

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 THE UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN  
TO THE INTERROGATORIES OF AMERICAN POSTAL WORKERS UNION, AFL-CIO  
(APWU/USPS-T21-1-8)

The United States Postal Service hereby files the responses of witness  
Abdirahman to the above-listed interrogatories of the American Postal Workers Union,  
AFL-CIO, filed on June 10, 2005.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 24, 2005

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO  
THE INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO

**APWU/USPS-T-21-1** In your response to POIR 1, you discuss the difficulties with properly identifying costs associated with First Class nonautomation presort mail. Is there a similar problem inherent in identifying the costs for nonautomation presort Standard A mail?

**Response:**

Yes.

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**APWU/USPS-T-21-2.** If the same type of cost identification problems do exist, would that explain the large increase in unit mail processing costs for Basic presort and 3/5-digit presort when compared with the similar costs calculated in R2001-1? Was this identification problem also present in the cost allocations for Standard A letters in R2001-1?

**Response:**

Yes, this cost identification problem was also present in the cost allocations for Standard A letters in R2001-1. The cost identification issues I note in my response to POIR No. 1 may be one of the reasons for increases in the unit mail processing costs for Basic presort and 3/5-digit presort in Standard Mail. There may be other reasons as well, such as changes in the other cost model inputs.

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**APWU/USPS-T-21-3** To clarify your response to POIR 1, the difficulties with identifying the costs associated with First Class nonautomation presort mail is an issue of correctly separating the costs for nonautomated presort mail from those of automated presort mail?

**Response:**

Correct.

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**APWU/USPS-T-21-4** Please confirm that the CRA data for Bulk Metered Mail Letters used in the calculation of workshare savings for First Class mail, is actually for all First Class nonworkshare letter-shaped mail with meter indicia.

**Response:**

Confirmed.

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**APWU/USPS-T-21-5** Is it correct to state that, for purposes of determining mail processing operations and mail processing cost characteristics, it is appropriate to distinguish between BMM letters and all other metered mail letters that do not have BMM characteristics?

**Response:**

I am not aware of any studies that have attempted to de-average the CRA mail processing unit cost estimate for all single-piece metered letters into separate mail processing unit cost estimates for BMM letters and the residual metered letters.

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**APWU/USPS-T-21-6** For metered mail letters other than Bulk Metered Mail (BMM) letters, please list and describe the mail processing operations through which it would pass that are not included in the operations through which BMM letters are assumed to pass in the Postal Service model, and state the per piece costs of each of these additional operations through which metered mail letters other than BMM letters pass.

**Response:**

BMM letters are machinable mail pieces that are entered in full trays and weighed into the entry facility as “meter bypass,” meaning that they bypass the 020 meter belt operation. They are then routed to the MLOCR-ISS operation. Other metered letters are typically entered as bundles. Those mail pieces arrive at the entry facility mixed with other collection mail pieces. They incur costs related to dock operations and would also incur the costs required to cull them from the residual collection mail. The mail could be culled manually by mail handlers or by postal equipment such as the Dual Pass Rough Cull system. Once culled, the bundles are routed to the 020 operation where they are unbundled, faced, and trayed. If the mail is machinable, it would be routed to the MLOCR-ISS operation. If the mail is determined to be non-machinable, it would be routed to manual operations. To the best of my knowledge, a study has not been conducted to estimate the costs of processing metered mail through these various operations. Reliable productivity data are not readily available from postal data collection systems.

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**APWU/USPS-T-21-7** Please confirm that, in concept, the BMM letter benchmark is a subset of all the metered mail letters.

**Response:**

Confirmed.

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**APWU/USPS-T-21-8** Please describe the characteristics of the mail that underlie the processing steps modeled in the BMM letters model.

**Response:**

BMM letters are generally considered to be machinable, homogeneous, non-barcoded mail pieces with machine printed addresses that are properly faced and entered in trays.

## **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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