

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Before Commissioners: Edward J. Gleiman, Chairman;
George A. Omas, Vice Chairman;
Dana B. Covington; Ruth Y. Goldway;
and W.H. "Trey" LeBlanc III

Postal Rate and Fee Changes

Docket No. R2000-1

ERRATA NOTICE

(Issued November 30, 2000)

OPINION AND RECOMMENDED DECISION IN DOCKET NO. R2000-1

(Issued November 13, 2000)

This notice contains corrections that should be made to the Opinion and Recommended Decision in Docket No. R2000-1.

Volume 1

Page	Para.	Line¹	Change
5	1015	12	Replace "choose" with "chose"
11	1036	2	Change "effect" to "affect"
15	Fn. 6	3	Change "at" to "as"
19	2020	6	Change "MC96-1" to "MC95-1"
40	2080	9	Insert "Greeting Card Association," between "Florida Gift Fruit Shippers Association" and "Magazine Publishers of America"

¹ Refers to line in the paragraph, not the page.

Volume 1 cont.

Page	Para.	Line	Change
40	2080	12	Add "Val-Pak Dealers' Association, Inc." before "and Carol Wright Promotions, Inc."
52	2114	11	Change "\$64.513.5 billion" to "\$64.5 billion"
52	2115	2	Change "\$69.644.9 billion" to "\$69.6 billion"
61	2137	15	Add "Val-Pak Dealers' Association, Inc." before "and Carol Wright Promotions, Inc."
83	3013	10	Change "retails" to "retail"
84	3016	2	Change the number "39" to the number "40"
84	3018		Change "Periodical" to "Periodicals". This change should be made in the following paras. 3032, 3062, 3063, 3064, 3068, 3075, 3077, 3080, 3093, 3094
85	3020	6	After "73 percent." Attach the following footnote: "This includes variabilities for allied cost pools and proxy assignments Identified by Bozzo in interrogatory responses."
86	3021	7	Change "Parts A and C" to "Parts 1 and 3"
86	3021	8	Change "Part B" to "Part 2"
91			In Table 3-1, Column 7, BCS line: replace the number "100" with the number "103"
91			Sources (3): replace cite "119-120" with the cite "153-54"
91			Sources (4) and (5): replace the cite "Tr. 27/12835" with the cite "Tr. 27/12834" and change "Adjustmeng" to Adjustment"

Volume 1 cont.

Page	Para.	Line	Change
98	3051	2	Delete "the" after modeled
99	3054	2	Delete "over"
115	3098	1	Replace the question mark with a period
115	3098	2-3	Change "the ES survey. Tr. 32/16152-53 and" to "the ES survey, Tr. 32/16152-53, and"
115	3098	7	Change "the ES survey. Tr. 39/17907 and" to "the ES survey, Tr. 39/17907, and"
115	3098	12	Change "Crowder" to "Crowder's"
143	3181		Replace the equation $L = F(v, A(v, P))$ with the equation $L = F(v, A(v, A(v, P)))$
148	3198	3	After "items." Add "Id. at" before 11781
149	3198	5	Add "Id. at" before 11777
149	3200	3	Change "loading" to "load"
154	3212	4	Change "sqaured" to "squared"
158	3223	2	Change "increases" to "increase"
161	3230	4-5	Delete the "," after "detailed" and insert "," after "office"
162	3233	4	Change "Mehan" to "Meehan"
165	3243	2	Insert "." after "recommendation"
176	3269	8	Change "Id." to "Periodicals Mailers Reply Brief"
200	4016	5	Change "0an" to "an"

Volume 1 cont.

Page	Para.	Line	Change
207	4035	2	Change "criterion" to "criteria"
212	4043	5	Change "Panzer's" to Panzar's"
214	4052	3	Change "is not" to "are not"
253	5129	4	Change "affect" to "effect"
257	5145	6	Change "adds" to "add"
257	5145	7	Change "does" to "do"
270	5184	4	Change "Advance" to "Advanced"
271	5186	8	Change "quantifying" to "quantify"
276	5204	3	Add "in" after "Postal Service"; change "lessen" to "lessening"
280	5214	7	Change "has" to "have"
280	5216	5	Insert "witness" between "Service" and "Staisey"
281	5219	7	Change "characteristic" to "characteristics"
283	5224	5	Change "Advance" to "Advanced"
283	5225	4	Change "analyses" to "analyze"
296	5265	8	Change "reflect" to "reflects"
302	5283	5	Change "delivers" to "deliver"
316	5328	5	Delete "the" after "under"
334			In Table 5-10, change "Schedule 324" to "Schedule 322"

Volume 1 cont.

Page	Para.	Line	Change
334			In Table 5-10, in the "Current" column, change the Letter Size Destination Entry Discount per Piece for BMC, SCF and DDU as follows: 1.3 to 1.6; 1.8 to 2.1; 2.3 to 2.6, and per pound, as follows: 6.4 to 7.9; 8.5 to 10.0; 11.1 to 12.6
334			In Table 5-10, in the "Proposed" column, change the Letter Size Destination Entry per Piece as follows: 1.5 to 1.7; 1.8 to 2.2; 2.3 to 2.8, and per Pound, as follows: 7.2 to 8.3; 8.8 to 10.8; 11.0 to 13.4
336			In Table 5-12, in the "Current" column, change the Letter Size Destination Entry Discount per Piece as follows: 1.3 to 1.6; 1.8 to 2.1; and 2.3 to 2.6, and per Pound as follows: 6.4 to 7.9; 8.3 to 10.0; and 11.1 to 12.6
336			In Table 5-12, in the "Proposed" column, change the Letter Size Destination Entry per Piece as follows: 1.5 to 1.7; 1.8 to 2.2; 2.3 to 2.8, and per Pound as follows: 7.2 to 8.3; 8.8 to 10.8; 11.0 to 13.4
367	5467	6	Change "one only" to "only one"
372	5479	12	Change "to" to "too"
424	5636	2	Delete "\$17 million"
424	5636	5	Insert "in part" between "agrees" and "with"
424	5636	7	Replace "broader distribution of not-handling tallies than the Service proposed," with "modification of the proposed distribution of not-handling tallies,"
424	5636	9	Replace "broader distribution" with "change"

Volume 1 cont.

Page	Para.	Line	Change
424	5638	5	Replace "adopts" with "does not adopt"
476	5796	7	Change "USPS Exhibit-T-26." To "USPS Exhibit-T-26, Attachment K."
518	5926	9	Change "classes" to "subclasses"
528	5950	9	Change "this" to "these"
586	6127	14	Change "delivery confirmation" to "signature confirmation"
587	6129	10-13	Change "\$0.97 for Priority" to "\$1.06 for Priority"; "\$1.50 for Priority" to "1.42 for Priority"; "\$0.97 for Standard" to "\$1.14 for Standard"; "\$1.50 for Standard" to "\$1.49 for Standard"; "124 percent overall" to "119 percent overall"

Appendix One

1			Change the rate in Schedule 122, "Weight not Exceeding 2" from "13.80" to "13.75"
17		1	Change "Schedule 321.5" to "Schedule 324"
17		2	Footnote 1, change "A fee of \$100.00" to "A fee of \$125.00"
37			Change "Current Rates" to "Rates"
38			Change "Current Rates" to "Rates"

Appendix Two

62	<u>5</u> [3]53	6	Insert "[" before "from"
79	936.11	4	Change " <u>Package Service</u> " to " <u>Package Services</u> "

Appendix Two
cont.

Page	Para.	Line	Change
79	936.11	7	Change " <u>Package Service</u> " to " <u>Package Services</u> "
80	936.51	4	Change " <u>and 521.2A</u> " to " <u>521.2A and 521.2B</u> "
97	951.21	1	Change "Standard Mail" to "[Standard Mail] <u>Package Services</u> "

Volume 2

Appendix D

Insert Schedule D-4, page 28A, after page 28 of 28.
Schedule D-4 is Attachment A to this errata

Appendix F

1		11	Replace the number "6" in the heading with the number "1"
10		6	Strike "from"
11		6	Replace the word "changes" with the word "change"
15		2	Insert "of" after "consist"
15		25	Replace "Part C" with "Part 3"
26		19	Insert "be" after "assumed to"
27			Second bullet, line 3: insert the cite "USPS-T-16 at" before the numbers "42, 46, 50"
27			Second bullet, line 6: replace the page number cite "2-45" with the page number cite "42-43"
36		30	Change "prebarding" to "prebarcoding"

Appendix F cont.

Page	Para.	Line	Change
38		1	Change "7" to "2"
40		21	Replace the word "it" with "they are"
40		26	In the transcript cite replace the symbol "^" with volume cite "46E"
145		28	After "3-digit codes" insert the word "organized"
49		29	After the word "nothing" insert the word "about"
50		29	Delete the phrase "For this reason," and replace "some" with "Some"
51		17	Replace "principle" with "principal"
56			In Table F-2, Column 7, BCS line: replace the number "100" with the number "103"
56			Source (3): replace the cite "119-120" with the cite "153-54"
56			Sources (4) and (5): replace the cite "Tr. 27/12835" with the cite "Tr. 27/12834"
63		13	Replace "TPH/F is" with "TPH/F as"
71		1	After "such" insert "as"
72		5	Change "8" to "3"

Appendix G

Page 12

Replace the schedule "Enhanced Carrier Route Subclass" with Attachment B to this errata

Appendix J

Page	Para.	Line	Change
5			Line Regular – Other replace "2,344,651" with "6,844,763"
5			Line Regular – ECR replace "6,844,763" with "2,344,651"

Appendix L

Insert Schedule L page 5A between pages 5 and 6.
Page 5A is Attachment C to this errata.



Cyril J. Pittack
Acting Secretary

**Errata to Opinion and Recommended Decision
In Docket No. R2000-1**

Attachment A (one page)

Schedule D-4
Development of PRC Bundle Breakage Distribution Key
Test Year

	USPS		Cost Reduction	PRC	
	Comp. 1457	Cost Red. Dist.		Dist.	Comp. 21:92
First-Class Mail:					
Single-Piece Letters	0	0	0	0.00%	0
Presort Letters	0	0	0	0.00%	0
Total Letters	0	0	0	0.00%	0
Single-Piece Cards	0	0	0	0.00%	0
Presort Cards	169	343	0	0.00%	0
Total Cards	169	343	0	0.00%	0
Total First-Class	169	343	0	0.00%	0
Priority Mail	0	0	0	0.00%	0
Express Mail	0	0	0	0.00%	0
Mailgrams	0	0	0	0.00%	0
Periodicals:					
In-County	0	0	0	0.00%	0
Outside County:					
Regular	3,618	7,345	20,043	38.58%	38,578
Nonprofit	1,467	2,978	7,538	14.51%	14,509
Classroom	0	0	0	0.00%	0
Total Periodicals	5,085	10,323	27,581	53.09%	53,087
Standard (A):					
Single-Piece Rate	0	0	0	0.00%	0
Commercial Standard					
Enhanced Carrier Rte.	0	0	0	0.00%	0
Regular	4,322	8,774	22,088	42.51%	42,515
Total Commercial	4,322	8,774	22,088	42.51%	42,515
Aggregate Nonprofit:					
Nonprofit Enhanced Carr. Rte.	0	0	0	0.00%	0
Nonprofit Regular	424	861	2,285	4.40%	4,398
Total Aggregate Nonprofit	424	861	2,285	4.40%	4,398
Total Standard (A)	4,746	9,634	24,373	46.91%	46,913
Standard (B):					
Parcels Zone Rate	0	0	0	0.00%	0
Bound Printed Matter	0	0	0	0.00%	0
Special Rate	0	0	0	0.00%	0
Library Rate	0	0	0	0.00%	0
Total Standard (B)	0	0	0	0.00%	0
Penalty-USPS	0	0	0	0.00%	0
Free Mail for the Blind & Hndc	0	0	0	0.00%	0
International Mail	0	0	0	0.00%	0
Total All Mail	10,000	20,300	51,954	100.00%	100,000
Registry	0	0	0	0.00%	0
Certified	0	0	0	0.00%	0
Insurance	0	0	0	0.00%	0
COD	0	0	0	0.00%	0
Special Delivery	0	0	0	0.00%	0
Money Orders	0	0	0	0.00%	0
Stamped Cards	0	0	0	0.00%	0
Stamped Envelopes	0	0	0	0.00%	0
Special Handling	0	0	0	0.00%	0
Post Office Box	0	0	0	0.00%	0
Other	0	0	0	0.00%	0
Total Special Services	0	0	0	0.00%	0
Total Attributable	10,000	20,300	51,954	100.00%	100,000
Other Costs	0	0	0	0.00%	0
Total Costs	10,000	20,300	51,954	100.00%	100,000

**Errata to Opinion and Recommended Decision
In Docket No. R2000-1**

Attachment B (one page)

**COMMISSION RECOMMENDED RATES
APPLIED TO TEST YEAR VOLUMES**

	Unit	Rate (\$)	TYAR Volume (000)	Revenue (000)
Standard Mail (con)				
Enhanced Carrier Route Subclass				
Letters				
Basic	per piece	\$0.176		
Automated	per piece	0.155	5,457,058	\$960,442
High Density	per piece	0.151	1,911,918	296,347
Saturation	per piece	0.143	397,054	59,955
subtotal			2,709,845	387,508
			10,475,875	\$1,704,252
Nonletters, Piece-Rated				
Basic	per piece	0.176		
High Density	per piece	0.154	6,171,486	1,086,182
Saturation	per piece	0.147	852,423	131,273
subtotal			6,613,038	972,117
			13,636,947	2,189,572
Nonletters, Pound-Rated				
Basic	per piece	0.044		
High Density	per piece	0.022	5,577,856	245,426
Saturation	per piece	0.015	623,140	13,709
subtotal			2,592,075	38,881
			8,793,071	298,016
Basic	per pound	0.638		
High Density	per pound	0.638	1,773,710	1,131,627
Saturation	per pound	0.638	228,540	145,809
subtotal			792,694	505,739
			2,794,944	1,783,175
			pieces >	\$5,975,015
Dropship Discounts				
Piece-Rated				
BMC		(0.019)		
SCF		(0.024)	3,881,243	(73,744)
DDU		(0.029)	12,283,776	(294,811)
subtotal			5,053,880	(146,563)
			21,218,899	(515,118)
Pound-Rated				
BMC		(0.093)		
SCF		(0.114)	297,699	(27,686)
DDU		(0.140)	1,605,868	(183,069)
subtotal			791,618	(110,827)
			2,695,185	(321,582)
Revenue from Rates				
			pieces >	\$5,138,315
Fees				
Address Correction				10,778.7
Bulk Permit				4,974.0
Certificate of Mailing				2.2
BPRS Permit				5.3
				15,760
Enhanced Carrier Route Subclass Total				
Total Postage/Pieces (excluding fees)			32,905,893	\$ 5,138,315
Times Revenue Adjustment Factor				0.99977
Adjusted Revenue				5,137,133
Plus Fees				15,760
Plus Residual Shape Revenue				3,365
Total Revenue - Enhanced Carrier Route				\$ 5,156,258
Revenue per Piece				\$ 0.1567

**Errata to Opinion and Recommended Decision
In Docket No. R2000-1**

Attachment C (one page)

1 THE WITNESS: I don't know if it is consistent
2 with that or not.

3 CHAIRMAN GLEIMAN: Do you know whether Postal
4 Management intends to abandon the position that Postal wages
5 exceed the comparability standard in upcoming wage
6 negotiations?

7 THE WITNESS: I don't know.

8 CHAIRMAN GLEIMAN: Did you inquire from upper
9 level Management whether it intended to abandon the position
10 that Postal wages exceed comparability in the upcoming
11 negotiations?

12 THE WITNESS: No, I didn't.

13 CHAIRMAN GLEIMAN: I think I will pass the baton
14 right now and let my colleague take a shot at you. He has
15 got some questions too.

16 COMMISSIONER LeBLANC: Mr. Patelunas, let me jut
17 follow up on what the Chairman said.

18 Whose decision was it? Did you just arbitrarily
19 pick the ECI minus 1?

20 THE WITNESS: No, I didn't make the decision --

21 COMMISSIONER LeBLANC: How did it come about?

22 THE WITNESS: Postal Management after reviewing
23 conditions and trends determined that the ECI assumption was
24 more appropriate for the test year 2001.

25 COMMISSIONER LeBLANC: With all due respect, the

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