

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

**POSTAL RATE AND FEE CHANGES**

**Docket No. R2005-1**

**Major Mailers Association's Third Set Of  
Interrogatories And Document Production Requests To United States  
Postal Service Witness Abdulkadir M. Abdirahman (MMA/USPS-T21-36-40)  
(April 29, 2005)**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association herewith submits the following interrogatories and document production requests to United States Postal Service Witness Abdulkadir M. Abdirahman (MMA/USPS-T21-36-40).

Respectfully submitted,

**Major Mailers Association**

By: \_\_\_\_\_

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**Dated: Middleburg, Virginia  
April 29, 2005**

**MMA/USPS-T21-36**

Please refer to your library reference USPS-LR-K-48, file LR-K-48FCLTRS, pages 4, 8, 10, and 12. These pages refer to your mail flow models for bulk metered mail (BMM), Automation Mixed AADC, Automation AADC and Automation 3-digit, respectively.

- A. Please confirm the percentages shown in the following table that lists how much mail is barcoded and processed fully by automation from mail acceptance through the incoming secondary operations for various rate categories. If you cannot confirm, please make any necessary corrections and document your calculations.

<b>Model</b>	<b>% Barcode by USPS</b>	<b>% Processed 100% by Auto</b>
BMM	99.23%	91.25%
MAADC	0.00%	88.39%
AADC	0.00%	91.11%
3-Digit	0.00%	92.34%

- B. Please confirm that the Postal Service currently barcodes, or will barcode in the test year, 99.23% of all machine printed addresses. If you cannot confirm, please explain why your model assumes that 99.23% of BMM letters can be barcoded by the Postal Service.
- C. Please confirm that the further downstream a mailing enters the postal mailstream, the greater are the chances that an automated operation can reject a letter so that it must be processed manually from that point on. If you cannot confirm, please explain.
- D. Please confirm that, according to your models, BMM letters enter the postal mailstream at the outgoing RBCS operation whereas Automation mixed AADC letters enter further downstream at the outgoing secondary operation. If you cannot confirm, please explain.
- E. Please explain why, according to your models, fewer Automation mixed AADC letters (88.39%) than BMM letters (91.25%) can be processed by Automation through the incoming secondary operation.

- F. Please confirm that, according to your models, BMM letters enter the postal mailstream at the outgoing RBCS operation whereas Automation AADC letters enter further downstream at the incoming MMP automation operation. If you cannot confirm, please explain.
- G. Please explain why, according to your models, fewer Automation AADC letters (91.11%) than BMM letters (91.25%) can be processed by Automation through the incoming secondary operation.
- H. Please confirm that, according to your models, BMM letters enter the postal mailstream at the outgoing RBCS operation whereas Automation 3-digit letters further downstream at the incoming SCF/Primary automation operation. If you cannot confirm, please explain.
- I. Please explain why the percentage of Automation AADC letters (92.34%) that can be processed by Automation through the incoming secondary is only slightly more than the percentage of BMM letters (91.25%).
- J. Please confirm that your model-derived cost for BMM is 32.2% lower than the CRA actual cost. If you cannot confirm, please explain.
- K. Please confirm that your model-derived unit cost for Automation letters was higher than the CRA actual cost by an average of 28.9%. If you cannot confirm, please explain.
- L. Do you agree that the percentages shown in the table in Part A for BMM are probably much too high and the percentages for Automation letters are probably too low? If no, please explain.

MMA/USPS-T21-37

Please refer to your library reference USPS-LR-K-48, file LR-K-48FCLTRS, page 51, where you indicate that the RBCS leakage rate is 6.1%. Is 6.1% the leakage rate just for pieces processed by the outgoing Remote Computer Read (RCR) operation or is this the leakage rate for the RBCS operation as a whole? Please explain exactly what the 6.1% RBCS leakage rate is.

MMA/USPS-T21-38

Please refer to your library reference USPS-LR-K-48, file LR-K-48FCLTRS, page 4 and USPS witness Hatcher's Library Reference USPS-LR-K-69, pages 3 and 5. These pages provide the mail flow models for BMM letters, Hand Addressed (HAND) letters, and QBRM letters, respectively.

- A. Please confirm that, after the entry point for BMM letters (RBCS Operation), 99.23% of the pieces are successfully barcoded and sent to various downstream automation sortations whereas .77% of the pieces cannot be successfully barcoded and are sent to the outgoing manual primary operation. If you cannot confirm, please explain.
- B. Please confirm that, after the entry point for QBRM letters (Automation Outgoing Primary), 95.76% of the pieces are successfully sorted and sent to various downstream automation sortations whereas 4.24% of the pieces cannot be successfully process and are sent to the outgoing manual primary operation. If you cannot confirm, please explain.
- C. Please explain why the reject rate for the Automation Outgoing Primary (4.24%) is five times the reject rate for the RBCS (0.77%), in view of the facts that QBRM letters have reliable addresses and barcodes that must be pre-approved by Postal Service before they are authorized for use, whereas there are no machinability or address cleanliness conditions or requirements applicable to BMM letters.
- D. Please confirm that, after the entry point for HAND letters (RBCS Operation), 92.49% of the pieces are successfully barcoded and sent to various downstream automation sortations whereas 7.51% of these pieces cannot be successfully barcoded and are sent to the outgoing manual primary operation. If you cannot confirm, please explain.
- E. Please explain why the RBCS reject rate for HAND letters (7.51%) is almost 10 times the rate for BMM letters (.77%), but less than twice the reject rate for QBRM letters (4.24%) in the automation outgoing primary operation.

MMA/USPS-T21-39

Please refer to your library reference USPS-LR-K-48, file LR-K-48FCLTRS, page 3 and USPS witness Hatcher's Library Reference USPS-LR-K-69, page 2. These pages provide the model-derived costs for BMM and Hand Addressed letters, respectively.

- A. Please confirm that you show that the "Total Cents Per Piece" for the RCR operation is .478 cents, as shown in column 7 of your library reference. If you cannot confirm, please explain.
- B. Please confirm that USPS witness Hatcher shows that the "Total Cents Per Piece" for the RCR operation is .342 cents, as shown in column 8 of USPS-LR-K-69, page 2. If you cannot confirm, please explain.
- C. Please explain why your Total Cents Per Piece for BMM letters for the RCR operation is different from USPS witness Hatcher's Total Cents Per Piece for Hand Addressed letters.
- D. Please confirm that you show that the "Premium Pay Adjustment Factor" that you obtained from Library Reference USPS-LR-K-55 and used in your analysis to compute the "Premium Pay Adjust" is 1.00994. If you cannot confirm, please explain.
- E. Please confirm that USPS witness Hatcher's "Premium Pay Factor" also obtained from Library Reference USPS-LR-K-55 and used in her analysis to compute the "Premium Pay Adjust" is 1.014. If you cannot confirm, please explain.
- F. Please explain why your "Premium Pay Adjustment Factor" for BMM letters is different from USPS witness Hatcher's "Premium Pay Factor" for Hand Addressed letters.

MMA/USPS-T21-40

Please refer to your library reference USPS-LR-K-48, file LR-K-48FCLTRS, pages 4, 8 and 55. These pages provide the mail flow models for BMM and Automation MAADC letters, and the densities from R2000-1 that you have used in R2005-1.

- A. Please confirm that for BMM, 26.36% of the letters entering that operation are sent from the Outgoing ISS directly to the automation incoming secondary sortation. If you cannot confirm, please explain.
- B. Please confirm that for BMM, 34.00% of the letters entering that operation are sent from the Outgoing OSS directly to the automation incoming secondary sortation. If you cannot confirm, please explain.
- C. Please confirm that for BMM, 27.06% of the letters are sent from the RBCS operation directly to the automation incoming secondary sortation. If you cannot confirm, please explain.
- D. How is it that 27.06% of BMM letters can be sent directly from the outgoing RBCS operation directly to the incoming secondary operation, bypassing all outgoing secondary and incoming primary operations? Does this mean that such pieces are local?
- E. Please confirm that for Automation MAADC letters, only 4.68% of the pieces can be sent to the automation incoming secondary sortation. If you cannot confirm, please explain.
- F. Do you assume in your models, in order to be isolating the impact of worksharing on cost savings, that the local-nonlocal mix between your benchmark (BMM) and each of the Automation letter categories is similar? If not, please explain how your models isolate the impact of worksharing on your derived cost savings and remove the impact of the local-nonlocal mix which can also affect costs.
- G. Please explain why you show that BMM can be sorted directly to the automation incoming secondary operation almost 6 times more often than MAADC can be sorted directly to the incoming secondary operation?
- H. Please explain why, according to the densities listed on page 55, the outgoing ISS and the outgoing OSS can sort letters to the incoming secondary 26.36% and 34.00% of the time, respectively, whereas, the outgoing automation primary and automation secondary sortations can

sort letters to the incoming secondary only 6.59% and 4.87% of the time, respectively?