

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

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POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE  
WITNESS ABDIRAHMAN TO INTERROGATORIES  
OF MAJOR MAILERS ASSOCIATION  
(MMA/USPS-T21-72-74)

The United States Postal Service hereby files the responses of witness  
Abdirahman to the above-listed interrogatories of the Major Mailers Association, filed on  
May 31, 2005.

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

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Nan K. McKenzie

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3089; Fax -5402  
June 14, 2005

## RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION

### MMA/USPS-T21-72

Please refer to your response to Interrogatory MMA/USPS-T21-41B5 and B6, which suggested that you re-categorize cost pools LD48\_ADM and LD48 OTH for BMM, Nonautomation and Automation letters from “non worksharing-related fixed” to “worksharing-related fixed”, in order to be consistent with the Commission’s workshare cost savings methodology from R2000-1. You rejected this suggestion by stating:

Library Reference PRC-LR-12 Part B in Docket No. R2000-1 does not contain these specific cost pools. The only LD48s listed under the Commission R2000-1 analysis were classified as “non worksharing related fixed”.

- A. Please confirm that according to Library Reference PRC-LR-12 Part B in Docket No. R2000-1, the Commission classified cost pools “1SUPP F1” and “1SUPP F4” as “worksharing-related fixed”. If you cannot confirm, please explain.
- B. Please confirm that, in Docket No. R2001-1, USPS witness Miller stated in response to Interrogatory MMA/USPS-T22-7E that the costs for “1SUPP F1” were reported in cost pools “MODS 18, 1 MISC” and “MODS 18, 1SUPPORT”. If you cannot confirm, please explain.
- C. Where are the costs that previously were reported in cost pool “1SUPP F1” now reported?
- D. Please confirm that, in Docket No. R2001-1, USPS witness Miller stated in response to Interrogatory MMA/USPS-T22-7E that the costs for “1SUPP F4” were reported in cost pools “MODS 48, LD48 OTH” and “MODS 48, LD\_ADM”. If you cannot confirm, please explain.
- E. Where are the costs that previously were reported in cost pool “1SUPP F4” now reported?
- F. Please confirm that, in R2005-1, you have classified cost pools “MODS 48, LD48 OTH” and “MODS 48, LD\_ADM” as “non worksharing-related fixed”. If you cannot confirm, please explain.
- G. Why did you reclassify as “non worksharing-related fixed” the costs now reported in cost pools “MODS 48, LD48 OTH” and “MODS 48, LD\_ADM” that had been reported in cost pool “1SUPP F4” and classified by the Commission as “worksharing-related fixed” in R2000-1?

### Response:

- A. Confirmed.
- B. Not confirmed. Witness Miller did not make such a statement. MMA/USPS-T-22E was redirected to United Postal Service. I confirm, however, that the Postal Service’s response was as stated.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION**

**Response to MMA/USPS-T21-72 continues.**

- C. It is my understanding that 1SUPPORT F1 did not change and is reported in the same manner as in Docket No. R2001-1.
- D. Not confirmed. Witness Miller did not make such a statement. MMA/USPS-T-22E was redirected to United Postal Service. I confirm, however, that the Postal Service's response was as stated.
- E. Please refer to my response to USPS-T21-42 (B) and ABA&NAPM/USPS-T21-35.
- F. Confirmed.
- G. Please see my responses to MMA/USPS-T21-41 B(e-f) and to E above.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T21-73**

Please refer to your response to Interrogatory MMA/USPS-T21-1A where you indicate that you deviated from USPS witness Miller's workshare cost savings methodology with respect to cost pool 1SUPP\_F1. Why, in this one instance, did you follow the Commission's determination in R2000-1 that these costs were "workshare-related fixed" rather than adopting USPS witness Miller's position in R2001-1 that these costs were "non workshare-related fixed"?

**Response:**

Please refer to my response to MMA/USPS-T-21-42 (A).

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION**

**MMA/USPS-T21-74**

Please refer to the “delivery worksharing related unit delivery costs” that were provided to you by USPS witness Kelley and shown on page 1 of Library Reference LR-USPS-K-48.

- A. Is it your understanding that these unit costs represent the volume variable unit cost for the Postal Service to deliver a letter for each of the First-Class rate categories shown? If not, what is your understanding of what each of those unit cost figures?
- B. Please compare two BMM letters where one is addressed and delivered to a post office box and the other is required to be delivered by a rural or city delivery carrier. If both letters become workshared, please explain whether the Postal Service enjoys the same workshare cost savings from each.
- C. Please confirm that you did nothing in your analysis of delivery cost savings due to worksharing that differentiates between letters that require delivery by rural or city carriers and letters that are addressed and delivered to a post office box. If you cannot confirm, please explain.

**Response:**

- A. Yes. That is my understanding.
- B. I cannot provide an explanation because I have not conducted a study on this issue.
- C. Confirmed. Also please refer to USPS-LR-K-67 for delivery costs.

## **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.

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Nan K. McKenzie

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Washington, D.C. 20260-1137  
June 14, 2005