

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO
AMERICAN POSTAL WORKERS UNION WITNESS KOBE
(USPS/APWU-T1-2-8)

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service directs the above-referenced interrogatories to APWU witness Kobe.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 3, 2006

USPS/APWU-T1-2 On page 16 of your testimony, lines 4 to 6, you state “The general steps followed by the Postal Service to calculate the unit cost savings between the benchmark piece and the presort pieces in previous cases were followed to produce the unit cost savings”.

- a. Please describe each difference between your unit cost savings calculations methodology and the methodology followed by USPS witness Abdirahman in Docket No. R2005-1.
- b. Please describe each difference between your unit cost savings calculations methodology and the methodology followed by the Commission in R2000-1.
- c. Please describe each difference between your unit cost savings calculations methodology and the methodology presented in USPS-LR-L-141.

USPSAPWU-T1-3 Would the BMM benchmark approach to developing cost avoidances be compatible with a 42 cent single piece rate? If not, please explain why not.

USPS-APWU-T-1-4 Please confirm that in the past three cases, the Postal Service developed the cost basis for Nonautomation Presort letters separately from the costs for automation Presort letters. If you cannot confirm, please explain.

USPS-APWU-T-1-5 Please confirm that in USPS-LR-141, the cost basis for Nonautomation Presort letters is developed separately from the costs for automation Presort letters. If you cannot confirm, please explain.

USPS-APWU-T-1-6 Please refer to Witness Smith’s response to APWU/USPS-T13-2 confirming First Class metered letter-shaped mail (USPS version) for the FY '08 Test Year which was attached in that interrogatory.

- a) Please confirm that the total unit cost for First Class metered letters which is used as a proxy for BMM is 11.250 cents. If you cannot confirm please explain.
- b) Please confirm that table A-2 of your testimony, page 27 shows the total unit cost for First Class metered letters which is used as a proxy for BMM is 11.2209 cents. If you cannot confirm please explain.
- c) Please reconcile the above unit costs. If you cannot reconcile, please explain why?

USPS-APWU-T1-7 Please confirm that if you used, in APWU-LR-L-1, the BMM cost pool classifications that USPS witness Abdirahman used in Docket No. R2005-1, USPS-LR-K-48 that the following would result:

- a) The workshared related proportional unit cost would be 6.987 cents.
- b) The workshared related fixed unit cost would be 2.753 cents.
- c) The nonworkshared related fixed unit cost would be 1.510 cents.

If you cannot confirm any one of these, please explain and provide the appropriate number along with your analysis.

USPS-APWU-T1-8 Please confirm that USPS-LR-L-147, revised on 8/23/06, contains a PRC version delivery cost of 4.126 cents for nonautomation machinable mixed AADC letter pieces. If cannot confirm, please explain.