

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

**REQUEST OF THE UNITED STATES POSTAL SERVICE
FOR AN ADVISORY OPINION ON CHANGES IN
POSTAL SERVICES**

Docket No. N2006-1

**THIRD SET OF INTERROGATORIES OF
THE ASSOCIATION FOR POSTAL COMMERCE
TO USPS WITNESS PRANAB SHAH**

(POSTCOM/USPS-T1-19 - 21)

Pursuant to Sections 25 through 27 of the rules of practice, the Association for Postal Commerce directs the attached Third Set of Interrogatories to Witness Shah. If the witness is unable to respond to any interrogatory or request for production of documents, PostCom requests that a response be otherwise provided by the Postal Service.

Respectfully submitted,

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POSTCOM/USPS-T1-19. What assumptions is the Postal Service making, in its END modeling about the drop ship quantities that are anticipated at each of the facility types in the future network? Does the Postal Service anticipate any change or redistribution of drop entry volumes as a result of the change in and number of drop locations from the current BMCs and SCFs to their corresponding future facilities? Please explain.

POSTCOM/USPS-T1-20. In your March 30, 2006, response to OCA/USPS-T1-12(d), you indicated that the Postal Service intends to establish approximately 70 Regional Distribution Centers.

a. Please confirm that Standard Mail currently prepared for BMC destination entry is presorted for entry to approximately 29 dBMCs. If you cannot confirm, please identify the current number of facilities that receive dBMC entered Standard Mail.

b. Has the Postal Service considered the likelihood that changes in presort of mail precipitated by the changes in the network may affect the ability of a mailer that currently enters mail at the dBMC to meet eligibility requirements to destination enter mail in a future network of approximately 70 RDCs ? If so, what are the Postal Service's expectations regarding the affected mailer's mailing practices in the future network?

c. Has the Postal Service explored the idea of an RDC functioning as an intermediate drop entry location and permitting pallets for multiple RDCs to be dropped at one location and cross-docked at a commensurate destination entry rate? If the Postal Service has explored this idea, has it reached any conclusions? If the Postal Service has not explored this idea, will it do so?

POSTCOM/USPS-T1-21. In your testimony at page 6, you state that "the Postal Service must continue to change its mail processing network in ways that better recognize such factors as the economies inherent in shaped-based processing and transportation".

a. Does the Postal Service contemplate or envision separate shape-based networks?

If so, please describe the extent to which these networks overlap (including the extent to which such networks do not overlap).

b. Does the Postal Service contemplate that different destinating DPCs may handle mail destined for the same DDU, depending on the shape of that mail?

c. Do the END Model's cost functions contemplate the changes in transportation costs related to the transportation of mail volumes between DPCs and DDUs? Please explain.