

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS ABDULKADIR M. ABDIRAHMAN
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T3-14(d-e)-18)
(January 24, 2005)

The United States Postal Service hereby provides the responses of witness Abdirahman to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T3-14(d-e) to 18, filed on January 10, 2005. Interrogatory OCA/USPS-T3-14(a-c) has been redirected to witness Cobb.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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/s/

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RESPONSE OF POSTAL SERVICE WITNESS ABDIRAHMAN
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T3-14. Please refer to your testimony, revised December 20, 2004, at pages 3-5, referring to the section entitled "B. Per-Shipment Costs."

- (a) Please confirm that for PFS customers, Priority Mail pieces not requiring a scan or otherwise accountable arriving after dispatch on Tuesdays and prior to dispatch of the weekly PFS Priority Mail reshipment piece on Wednesdays would be held for inclusion in the weekly PFS reshipment piece. See response of witness Cobb to OCA/USPS-T1-4. If you do not confirm, please explain.
- (b) Please confirm that the Priority Mail pieces referred to in subpart (a) constitute, on average, one-sixth (i.e., one day per week, Wednesday, divided by six delivery days per week) of Priority Mail pieces received by PFS customers. If you do not confirm, please explain.
- (c) Please confirm that the Priority Mail pieces referred to in subpart (a) would increase the average weight of the weekly PFS Priority Mail reshipment piece. If you do not confirm, please explain.
- (d) Please confirm that your cost model for PFS per-shipment costs does not include any costs associated with Priority Mail pieces referred to in subpart (a) included in the weekly PFS reshipment piece. If you do not confirm, please explain.
- (e) Please estimate the costs associated with Priority Mail pieces referred to in subpart (a) included in the weekly PFS reshipment piece.

RESPONSE:

(a-c) Redirected to Witness Cobb.

(d-e) I estimated the per-shipment costs as described in section B of my testimony, revised December 20, 2004, at pages 3-5. The per-shipment costs are those costs associated with mail separation, repackaging and dispatch activities. While I did not specifically consider costs for the inclusion of Priority Mail in the weekly PFS shipment, such inclusion would be rare as described by witness Cobb in response to part (c) of this interrogatory. Moreover, the few Priority Mail pieces that could fit in the weekly shipment should add only minimal per-shipment costs, especially if they are included as part of adding in other mail arriving that day for reshipment. Thus, I do not expect any significant additional per-shipment costs from including Priority Mail pieces in the weekly shipment.

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OCA/USPS-T3-15. Please refer to your testimony, revised December 20, 2004, at pages 3-5, referring to the section entitled "B. Per-Shipment Costs."

- (a) Please confirm that Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece will incur costs associated with labeling, weighing and rating in order for such Package Service pieces to be reshipped as Priority Mail, postage due. If you do not confirm, please explain.
- (b) Please confirm that your cost model for PFS per-shipment costs does not include any costs associated with preparing for reshipment as Priority Mail, postage due, those Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece. If you do not confirm, please explain.
- (c) Please estimate the cost of preparing for reshipment as Priority Mail postage due those Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece.

RESPONSE:

- (a) I can confirm that Package Services pieces that require a scan at delivery or that do not fit in the PFS package would be shipped postage due Priority Mail. As such, I can confirm that such pieces would often need to be weighed and rated to determine how much postage would be due, as well as relabeled..
- (b) Confirmed.
- (c) I do not have sufficient information to estimate how much weekly PFS cost, if any, would result from preparing Package Services pieces for reshipment as Priority Mail. As witness Koroma notes, it is expected that PFS customers often will have Package Services pieces sent directly to temporary addresses, thus reducing the flow of such pieces through primary delivery units. Moreover, reshipped Package Services pieces would be separately paying Priority Mail postage.

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OCA/USPS-T3-16. Please refer to the electronic version of the appendix attached to your testimony, revised December 20, 2004, at page 2. The “Labor Cost: Clerk Collecting Fees and Postage” is \$0.020, which is inflated from the cost figure \$0.018342 taken from “LR-J-69 Table 5.2.5.4 Cell N8.”

- (a) Please confirm that the cost figure \$0.018342 is based upon an estimate of 0.0005 Hours/Piece for “Collection of Postage Due” for UAA Mail Forwarded with Postage Due and Delivered at Call Window. If you do not confirm, please explain.
- (b) Please confirm that 0.0005 Hours/Piece represents 1.8 seconds per piece (3,600 seconds * 0.0005) for “Collection of Postage Due” for UAA Mail Forwarded with Postage Due and Delivered at Call Window. If you do not confirm, please explain.
- (c) Please explain the rationale for using the cost of \$0.020 (inflated from the cost figure \$0.018342) from “Collection of Postage Due” for UAA Mail Forwarded with Postage Due and Delivered at Call Window, based upon 1.8 seconds, as a proxy for “Clerk Collecting Fees and Postage” from a PFS customer.

RESPONSE:

- (a) Confirmed.
- (b) Confirmed.
- (c) The cost of \$0.020 is not the entire cost of collecting fees and postage from a PFS customer. That \$0.020 figure is used to capture additional costs related to determining how much postage needs to be collected, which is not included in the post office box transaction proxy used for Window Acceptance of Premium Forwarding Service Applications. Please see my response to OCA/USPS-T3-2.

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OCA/USPS-T3-17. Please refer to the electronic version of the [A]ppendix attached to your testimony, revised December 20, 2004, at page 3, and the “Piggyback Factor for All Other Special Services” of 1.356. Also, please refer to OCA/USPS-T3-12 and your response thereto. Please explain the rationale for using the Piggyback Factor for city delivery carriers for Total Special Services, rather than the Piggyback Factor of 1.465 for window service for Post Office Box.

RESPONSE:

A Piggyback Factor for “Total Special Services” of 1.356 is more closely related to the operations of a carrier handling the repackaging process than is the Piggyback Factor of 1.465 for Post Office Box window service.

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OCA/USPS-T3-18. Please refer to the electronic version of the appendix attached to your testimony, revised December 20, 2004, at page 3, Note 2, which cites "Special Studies Field Observation." Also, please refer to your testimony at page 4, lines 16-18, where it states "During field observations of the current, informal reshipment services, that were conducted at small, medium, and large delivery units, I found that the time required to perform these tasks is about two minutes."

- (a) On line 18, what tasks are being referred to in the phrase "these tasks?" What type of postal employee performed each of "these tasks?" Please explain.
- (b) How many field observations were conducted of the "tasks" referred to in subpart (a), above? How many observations were made of the "tasks" referred to in subpart (a), above, at each of the small, medium, and large delivery units? How long did you observe the "tasks" referred to in subpart (a), above, at each of the small, medium, and large delivery units?
- (c) What classes of mail were associated with the "tasks" referred to in subpart (a), above? Specifically, were there letter-shaped and flat-shaped pieces, as well as packages, parcels, and irregular pieces associated with the "tasks" referred to in subpart (a), above? If so, from what classes of mail? How were the letter-shaped and flat-shaped pieces, packages, parcels, and irregular pieces handled? Were any of the packages, parcels, and irregular pieces handled separately from letter-shaped and flat-shaped pieces? Please explain.
- (d) Please describe your observations of the "tasks" referred to in subpart (a), above. Did you observe any problems, delays or difficulties in carrying out the "tasks" referred to in subpart (a), above? Please explain.
- (e) Please provide all notes, memoranda, summaries or other documents prepared by you or other postal personnel as a result of your field observations.

RESPONSE:

- (a) The tasks I observed include gathering of accumulated mail from a designated location, placing the mail in the PFS container, closing the container, applying the label and depositing it in the outgoing stream. The tasks were performed by a clerk or a carrier depending on the local Snowbird procedures.
- (b) Please see my response to OCA/USPS-T3-5. The PFS tasks I observed took an average of approximately two minutes to complete.

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- (c) The shapes of mail I observed included letters, flats, and small parcels that fit into the PFS container. First-Class Mail, Periodicals and Standard Mail, were all represented.
- (d) I did not observe any problems, delays or difficulties in carrying out the tasks identified in part (a).
- (e) The following notes were made by me during or shortly after my field observations, typed up, and edited to avoid identification of particular facilities, for inclusion in this response.

On 10/30/03, I visited a carrier annex in Minnesota that has 48 city routes and carriers, and 8 clerks. 42 routes for another location were also housed here temporarily as the lease in their building had expired. Two forwarding service observations were conducted at this facility.

On the same date I also visited a really small Minnesota office that has five employees, including two rural carriers and one window clerk (a small retail unit). One forwarding service observation was conducted at this facility.

On 11/19/03, I visited an office in Connecticut that has 17 rural routes and 2 city routes, and 7 clerks. Two observations were conducted at this facility.

On the same date, I visited another Connecticut office that has three window terminals with 3 rural and 13 city routes. Two forwarding service observations were conducted in this facility.

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On 12/15/03, I visited a post office in Virginia that has close to 46 routes, and 20 clerks, with 2 Customer Service Barcode Sorters (CSBCS). Two forwarding service observations were conducted at this facility.

On 12/15/03, I also visited another office in Virginia that only serves post office box customers; no carriers are based in the office. One forwarding service observation was conducted at this facility.

The following summarizes my observations.

Premium Forwarding Service Field Observations

Date	Post Office	Transaction(Seconds)
10/30/2003	MN Office #1	118.12
10/30/2003	MN Office #1	120.15
10/30/2003	MN Office #2	119.36
11/19/2003	CT Office #1	119.25
11/19/2003	CT Office #1	119.31
11/19/2003	CT Office #2	118.55
11/19/2003	CT Office #2	119.44
12/15/2003	VA Office #1	119.21
12/15/2003	VA Office #1	119.36
12/15/2003	VA Office #2	120.12

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.

/s/ _____
David H. Rubin

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January 24, 2005