

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 AMERICAN BANKERS
ASSOCIATION AND NATIONAL ASSOCIATION OF PRESORT MAILERS,
REDIRECTED FROM WITNESS BOZZO
(ABA&NAPM/USPS-T12-1c)

The United States Postal Service hereby files the response of witness Abdirahman to the above-listed interrogatory of the American Bankers Association and the National Association of Presort Mailers, filed on June 17, 2005. This interrogatory has been redirected from witness Kelley.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 28, 2005

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN
TO INTERROGATORIES OF AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS, REDIRECTED FROM
WITNESS BOZZO**

ABA&NAPM/USPS-T12-1 Please refer to your responses to ABA&NAPM/USPS-T21-1, redirected to you, and also to PBI/USPS-T12-2, where you state “Confirmed that the productivities do not include any hours from MODS platform and dispatching operations.” Over the years since MC95-1, various Postal Service witnesses have claimed that more and more cost factors have become included in their “modeled costs” for FCLM, and that fewer “non-modeled cost activities” remain. However, your response to PBI/USPS-T12-2, calls that claim into question because “platform and AMF handlings” were one of the original non-modeled cost factors emanating from MC95-1 (MC95-1, USPS-T10, page 32, line 10, revised 6/19/95.)

- a. In addition to platform and dispatch activities, for which there are no MODS productivities in USPS-LR-K-48 (and the PRC version, USPS-LR-K-110), please state for which other MODS categories in the attachment to this question there are also no MODS productivities in USPS-LR-K-48 and its PRC equivalent.
- b. For the attachment provided, please fill out each of the MODS hours in the space provided, and list the MODS productivity associated with each MODS category, as well as each of the operation codes within that MODS category.
- c. Please state whether the current modeled cost factors in USPS-LR-K-48 and USPS-LR-K-110 include MODS productivities for the following activities in addition to platform and AMF handlings that were non-modeled activities in MC95-1:
 - Moving mail from operation to operation within a facility
 - Mail preparation such [as] sleeving and banding, or unbanding and unsleeving trays
 - Mail preparation such as breaking bundles for piece distribution
 - Extra piece distribution and other related costs due to missorts
 - Extra piece distribution due to equipment capacity shortages, and
 - Extra piece distribution and other related activities related to forwarding and return to sender(Source: MC95-1, USPS-T10, page 32, lines 9-10 and 11-16, revised 6/19/95).

RESPONSE:

- a. Retained by witness Bozzo
- b. Retained by witness Bozzo

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Response to ABA&NAPM/USPS-T12-1

c. The costs for moving mail between operations are not included in the cost models. Some of these costs, however, are included in cost pools (e.g., 1PLATFORM) that have been categorized as worksharing related fixed.

The costs for sleeving/unsleeving and banding/unbanding operations are not distinctly included in the cost models, but may be imbedded in some productivity figures to the extent these tasks occur in some mail processing operations covered by the cost models.

The costs for opening bundles for piece distribution operations are not distinctly included in the cost models, but may be imbedded in some productivity figures to the extent these tasks occur in some mail processing operations covered by the cost models.

The costs for processing missorts are not distinctly included in the cost models.

To the extent any equipment capacity shortages exist, the additional costs that might occur as a result of this issue are not distinctly included in the cost models.

The costs for processing forwarded mail and return-to-sender mail are not distinctly included in the cost models.

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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