

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO ASSOCIATION OF PRIORITY MAIL USERS INTERROGATORY
(APMU/USPS-T1-1)
(July 11, 2006) [ERRATA]

The United States Postal Service hereby submits the revised response of witness Shah to the following interrogatory of the Association of Priority Mail Users: APMU/USPS-T1. The original response was filed on April 25, 2006, and is superseded by the revised response, which inserts a word missing from the second line of the response to subpart (a). There is no substantive change in the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH
TO INTERROGATORY OF APMU**

Revised: July 11, 2006

APMU/USPS-T1-1. Please refer to page 14, lines 2-3 of your testimony where you state that “the Postal Service expects that service changes are likely to be most pronounced for First-Class Mail and Priority Mail.”

a. Please explain why the Postal Service expects First-Class Mail and Priority Mail to experience the most pronounced service changes from the contemplated network realignment.

b. On the basis of all experience the Postal Service has had to date with its END models and the AMP process (e.g., as with the 10 modifications in LR-N2006-1/5), please state whether the preponderance service changes will be service improvements or service downgrades. In your response, please treat all earlier cut-off times for meeting existing service standards for Priority Mail as a service downgrade.

RESPONSE:

a. This statement is based on the likelihood that most AMPs will occur between facilities that are in relatively close proximity to one another. Zone- based products will generally experience less pronounced changes, since the service standards for these products are distance-based. The changes that do occur will typically involve destination SCFs that happen to be located on the fringes of two different zones. In most cases, we would expect to see a balance between upgraded SCFs and downgraded SCFs because some SCFs will be closer to the gaining facility than they are to the losing facility.

Service 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.

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RESPONSE to APMU/USPS-T1-1 (continued):

Changes in overnight area affecting Priority Mail, First-Class Mail, and local area Periodicals can be expected to be most pronounced. However, it is impossible to predict the magnitude since it cannot be predicted which AMP proposals will be developed by the field.

Deviations from these general expectations will no doubt occur in certain instances.

- b. END modeling cannot be used to predict whether the preponderance of 3-digit ZIP Code pair service changes that result from Area Mail Processing decisions will be upgrades or downgrades. Nor can it be used to determine whether decisions will be made to adjust cut-off times. I am informed that the 10 AMP decisions in Library Reference N2006-1/5, which only involve consolidations of originating operations that have no adverse service standard impacts, should not be regarded as a representative of the range of systemwide impacts.