

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

EVOLUTIONARY NETWORK DEVELOPMENT  
SERVICE CHANGES, 2006

Docket No. N2006-1

REVISED RESPONSES OF UNITED STATES POSTAL SERVICE  
WITNESS SHAH TO OCA INTERROGATORIES OCA/USPS-T1-1 AND 2  
(April 10, 2006) [ERRATA]

The United States Postal Service hereby submits the revised responses of witness Shah to the following OCA interrogatories. The original responses were filed on March 24, 2006. The revised responses, which correct spelling and typographical errors in the original responses to T1-1(b&c) and T1-2, replace the original responses to OCA/USPS-T1-1 and 2. The interrogatories are stated verbatim and followed by the revised responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH  
TO INTERROGATORY OF OFFICE OF CONSUMER ADVOCATE**

**Revised: April 10, 2006**

**OCA/USPS-T1-1.** Your testimony discusses the Evolutionary Network Development (END) models as identifying potential facility and network realignment opportunities, at page 9, line 12, through page 10, line 20.

- a. Please explain the structure of the END model, including inputs, outputs, and functions/computations which it models.
- b. Given that the END model is a maximization/minimization model, what objective function is being maximized/minimized, in terms of variables and functional form.
- c. Please explain how the spreadsheets of AMP Handbook PO-408, used for applying an AMP review process, interface with the END program.

**RESPONSE:**

- a. See the response to APWU/USPS-T1-2.
- b. Maximize utilization of available capacity, minimize cost.
- c. See USPS-T-2 at 7-11. The PO-408 is a tool for conducting a detailed analysis of the operational changes and related cost impacts implied by a specific proposal to consolidate certain operations. The END model is used to test alternative local consolidation scenarios as part of a future network. These local END model outputs, in conjunction with additional facility-specific factors, are used in deciding upon a specific local consolidation proposal. That proposal is then subjected to the detailed PO-408 feasibility review process. The PO-408 Worksheets reflect the analysis of detailed facility-specific information beyond that utilized in the END model.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SHAH  
TO INTERROGATORY OF OFFICE OF CONSUMER ADVOCATE**

**Revised: April 10, 2006**

**OCA/USPS-T1-2.** Please turn to your testimony, page 6 lines 19 to 23. You discuss excess capacity.

- a. How would one determine the level of excess capacity, excess transportation, or redundancy of operations?
- b. Has the Postal Service analyzed the level of excess capacity in the network, and what are the cost implications of the excess capacity?

**RESPONSE:**

- (a) One would analyze the utilization of the total available machine and transportation capacity that exist as a result of our current class-based networks in order to determine the existence of potential excess capacity. For example, in one metro area, a First-Class Mail parcel may be processed in a local P&DC, a Priority Mail parcel in a local Logistics & Distribution Center, and a Standard Mail parcel in a Bulk Mail Center. Assuming that the shape of the parcels and their automatability is relatively the same, redundancies can exist exist where less than fully utilized class-based operations and transportation are established.
- (b) The Postal Service uses the AMP process as a means of evaluating the cost of excess capacity at the local level.