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

POSTAL RATE AND FEE CHANGES, 2006	Docket No. R2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION
AND NATIONAL ASSOCIATION OF PRESORT MAILERS
(ABA-NAPM/USPS-T22-8, 10 (b) – (h), 12)

The United States Postal Service hereby files the responses of Witness

Abdirahman to the above-listed interrogatories, filed on July 14, 2006. The following

interrogatories have been redirected:

No. 6 to witness Bozzo

Nos. 7 and 14 (b) – (h) to the Postal Service

Nos. 9, 10 (a), 10 (h) and 14 (a) to witness McCrery

No. 11 (c) to witness Smith

No. 13 to witness Thress

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
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260–1137
(202) 268–3089; Fax –5402
July 28, 2006

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS

ABA-NAPM/USPS-T-22-8. In your testimony (USPS-T-22) at page 9, lines 6-8, you state that "some pieces are processed through a given operation more than once."
(a) For each instance in which your mail flow models for Presort FCLM require the processing of a piece more than one time through the same machine or operation, please state how many passes are involved for what quantities of mail.
(b) For each such instance, how are the extra passes reflected in your costs?
(c) In your mail flow models at each step that a machine is assumed to touch the mailpiece, please specify the assumed vintage of the machine and technology, along with its characteristics, for example, number of bins.
(d) Please state all the factors that determine the number of passes that must be made for an Incoming Primary or Secondary sortation.

Response:

(a-b) In the mail flow model spreadsheets, you can tell if a mail piece was processed

through an operation mode more than once by looking at the left side of the box for any

given operation. If the left side is greater than the right side, then some mail was

processed through the operation more than once. The models had to be setup this way

in order to avoid circular EXCEL reference errors. It is generally assumed that any re-

processed mail is only processed through a given operation a second time, even though

in reality some mail could be processed multiple times through the same operation.

 (c) The mailflow models are a simplified representation of reality. The productivity

values in USPS-LR-L-56 would reflect the current machine mix (e.g., MPBCS, DBCS) in

the field. Witness McCrery describes the various machine types in USPS-T-42. The

input data in the cost models do not include the number of bins per machine. The

number of bins per machine would affect the density table inputs. It is possible that they

have not changed that much because when the density study was conducted, the

machines were already fairly large (some with over 200 bins). Furthermore, to the

extent that the additional bin capacities reduce our costs, this would show up in cost

savings included in the rollforward and would be reflected in the sense that the model

costs are compared to rollforward CRA's cost by shape

(d) It is my understanding that the many factors, including the following, could affect the number of passes in any given operation: mail piece characteristics, machine/operation type (e.g., MPBCS, DBCS, or manual), acceptance rates, and bin densities.

ABA-NAPM/USPS-T-22-10.

(a) Please describe for outbound operations in mail processing how the number of different 5-digit ZIP Codes in a batch of mail being processed and the number of bins on automation machinery can affect the number of passes that must be made to finish a given operation.

(b) For each machine operation that assumes the processing of an Incoming Primary sortation, do you make any assumption about the number of 5-digit ZIP Codes for the 10,000 pieces fed? If so, what are they? If not, why not?

(c) For each machine operation that assumes the processing of an Incoming Primary sortation, do you make any assumption about the number of bins for each machine? If so, what are they? If not, why not?

(d) Is your mail flow model representative of all Incoming facilities and operations? Please fully explain your answer.

(e) Would a 1,000,000 mail piece entry model enable you to provide more accurate results for your cost models than a 10,000 piece entry model?

(f) How many sweepers do you assume for your 10,000 piece entry model; how many would you assume for a 100,000 or 1,000,000 piece entry model; and at what speed do you assume the sweepers are sweeping the mail from the sorting bins to letter trays?

(g) Would explicit assumptions about the number of 5-digit ZIP codes and bins in a 100,000 piece or 1,000,000 piece mail flow model affect how many sweepers you had to assume for such a model, if the sweepers were assumed to sweep mail at the same rate as indicated in your answer to the preceding part of this question?

(h) Please describe the relationship between the number of bins on an MLOCR or a BCS relative to the number of different 5-digit ZIP codes to be sorted, and how many times some or all of the mailpieces will have to be passed on that machine.

Response:

(a) Redirected to witness McCrery.

(b) There is no such explicit input. Mail in the incoming primary operation is "flowed" to

the incoming secondary operations based on the percentage of mail that the density

study indicated was finalized to the 5-digit level.

(c) The number of bins affects the density percentages, but there is no specific input to

the models concerning the number of bins per machine.

(d) Yes. The model is representative of an array of incoming facilities. Samples of

representative facilities were used as the basis for the density study. Please see my

response to ABA-NAPM/USPS-T-22-8(c).

(e) No.

(f)   The cost models do not include inputs related to the number of sweepers. The work hours for employees that perform sweeping tasks are imbedded in the productivity values. The mail flow model flows 10,000 pieces. It is representative of national aggregate with variations reflected with density and productivity numbers. Please see my response to ABA-NAPM/USPS-T-22-8 (c).

 (g) This is not something that can be answered because the models have not been structured in a way that accommodates any of the suggested inputs.

(h) Redirected to witness McCrery.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND NATIONAL
ASSOCIATION OF PRESORT MAILERS

ABA-NAPM/USPS-T-22-11. Attached please find two figures from USPS witness
Shah's testimony in N2006-1, one labeled "Current Network Complexities", the other
labeled "Network Simplification".

(a) To what degree are the current network complexities reflected in your mail flow and
cost models, or excluded from them?
(b) On page 3 of his testimony in N2006-1, USPS witness Shah refers to "complexities
and redundancies of today's network". Do your mail flow models and cost models fully
reflect those redundancies? If so, please explain exactly where in your models the
redundancies are modeled. If not, why do your models not reflect the current
redundancies?
(c) Please confirm that the CRA costs must reflect current network complexities and
redundancies? Explain fully any failure to confirm without qualification.

6

7
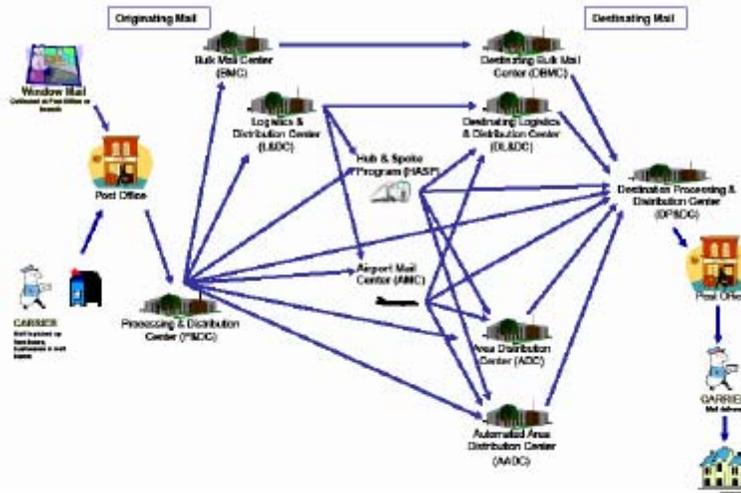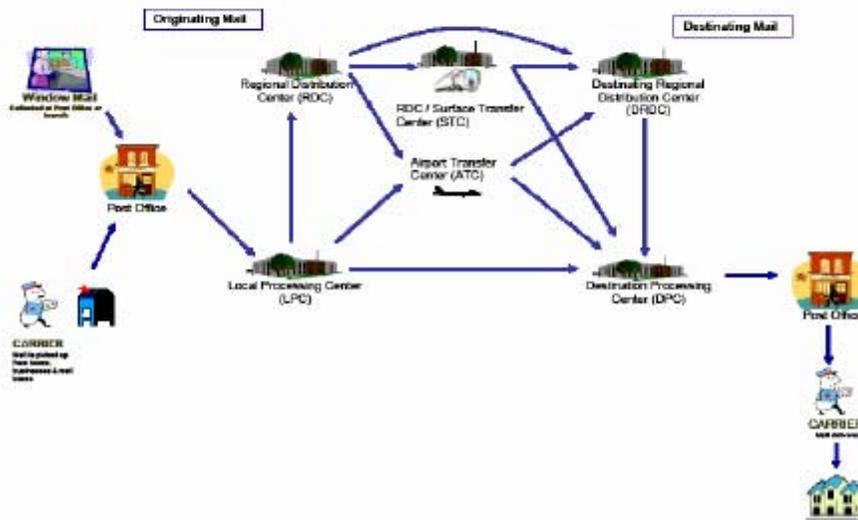
Figure 1: Current Network Complexities

Figure 3: Network Simplification

Response:

(a-b) My mailflow models describe piece and bundle handlings within the plant. The "complexities and redundancies" in the diagram you have included appear to be considering "complexities and redundancies" in flows between facilities not within them.

(c) Redirected to witness Smith.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO
INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND NATIONAL
ASSOCIATION OF PRESORT MAILERS

ABA-NAPM/USPS-T-22-12.

(a) Are your Mail Flow Models and any assumptions underlying them in R2006-1 for
workshared FCLM rate categories the same as those used in R2005-1? Please explain
fully any differences.
(b) Are your Mail Flow Models and any assumptions underlying them in R2006-1 for
workshared FCLM rate categories the same as those used in R2000-1? Please explain
fully any differences.

Response:

(a) Yes. However, the cost model and mail flow inputs were updated. Please see my

testimony USPS-T22, pages 5 and 6 for model changes since R2005-1 case.

(b) Yes. However, the cost model and mail flow inputs were updated. Please see

my testimony, USPS-T22, pages 5 and 6 for model changes since R2005-1

case. In Docket No. R2006-1, my testimony describes only the development of

the Test Year (TY) 2008 First-Class Mail presort cards and letters mail

processing unit cost estimates by rate category. In Dockets Nos. R2000-1 and

R2005-1, the testimonies included the development of worksharing related

savings estimates by rate category.

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 28, 2006