback Factor for Window Service." Please provide copies of any of the pages from Docket No. R2001-1 that are referred to in the footnotes.

RESPONSE:

[a] Confirmed that the figures provided in the question were the original numbers, but they have been revised. Please see page 2 of the revised Appendix to my testimony, filed on December 20, 2004. The \$3.46 proxy cost for a post office box application transaction is now \$3.912. The \$0.02 proxy cost for the additional cost of determining PFS charges is now \$0.020. The \$1.53 cost of processing a Change-of-Address Card is now \$1.652.

[b] Please refer to Docket No. R2001-1, LR-J-69 Table 5.2.5.4 for the breakdown of labor time and wage rate. This table can be found at http://www.prc.gov/docs/27/27119/SECTION_C.xls, Table 5.2.5.4. The \$1.53 figure that I originally presented has been updated to account for inflation; it has been replaced by \$1.652.

[c] Please see the revised Appendix to my testimony, filed on December 20, 2004. According to the transaction time study referenced in footnote 1 on page 2 of the Appendix, it takes 188.32 seconds to complete a post office box rental window transaction. That translates to 0.052 hours of labor time which, multiplied by the 2005 clerk hourly wage rate of \$33.741, the Overhead Cost Factor of 1.073, the Waiting

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Time factor of 1.410, and Piggyback Factor of 1.465, leads to a the \$3.912 labor cost figure. ($0.052 * 33.741 * 1.073 * 1.410 * 1.465 = \3.912). Overhead costs are costs for window employees involved in clocking in and out, moving empty equipment, or taking a break. Waiting Time costs are costs for time spent when the window employee is waiting to serve a customer. Piggyback costs are other indirect costs needed to support activity at the retail window. These factors have been used in rate cases for decades and their use has been well-supported on the record. For example, for a discussion of piggyback factors, please refer to the Docket No. R2001-1 testimony of Marc Smith, USPS-T-15. See <http://www.prc.gov/docs/27/27181/test-usps-t15-smith.pdf>. This methodological approach is not unique to this docket.

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.

/s/ _____

David H. Rubin

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