

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN
TO INTERROGATORY OF PITNEY BOWES INC.
(PB/USPS-T22-1-8)

The United States Postal Service hereby files the responses of Witness
Abdirahman to the above-listed interrogatories, filed on June 19, 2006 and due on July
3, 2006.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3089; Fax -5402
July 5, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-1. Please refer to page 13 of your testimony in R.2005- 1:

- a. Please confirm that the worksharing related savings calculated included delivery unit savings.
- b. Please confirm that the annotation online 6 of Table I on page 16 of your testimony in R2005-1 states “[t]he worksharing related savings include both mail processing and delivery savings.”

Response:

- a. Confirmed
- b. Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-2. Please confirm that your method of calculating worksharing related savings in the instant case does not include delivery savings. If you cannot confirm, please provide a detailed explanation of where and how delivery savings are included.

Response:

Not confirmed. In the instant proceeding, my testimony does not include any worksharing related savings calculations. Please refer to the purpose and scope section of my testimony in USPS-T-22, page 1.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-3. Using the same methods as were used in 2005-1, please calculate the delivery unit savings for TY 2008 for each of the First-Class Mail presort levels.

Response:

Please see the response to POIR 5, questions 4 and 5 in this docket.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-4. Please refer to page 6 of your testimony in the instant case where you state, “[e]ach cost pool is now classified as being proportional or fixed, with the distinction being only to separate the costs for which my model develops estimates (the proportional costs) from the costs which are beyond the scope of my model (fixed costs).”

- a. Please describe and provide any econometric studies which support the concept that the cost pools that you have classified as fixed actually are fixed with respect to presort level.
- b. Please describe and provide any operational studies which support the concept that the cost pools that you have classified as fixed actually are fixed with respect to presort level. In this description, please be sure to summarize any discussions you may have had with USPS operations personnel which supports the concept that these cost pools actually are fixed with respect to presort level.
- c. Please describe and provide any studies which support the concept that the cost pools that you have classified as fixed actually are fixed with respect to presort level.

Response:

a-c. I'm not aware of any studies that relate to the cost pool classifications. Witness Van-TY- Smith (USPS-T-11) documents the mechanics by which the Postal Service proposes to create cost pools for mail processing operations. I do not model all costs of mail processing operations. Each cost pools is classified as either “proportional” or “fixed”. The cost pool classifications are based on the operations/tasks mapped to given cost pool, as described in USPS-LR-L-55. The “proportional” cost pools contain the costs for tasks that I have actually modeled. The “fixed” cost pools represent tasks that I have not modeled.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-5. Please refer to your interrogatory responses to PB/USPS-T21-1 in R2005-1

1. Please confirm that your responses would be the same if you were asked these interrogatories in this case. If you cannot confirm, please provide a detailed explanation of why and how the responses would be different.

Response:

Partially confirmed. In the instant proceedings, please refer to the cost pool classifications shown in USPS-LR-L-48 on page 3 and discussed in my testimony (USPS-T-22, page 6).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-6. Please confirm that you have modeled costs only for piece handling activities as well some package handling activities. Please describe in detail the package handling activities that were modeled. If you cannot confirm, please provide a detailed explanation as to why you cannot confirm.

Response:

Confirmed. The 1OPBULK and 1OPREF cost pools contain costs related to opening units and package sorting operations in MODS facilities. The 1POUCHING cost pool contains the costs related to pouch racks and package in MODS facilities. Please note that in USPS-LR-L-48, on page 3, these cost pools are classified as "proportional". The operations numbers mapped to the 1OPBULK, 1OPREF, and 1POUCHING cost pools are used to sort letter bundles, if the container and bundle presort level of a given bundle are such that a sortation is required.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-7. Please confirm that you have not modeled costs for tray sortation or handling costs. If you cannot confirm, please provide a detailed explanation where and how tray sortation and handling costs are modeled.

Response:

Confirmed

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF PITNEY BOWES INC

PB/USPS-T22-8. Please confirm that you have not modeled costs for container sortation or handling costs. If you cannot confirm, please provide a detailed explanation where and how container sortation and handling costs are modeled.

Response:

Confirmed

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.

Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
July 5, 2006