

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO ASSOCIATION OF PRIORITY MAIL USERS INTERROGATORY
(APMU/USPS-T1-5)
(June 5, 2006)

The United States Postal Service hereby submits the response of witness Shah to the following interrogatory of the Association of Priority Mail Users, filed on May 12, 2006: APMU/USPS-T1-5. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO INTERROGATORY OF ASSOCIATION OF PRIORITY MAIL USERS, INC.**

APMU/USPS-T1-5. Please refer to your response to OCA/USPS-T1-12d, where you state that “[o]ne could expect to see somewhere in the neighborhood of 70 Regional Distribution Centers, each connected to its own cluster of some or most of the other facility types identified in Figure 3.”

Also, please refer to your response to APMU/USPS-T1-1a, where you state that “[s]ervice standards for Package Services mail are based on BMC area boundaries. It is safe to assume that most AMPs will not result in BMC service area changes. Accordingly, it is not expected that there will be many changes here either.”

In addition, please refer to the Attachment to your testimony, page 4, Package Services, the paragraph including the statement that “[t]he standards [for Package Services] are therefore predicated on the current BMC network.”

- a. Please confirm that the Postal Service currently has 21 BMCs. If you do not confirm, please provide the correct number.
- b. Please confirm that the Postal Service views the AMP consolidations as part of its evolutionary network development. If you do not confirm, please explain the role, if any, of such consolidations in the evolutionary network development as you envision it.
- c. Please confirm that END envisions most or all of the existing BMCs evolving into RDCs, and being among the 70 or so RDCs discussed in your response to OCA/USPS-T1-12d. If you do not confirm, please describe the future role of the existing BMCs in the postal network.
- d. If the existing 21 or so BMCs, whose service areas now cover almost the entire country, evolve into part of the future network of approximately 70 RDCs, please explain why you expect no service area changes for BMCs after they become part of the network of 70 RDCs.
- e. Please explain how you plan to do away with the BMC network while keeping in place the service standards for Package Services, which you state are based on the BMC network.

RESPONSE:

- a. Yes.
- b. Confirmed that the AMP process is used to implement some of the objectives of END.

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RESPONSE to APMU/USPS-T1-5 (continued):

- c. We envision many current BMCs will transition to RDCs. However, the number of RDCs and the future network role of each current BMC has yet to be determined.

- d-e. The future RDC network will cover the same national network as the existing 21-BMC network. Although optimization modeling may suggest approximately 70 RDCs, the actual number of RDCs that get activated will depend on a number of variables outside of the model. The degree of individual BMC/RDC service area overlap will ultimately depend on the number of RDCs that are established. Operating plans for each RDC and the transportation links that get established between them will determine the extent to which there are changes in the Package Services service standards between 3-digit ZIP Code area pairs currently served by the BMC network.