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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

December 21, 1999

Hon. Margaret P. Crenshaw, Secretary
Postal Rate Commission
1333 H Street, NW, Suite 300
Washington, D.C. 20268-0001

Re: Docket Nos. MC97-4 and C99-4

Dear Ms. Crenshaw:

The Postal Service is transmitting herewith an additional erratum to the Postal Service's Bulk Parcel Return Service Cost Study, originally provided to the Commission on October 30, 1998, with revisions provided on December 2, 1999.

The correction is highlighted on the attached replacement for page 1, and the page is labeled "Revised."

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Scott L. Reiter".

Scott L. Reiter
Attorney

Enclosures

cc: Participants of record
in Docket Nos. C99-4 and MC97-4

I. PURPOSE

The purpose of this study is to fulfill the Postal Service's obligation to develop a more refined per-piece cost estimate for Bulk Parcel Return Service (BPRS) in accordance with the BPRS study plan submitted in Docket No. MC97-4.

II. DESCRIPTION OF THE SERVICE

BPRS is a service that is available for the return of Standard A parcels to the original sender. It requires a minimum annual volume of 10,000 returned parcels per year. To qualify for BPRS, parcels must weigh under a pound, be machinable as defined by DMM § C050.4.0, and carry a "BPRS requested" endorsement.

The Postal Service will deliver the returns to the recipient in bulk at a time and frequency that is convenient to the Postal Service. In addition, recipients have the option of picking up their returned parcels at a designated postal facility. In those instances where the recipients calculate postage due, they must leave an audit trail that can be used by the Postal Service to verify the calculations. In some cases, the Postal Service calculates postage due if it can do so in a low cost manner.

Although several mailers were in the process of getting BPRS approved, only eight mailers were found that used BPRS during the data collection phase of this study. To collect data, the postage due sites for those eight BPRS recipients were visited along with pertinent delivery units, processing and distribution centers (P&DC's), and Bulk Mail Centers (BMCs)¹. Some of the data collected on these visits is summarized in Table 1 below. The average weight and average cube of BPRS parcels are calculated in Exhibit A.

Table 1. Characteristics of BPRS Parcels

	Weight per Piece (oz.)	Average Cube per Piece (Cubic Feet)	Average Daily Volume	No. Days per Week Mailer Receives Returns	Who Calculates Postage Due	Method of Postage Due	Who Takes Mail to Mailers Plant
Mailer 1	15.04	0.08	1,085	6	USPS	average weight	USPS
Mailer 2	10.35	0.09	810	5	mailer	manifest	USPS
Mailer 3	12.50	0.14	455	6	mailer	manifest	mailer
Mailer 4	9.36	0.13	900	5	USPS	average weight	USPS
Mailer 5	12.80	0.02	760	5	mailer	average weight	mailer
Mailer 6	14.00	0.08	200	6	mailer	manifest	mailer
Mailer 7	9.00	0.04	420	2	mailer	manifest	USPS
Mailer 8	9.88	0.02	71	6	USPS	physically count pieces	mailer

¹ Site visits occurred between April 20, 1998 and August 30, 1998.