

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**Major Mailers Association's
Third Set Of Interrogatories and Document Production Requests To Postal
Service Witness Abdulkadir M. Abdirahman (MMA/USPS-T22-31-35)
(June 30, 2006)**

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, Major Mailers Association submits the following interrogatories and document production requests to Postal Service Witness Abdulkadir M. Abdirahman (MMA/USPS-T28-31-35).

Respectfully submitted,

Major Mailers Association

By: _____

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**Dated: Middleburg, Virginia
June 30, 2006**

MMA/USPS-T22-31

Please refer to Library Reference USPS-LR-L-141, which was filed in response to POIR No. 5. Page 3 provides the model-derived unit mail processing cost for bulk metered mail (BMM).

- A. Please confirm that, for column 5, “Premium Pay Adjust”, the Postal Service used the premium pay adjustment factor of 1.015 as shown on page 48 for presorted letters and applied this factor in deriving BMM unit costs? If you cannot confirm, please explain.
- B. If you confirm part (A), please explain why the Postal Service used the premium pay adjustment factor for presorted letters (1.015) rather than the premium pay adjustment factor for single piece letters (1.012).

MMA/USPS-T22-32

Please refer to Library Reference USPS-LR-L-141, which was filed in response to POIR No. 5. Pages 2 and 3 provide the BMM “proportional” mail processing unit costs derived from the CRA (8.108 cents) and mail-flow model (5.193 cents), respectively.

- A. Please confirm that, compared to the CRA cost for processing BMM, the model-derived unit cost is low by 2.915 cents or 36%. If you cannot confirm, please explain.
- B. Please confirm that the derived CRA Proportional Adjustment Factor (1.561) derived on page 3 indicates that the CRA-derived unit cost is 56% higher than the model-derived unit cost. If you cannot confirm, please explain.
- C. Please confirm that, in R2005-1, the comparable CRA Proportional Adjustment Factors using the Postal Service’s attributable cost methodology and the Commission’s attributable cost methodology were 1.454 and 1.488, respectively. (See R2005-1 Library References USPS-LR-K-48 and USPS-LR-K-110) If you cannot confirm, please explain.

- D. Please confirm that, in this case, there have been no modifications to the mail flow models that would tend to increase model-derived costs, particularly as they relate to BMM letters, to enable the results to be closer to the CRA-derived costs. If you cannot confirm, please explain.
- E. Please confirm that the cost understatement resulting from the mail flow model for BMM is even higher in R2006-1 (by 56%) than it was in R2005-1 (45% or 49%). If you cannot confirm, please explain.

MMA/USPS-T22-33

Please refer to Library Reference USPS-LR-L-141, which was filed in response to POIR No. 5. Pages 2 and 3 provide the BMM “proportional” mail processing unit costs derived from the CRA (8.108 cents) and mail-flow model (5.193 cents), respectively.

- A. Please confirm that BMM is not prebarcoded and, unlike Automation letters, must be processed through the remote bar code system (RBCS). If you cannot confirm, please explain.
- B. Please confirm that the BMM model results provided in response to POIR No. 5 provide the only indication in R2006-1 as to how well the mail flow models represent actual costs for a letter category that must be processed within the RBCS. If you cannot confirm, please explain.

MMA/USPS-T22-34

Please refer to Library Reference USPS-LR-L-141, which was filed in response to POIR No. 5. Page 3 provides the model-derived DPS % (82.65%) for BMM.

- A. If the BMM model-derived unit cost is 2.915 cents lower than the CRA-derived unit cost, is it reasonable to conclude that the model overstates the number of letters can be processed by automation and understates the number of letters that must be processed manually? If no, please provide the specific reason why this would not be true.

- B. If the models do, in fact, understate the number of letters that can be processed by automation, would the derived DPS % of 82.65% be too high? If your answer is anything other than an unqualified yes, please explain.

MMA/USPS-T22-35

Please refer to Library Reference USPS-LR-L-141, which was filed in response to POIR No. 5. Please refer to pages 2 and 3 for BMM costs and pages 21 and 22 for Nonautomation machineable mixed AADC/AADC (NAMMA) letter costs.

- A. Please confirm that the mail flow model and resulting unit cost for NAMMA letters is identical to that provided for BMM letters. If you cannot confirm, please explain.
- B. If the BMM model-derived unit cost is 2.915 cents lower than the CRA-derived unit cost, is it reasonable to conclude the model-derived unit cost for NAMMA letters is similarly understated? Please explain your answer.
- C. Please confirm that the only differences between the mail flow model for NAMMA letters, shown on pages 14 and 15 of Library Reference USPS-LR-L-48 and the mail flow model shown on pages 21 and 22 of Library Reference USPS-LR-L-141 for NAMMA letters are that there are different productivities and other factors associated with the Postal Service's attributable cost methodology compared to the Commission's methodology. If you cannot confirm, please explain.
- D. Is it likely that the model-derived unit cost for NAMMA letters provided on page 14 of USPS-LR-L-48 is as understated as the BMM unit cost derived on page 3 of Library Reference USPS-LR-L-141? If not, please explain.