

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

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

Docket No. R2005-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ABDIRAHMAN TO INTERROGATORY OF PITNEY BOWES, INC.
(PB/USPS-T21-10)

The United States Postal Service hereby files the response of witness
Abdirahman to the above-listed interrogatory of Pitney Bowes, Inc., which was filed on
May 26, 2005.

The 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

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June 10, 2005

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN
TO INTERROGATORY OF PITNEY BOWES, INC.**

PB/USPS-T21-10. Please refer to the attached modified versions of USPS-LR-K-48, LR-K-48FCLTRS-RevisedV4.xls and USPS-LR-K-110, LR-K-110 FCLTRSRevisedV4.xls entitled, respectively, LR-K-48FCLTRS-RevisedV4_CRA MOD.xls and LR-K-110 FCLTRSRevisedV4_CRA MOD.xls.

- (a) Please confirm that the modified versions only introduce changes to the three worksheets entitled CRA – Bulk Metered Letters, CRA – Auto Letters, and CRA – Non Auto Letters. If you do not confirm, please explain.
- (b) Please confirm that the modifications are highlighted in yellow and allow a user to input a value of 1, 2, or 3 for each cost pool that classifies the cost pool and assigns the cost as either worksharing-related proportional, worksharing-related fixed, or non-worksharing-related fixed. If you do not confirm, please explain.
- (c) Please confirm that entering values in the modified worksheets to match the cost pool classifications in revised USPS-LR-K-48 and revised USPS-LR-K-110 computes the same worksharing-related unit cost savings found in revised USPS-LR-K-48 and revised USPS-LR-K-110. If you do not confirm, please explain.
- (d) Please confirm that the modified versions compute worksharing-related unit cost savings correctly under any assignment of cost pools to worksharing-related proportional, worksharing-related fixed, or non-worksharing-related fixed. If you do not confirm, please explain.
- (e) Please confirm that classifying all cost pools as worksharing-related proportional in LR-K-48FCLTRS-RevisedV4.xls and LR-K-48FCLTRS-RevisedV4_CRA MOD.xls computes the following selected results. If you do not confirm, please explain.

**RESULTS CLASSIFYING ALL COST POOLS AS
WORKSHARING-RELATED PROPORTIONAL
(cents)**

| | | Total Worksharing- Related Unit Cost | Total Worksharing- Related Unit Cost Savings |
|---|---------------------------|---|---|
| 1 | Bulk Metered Mail | 14.835 | n/a |
| 2 | Automation MAADC Letter | 10.110 | 4.725 |
| 3 | Automation AADC Letter | 8.465 | 6.370 |
| 4 | Automation 3-Digit Letter | 7.865 | 6.970 |
| 5 | Automation 5-Digit Letter | 5.875 | 8.960 |

- (f) Please confirm that classifying all cost pools as worksharing-related proportional in LR-K-110 FCLTRSRevisedV4.xls and LR-K-110

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FCLTRSRevisedV4_CRA MOD.xls computes the following selected results. If you do not confirm, please explain.

**RESULTS CLASSIFYING ALL COST POOLS AS
WORKSHARING-RELATED PROPORTIONAL
(cents)**

| | | Total Worksharing- Related Unit Cost | Total Worksharing- Related Unit Cost Savings |
|---|---------------------------|---|---|
| 1 | Bulk Metered Mail | 16.745 | n/a |
| 2 | Automation MAADC Letter | 10.675 | 6.070 |
| 3 | Automation AADC Letter | 8.940 | 7.805 |
| 4 | Automation 3-Digit Letter | 8.299 | 8.446 |
| 5 | Automation 5-Digit Letter | 6.205 | 10.540 |

Response:

I note that the electronic files contained in PB LR-1 are the same as the ones attached to this interrogatory. My answers to these interrogatories, therefore, reference PB LR-1.

- (a) Confirmed.
- (b) Confirmed.
- (c) Confirmed.
- (d) Confirmed.
- (e) Confirmed.
- (f) Confirmed.

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

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