

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

EXPERIMENTAL "RIDE-ALONG"
CLASSIFICATION CHANGE FOR PERIODICALS, 1999

Docket No. MC2000-1

NOTICE OF ERRATUM

The United States Postal Service hereby gives notice of an erratum in the testimony of witness Schwartz (USPS-T-2). On page 4, line 13, the "64" should be replaced with "544." A replacement page showing the correction is attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

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October 6, 1999

1 item for a Standard A insert or **on**sert to the proposed flat rate of \$.10 would
2 automatically double volumes from current advertisers to approximately 6.68 million
3 units. This would amount to over 13 million pieces. We then believe we would almost
4 double this volume again when other advertisers, especially those launching new
5 products in the toiletry, cosmetic and skin care industries, are made aware of the lower
6 postage costs for premium advertisements in periodicals. This would double the
7 revenue that the Postal Service receives, without increasing its costs for processing this
8 mail.

9 Magazine Publishers of America (MPA) conducted an informal survey of its
10 Postal Committee members, asking for projected annual Ride-Along volume. The
11 survey resulted in a projection of approximately 91,336,000 pieces, versus a present
12 volume for Standard A pieces mailed in combination with periodicals of 14,189,000.
13 The estimated increase is approximately 77,147,000 pieces, or 544 percent. Our CNP
14 projections are included in the MPA survey.

15 To the best of my knowledge, there would be little or no volume or revenue
16 diversion if this experimental rate is approved. The current Standard A material which
17 is either on-serted within a mailing wrapper or bound into our periodicals is not of the
18 type that advertisers would send directly to consumers via any other class of mail, i.e.,
19 Standard Mail A or First -Class Mail. These units are creative pieces designed for
20 inclusion with periodicals (even though they do not qualify for the Periodicals rates of
21 postage). They are not pieces which are normally sent independently of periodicals or
22 which have historically been subject to mass distribution via Standard Mail A.

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.

Elinor M. Brown for Scott L. Reiter

Scott L. Reiter

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