

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF
ERRATA TO TESTIMONY OF WITNESS DAVIS (USPS-T-30) [ERRATUM]
(February 18, 2000)

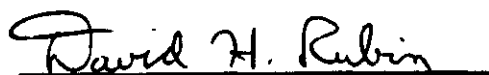
The United States Postal Service hereby provides notice of the filing of errata to the testimony of witness Davis (USPS-T-30). The errata do not affect any of witness Davis' cost study results. A summary of the changes is attached, along with the revised pages.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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February 18, 2000

Summary of revisions to USPS-T-30 (witness Davis)

Page 6 - lines 1-2: change to "...are entered by mailers into collection boxes, or at a business mail entry unit, or otherwise do not receive a window acceptance scan."

Page 12 - line 12: change "p. 72" to "p. 74".

1 are entered by mailers into collection boxes, or at a business mail entry unit, or
2 otherwise do not receive a window acceptance scan.

3 Retail delivery confirmation customers can receive delivery confirmation
4 information through either the Internet or the corporate call management (CCM)
5 system. Within the CCM system, information is provided two ways: (1) the
6 interactive voice response (IVR) system and (2) customer service agents. The
7 Postal Service has recently purchased its own IVR system, which eliminates
8 certain base charges from the previous vendor-provided system. This testimony
9 has also applied to the call center costs a higher proportion of customers placing
10 calls to the call center.

11 C. Results

12 Table 1 presents the total test year volume variable costs for Priority Mail base
13 electronic service, Priority Mail retail service, Standard (B) electronic service, and
14 Standard (B) retail service. For each service type, the volume variable costs are
15 presented by cost category and in total. For Priority Mail delivery confirmation
16 service, this testimony also presents the cost net of Priority Mail electronic
17 service cost. This cost difference is provided since the Priority Mail delivery
18 confirmation fees exclude the underlying costs of Priority Mail electronic service.
19 Instead, these underlying costs are included in the costs of the Priority Mail
20 subclass.

1 V. ACCOUNTABLE MAIL COST UPDATES

2 A. Overview

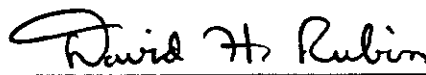
3 This testimony updates the costs of various accountable mail and related
4 services, including certificate of mailing, insured mail, bulk insurance, restricted
5 delivery, and return receipts. Also, the impact of electronic signature capture on
6 cost is estimated for the following services: certified mail, COD, insured mail,
7 registered mail, return receipt and return receipt for merchandise.

8 B. Methodology

9 Updated wage rates and piggyback factors, which reflect indirect attributable
10 cost, have been applied for each of the accountable mail cost updates. The
11 return receipt cost study updates the labor times for clerk and carrier review
12 activities, using the results of a new special study (see USPS-LR-I-108, p. 74).
13 An additional update involves the weighting factor applied to the cost of return
14 receipts which require a record of the address of delivery. This weighting factor
15 is based on the 2.72 percent of total mail volume that is undeliverable as
16 addressed (see USPS-LR-I-110, Table 4-2). For return receipts after mailing, I
17 have updated the retrieval time to reflect the cost savings from electronic
18 signature capture. For return receipt for merchandise, a new methodology is
19 used which bases such costs on the costs of certified mail, since the operations
20 are similar.

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.

A handwritten signature in cursive script that reads "David H. Rubin". The signature is written in black ink and is positioned above a horizontal line.

David H. Rubin

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