

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH (USPS-T-13)
TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND NATIONAL
ASSOCIATION OF PRESORT MAILERS: ABA-NAPM/USPS-T22-11(c),
REDIRECTED FROM WITNESS ABDIRAHMAN
(July 28, 2006)**

The United States Postal Service hereby provides the response of witness Smith (USPS-T-13) to the following interrogatory of American Bankers Association and National Association of Presort Mailers: ABA-NAPM/USPS-T22-11(c), filed on July 14, 2006.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 28, 2006

**RESPONSE OF POSTAL SERVICE WITNESS MARC A. SMITH, USPS-T-13,
TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS,
REDIRECTED FROM WITNESS ABDIRAHMAN**

ABA-NAPM/USPS-T22-11. 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.

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Figure 1: Current Network Complexities

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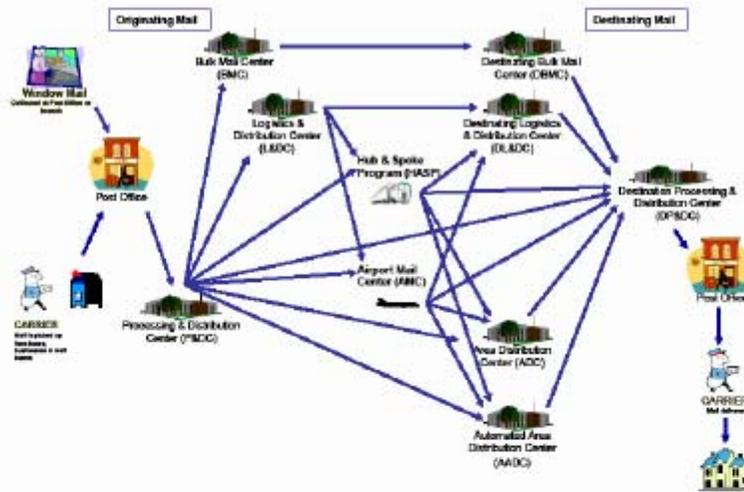
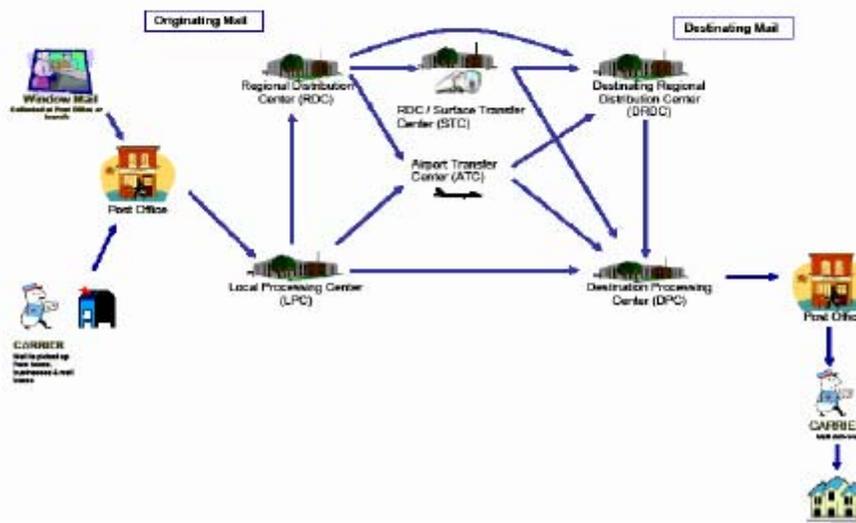


Figure 3: Network Simplification



Response:

a.– b. Answered by witness Abdirahman.

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- c. I confirm that the FY 2005 CRA reflects conditions as they were in FY 2005. I have no position on whether or not there were “network complexities and redundancies” in FY 2005. If one takes as a given that there were “network complexities and redundancies” in FY 2005, then the FY 2005 CRA reflects them.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Frank R. Heselton

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