Postal Rate Commission Submitted 6/26/2006 4:26 pm Filing ID: 49854 Accepted 6/26/2006

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 OFFICE OF THE CONSUMER ADVOCATE INTERROGATORY (OCA/USPS-T1-21(d))

The United States Postal Service hereby submits the response of witness

Pranab Shah to the following interrogatory of the Office of the Consumer Advocate, filed

on April 5, 2006: OCA/USPS-T1-21(d).

The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux Chief Counsel, Ratemaking

Michael T. Tidwell

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2998; Fax –5402 <u>michael.t.tidwell@usps.gov</u> June 26, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-21. At pages 9-10 of your testimony, you briefly describe the optimization models used in the Evolutionary Network Development (END) processwhich continues as an evolutionary process the Network Integration and Alignment program as discussed in OCA/USPS-T1-5. Please provide a complete mathematical description for each type of optimization model, including the following items:

a. Specify and briefly define each constant or variable used in the model, using mathematical notation as necessary (e.g., Vijk might be the volume of class i mail originating in area j and destined for area k). For each variable (or set of similar variables), specify: a) whether it is used as an input variable, a decision variable, or an output variable; b) whether the variable is discrete or continuous; and c) what range of values the variable can take.

b. Specify the objective function to be optimized by the model, in equation format (using the variables and constants defined above).

c. Specify the constraints used in the model, as equations and/or inequalities (using

the variables and constants defined above).

d. Specify the mathematical method used to find the optimal solution (e.g., linear programming, integer programming) and provide a reference for that method in the technical literature.

RESPONSE:

- (a-c) Objections filed.
- (d) The method employed is mixed integer programming. For more about

this method, please consult: Laurence Wolsey and George Nemhauser,

Integer and Combinatorial Optimization, Wiley-Interscience, 1st edition

(November 15, 1999) ISBN: 0471359432.