

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 POSTAL SERVICE WITNESS McCRERY
TO INTERROGATORY OF ABA&NAPM
REDIRECTED FROM WITNESS SMITH
[ABA&NAPM/USPS-T13-11(c)]
(June 24, 2005)

The United States Postal Service hereby responds to the above-listed interrogatory of American Bankers Association and National Association of Presort Mailers, filed on June 10, 2005.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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ABA&NAPM-USPS-T13-11

In your response to ABA&NAPM-USPS-T21-46 c., redirected from USPS witness Abdirahman, you state with reference to MODS 79 LD 79 "The increase in the variability from .299 to .83 is the main factor in the higher unit costs."

- a. Can you explain, or direct this question to a witness who can explain what factors are actually at work in the real world of BMC's that would cause this variability to escalate so dramatically?
- b. Is this an indication of greater efficiency (greater variability, and consequently managerial ability to control in the absence of estimated volume) or less efficiency (higher unit cost).
- c. For mail processing labor that is redundant on a slow night, what cost reducing activities does management engage them in? If your answer is "none", what do they do during their shift?

RESPONSE:

(a)-(b) Retained by witness Smith.

(c) As witness Moden responded to DMA/USPS-T14-1a in R 97-1: "...Casual and Part Time Flexible employees will be clocked-out first. If this is inadequate, Full Time Regular employees will be surveyed to find out who would like Annual Leave or Leave Without Pay. Alternatively, non-preferential volumes that were scheduled for later could be staffed immediately." It is my understanding that witness Moden's response is still entirely accurate.

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.

Eric P. Koetting

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