

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

RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS
ABDIRAHMAN TO THE INTERROGATORIES OF GREETING CARD ASSOCIATION
(GCA/USPS-T21-1-2)

The United States Postal Service hereby files the responses of witness
Abdirahman to the above-listed interrogatories of the Greeting Card Association, filed
on June 10, 2005.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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June 27, 2005

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN
TO THE INTERROGATORIES OF GREETING CARD ASSOCIATION**

GCA/USPS-T21- 1.

Please refer to R20051-1, Revised LR-K-48, Page 48 and R2001-1, LR-J-60, Page 51. For the R2005-1, MLOCR-ISS Accept Rate (Handwritten) you have a value of 4.8%. Please cross-reference this number to R2001-1.

RESPONSE:

There is no comparable number in Docket No. R2001-1. I note that I do not use the MLOCR accept rate for handwritten mail in my cost analysis.

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GCA/USPS-T21-2.

Please refer to R2005-1, Revised LR-K-48, Page 48, R2001-1, LR-J-60, Page 51, and USPS Witness McCrery (USPS-T29) regarding lettermail processing technology.

- a) Please refer to R2001-1, LR-J-60 page 51. Please confirm that the following table is correct:

<u>Description</u>	<u>FCM Sing Pc Meter</u>	<u>FCM Sing Pc Mach Prnt</u>	<u>FCM Sing Pc Hand</u>	<u>FCM Nonaut o Upgr</u>	<u>FCM Nonaut o Non- OCR</u>	<u>STD(A) Nonaut o 3/5 Upgr</u>	<u>STD(A) Nonauto</u>	<u>STD(A) Nonauto</u>	<u>STD(A) Nonauto</u>
MPBCS OSS Accept	91.27%	90.52%	94.14%	93.28%	89.80%	92.03%	88.09%	91.33%	87.30%
MPBCS OSS Upgrade	91.46%	92.70%	92.99%	85.74%	87.57%	89.65%	91.19%	85.64%	87.65%
MPBCS OSS Errors:									
OSS Refeeds	1.38%	1.19%	0.96%	1.76%	0.90%	1.72%	1.33%	2.67%	2.54%
LMLM - ID Tag	5.99%	6.49%	3.95%	3.63%	7.06%	5.07%	8.06%	4.79%	7.28%
Manual	1.36%	1.80%	0.95%	1.33%	2.24%	1.18%	2.52%	1.21%	2.88%

- b) Please refer to Revised LR-K-48, Page 48. Please confirm that the following is correct.

OSS

Finalized	87.36%
ISS Refeeds	3.51%
OSS Refeeds	3.32%
LMLM	2.10%
Manual	3.71%

- c) Please explain why in R2001-1 there were different "OSS Refeeds" values for each of a variety of categories (class subclass, or smaller subunit) whereas in R2005-1 there is only one value for all.
- d) Please confirm that the average of all values for "OSS Refeeds" was 1.61% in R2001-1. If confirmed, please explain why in R2005-1 the average for "OSS Refeeds" is 3.32%, twice as large. If not confirmed, please provide the correct numbers.
- e) Please confirm that the "OSS Refeeds" values in R2001-1 were obtained from R97-1 whereas for R2005-1 they are obtained from LR-K-68. If confirmed please explain what changes (technological or non-technological) might have caused the OSS refeed rate to shoot up since 1997, despite the fact USPS has been installing the top of the line machines since 1997.
- f) Please refer to the above table in a). Please confirm that in R2001-1 the average "OSS Manual" was 5.81% whereas in R2005-1 it is only 2.1%, less than one-half. Please explain what factors may have caused such a reduction and why you are using only one number for all classes and subclasses. If not confirmed, please provide the correct numbers.

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- g) Please refer to the above tables. Please confirm that in R2001-1 the average OSS Manual was about 1.72% whereas in R2005-1 has risen to 3.7%, more than two times. If confirmed, please explain what factors may have caused such a rise given the fact that since R97-1 there have been many technological improvements. If not confirmed, please provide the correct numbers.
- h) Please refer to the tables above. Please confirm that in R2001-1 the average OSS finalized rate (Accept & Upgrade) was about 90.13% whereas in R2005-1, the corresponding number is 87.36%. If confirmed, please explain what factors might have caused this drop. If not confirmed, please provide the correct numbers.
- i) Assuming that the R2001-1 finalized rate of 90.13% had been used in R2005-1 rather than 87.36%, please confirm that the numbers in the following table are correct.

FIRST-CLASS MAIL LETTERS NONMACHINABLE SURCHARGE		
COST SUMMARY		
	OSS Finalized Rate	
	90.13%	Original 87.36%
MAIL TYPE	UNIT COST	UNIT COST
Nonautomation Nonmachinable All Presort Levels	33.865	33.873
Nonautomation Machinable All Presort Levels	14.891	14.885
Cost Difference	18.974	18.988
Nonautomation Nonmachinable Mixed ADC	44.390	44.402
Nonautomation Machinable Mixed AADC	15.303	15.295
Cost Difference	29.087	29.107
Nonautomation Nonmachinable ADC	39.714	39.724
Nonautomation Machinable AADC	15.303	15.295
Cost Difference	24.411	24.428
Nonautomation Nonmachinable 3-Digit	36.122	36.130
Nonautomation Machinable 3-Digit	14.626	14.621
Cost Difference	21.496	21.509
Nonautomation Nonmachinable 5-Digit	26.794	26.798
Nonautomation Machinable 5-Digit	14.626	14.621
Cost Difference	12.168	12.177
Nonmachinable SP	36.691	36.691
Nonmachinable Presort	10.983	10.995
Cost Difference	25.708	25.696

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RESPONSE TO GCA/USPS-T21 2:

- a) Confirmed.
- b) Confirmed.
- c) The source of the R2001-1 data was the R97-1 study. The source of the R2005-1 data is the 1999 cards/letters density study presented in R2000-1, which is contained in USPS-LR-K-68. The 1999 study did not contain disaggregated data by subclass.
- d) Not confirmed. There are several reasons why the requested comparison may not be valid. An average OSS refeed value was not provided in R2001-1, LR-J-60. The comparison of the R2001-1 average proposed in the interrogatory and the R2005-1 average does not account for volume differences by category. Moreover, the studies that provided the data for R2001-1 and R2005-1 were not conducted using the same methods, causing the introduction of some variation in the numbers. Any comparison of the results will likely reflect the effects of more variables than your question implies.
- e) Confirmed. The studies were not conducted using the same methods. Any comparison of the results may reflect the effects of more variables than your question implies. Please refer to my response to part d above.
- f) Confirmed. For the justification for the use of one number for all subclasses, see the response to part 2c. For the explanation of the factors that contribute to the difference, see the response to parts 2d and 2e.
- g) Please see the response to parts 2d and 2e.

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- h) Confirmed. Please see the response to part 2c.
- i) 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.

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