

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 SECOND  
ERRATA TO TESTIMONY OF WITNESS MAYO (USPS-T-39) [ERRATUM]  
(February 18, 2000)

The United States Postal Service hereby provides notice of the filing of a second set of errata to the testimony of witness Mayo (USPS-T-39). The errata clarify the fee design for the proposed QBRM quarterly fee, and make small changes to Table 20-A to match the post office box counts presented by witness Kaneer (Exhibit USPS-40B, page 2), and to adjust the percentage calculations accordingly. A summary of the changes is attached, along with the revised pages.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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February 18, 2000

## **Summary of revisions to USPS-T-39 (witness Mayo)**

Page 26 – line 1: insert “monthly” between “fee” and “cost”

Page 26 – line 2: insert “and tripled” between “\$45” and “.”

Page 111 – Table 20-A: replace “25.24%” with “25.20%”

Page 111 – Table 20-A: replace “1.80%” with “1.81%”

Page 111 – Table 20-A: replace “54,315” with “54,447”

Page 111 – Table 20-A: replace “56.56%” with “56.60%”

Page 111 – Table 20-A: replace “10,691” with “10,717”

Page 111 – Table 20-A: replace “11.13%” with “11.14%”

Page 111 – Table 20-A: replace “4,683” with “4,694”

Page 111 – Table 20-A: replace “601” with “602”

Page 111 – Table 20-A: replace “28,074” with “29,140”

Page 111 – Table 20-A: replace “1.00%” with “1.04%”

Page 111 – Table 20-A: replace “5,526” with “5,736”

Page 111 – Table 20-A: replace “0.20%” with “0.21%”

Page 111 – Table 20-A: replace “2,420” with “2,512”

Page 111 – Table 20-A: replace “311” with “322”

Page 111 – Table 20-A: replace “38” with “39”

Page 111 – Table 20-A: replace “42,579” with “41,381”

Page 111 – Table 20-A: replace “1.70%” with “1.62%”

Page 111 – Table 20-A: replace “0.24%” with “0.23%”

Page 111 – Table 20-A: replace “8,381” with “8,145”

Page 111 – Table 20-A: replace “0.33%” with “0.32%”

Page 111 – Table 20-A: replace “3,671” with “3,566”

Page 111 – Table 20-A: replace “0.15%” with “0.14%”

Page 111 – Table 20-A: replace “471” with “458”

Page 111 – Table 20-A: replace “57” with “56”

Page 111 – Table 20-A: replace “1,688,233” with “1,677,279”

## **Summary of revisions to USPS-T-39 (witness Mayo)**

### **(Continued)**

Page 111 – Table 20-A: replace “60.08%” with “60.04”

Page 111 – Table 20-A: replace “9.38%” with “9.32%”

Page 111 – Table 20-A: replace “729,219” with “724,488”

Page 111 – Table 20-A: replace “25.95%” with “25.93%”

Page 111 – Table 20-A: replace “4.05%” with “4.03%”

Page 111 – Table 20-A: replace “237,404” with “235,863”

Page 111 – Table 20-A: replace “8.45%” with “8.44%”

Page 111 – Table 20-A: replace “1.32%” with “1.31%”

Page 111 – Table 20-A: replace “53,180” with “52,835”

Page 111 – Table 20-A: replace “0.30%” with “0.29%”

Page 111 – Table 20-A: replace “11,843” with “11,766”

Page 112 – Table 20-A: replace “1,524,344” with “1,549,362”

Page 112 – Table 20-A: replace “0.71%” with “0.77%”

Page 112 – Table 20-A: replace “8.47%” with “8.61%”

Page 112 – Table 20-A: replace “658,429” with “669,235”

Page 112 – Table 20-A: replace “26.22%” with “26.25%”

Page 112 – Table 20-A: replace “3.66%” with “3.72%”

Page 112 – Table 20-A: replace “214,357” with “217,875”

Page 112 – Table 20-A: replace “1.19%” with “1.21%”

Page 112 – Table 20-A: replace “48,018” with “48,806”

Page 112 – Table 20-A: replace “10,693” with “10,869”

Page 112 – Table 20-A: replace “2,762,593” with “2,748,530”

Page 112 – Table 20-A: replace “15.35%” with “15.27%”

Page 112 – Table 20-A: replace “1,193,281” with “1,187,206”

Page 112 – Table 20-A: replace “6.63%” with “6.60%”

Page 112 – Table 20-A: replace “388,483” with “386,505”

Page 112 – Table 20-A: replace “2.16%” with “2.15%”

## **Summary of revisions to USPS-T-39 (witness Mayo)**

### **(Continued)**

Page 112 – Table 20-A: replace “87,024” with “86,581”

Page 112 – Table 20-A: replace “19,380” with “19,281”

Page 112 – Table 20-A: replace “3,994,888” with “3,997,319”

Page 112 – Table 20-A: replace “89.76%” with “90.27%”

Page 112 – Table 20-A: replace “22.20%” with “22.21%”

Page 112 – Table 20-A: replace “1,712,661” with “1,713,704”

Page 112 – Table 20-A: replace “38.48%” with “38.70%”

Page 112 – Table 20-A: replace “456,001” with “456,279”

Page 112 – Table 20-A: replace “10.25%” with “10.30%”

Page 112 – Table 20-A: replace “2.53%” with “2.54%”

Page 112 – Table 20-A: replace “35,078” with “35,100”

Page 112 – Table 20-A: replace “0.19%” with “0.20%”

Page 112 – Table 20-A: replace “2,160” with “2,162”

Page 112 – Table 20-A: replace “181,895” with “179,464”

Page 112 – Table 20-A: replace “4.09%” with “4.05%”

Page 112 – Table 20-A: replace “1.01%” with “1.00%”

Page 112 – Table 20-A: replace “77,981” with “76,939”

Page 112 – Table 20-A: replace “1.75%” with “1.74%”

Page 112 – Table 20-A: replace “20,763” with “20,485”

Page 112 – Table 20-A: replace “0.47%” with “0.46%”

Page 112 – Table 20-A: replace “0.12%” with “0.11%”

Page 112 – Table 20-A: replace “1,597” with “1,576”

Page 112 – Table 20-A: replace “98” with “97”

1 cost of \$510.86<sup>15</sup> was increased \$89 and the QBRM quarterly fee monthly cost of  
2 \$237.93<sup>16</sup> was increased \$45 and tripled. A ten-dollar rounding constraint was  
3 applied to both. The fee for a permit was designed with a resultant minimal cost  
4 coverage in mind. The unit cost of \$106.65<sup>17</sup> was marked up \$18 and a five-  
5 dollar rounding constraint was applied.

6

## 7 7. Pricing Criteria

8

9 BRM (including QBRM) is a high value special service (Criterion 2).  
10 BRM offers advantages over return envelopes and cards due to the accounting,  
11 billing and automation services. The major advantage of BRM to fund-raising  
12 organizations, utilities, magazine subscription and renewal services, and other  
13 users is the mailer only incurs the cost of postage for mailpieces that are  
14 returned. This is advantageous to organizations that are unsure of the response  
15 rate to a mailing. BRM also makes a good impression on potential or existing  
16 customers since it demonstrates a company is willing to pick up the tab for the  
17 postage.

18

19 The proposed BRM fees individually and as a whole cover their costs  
20 and contribute to other costs, modestly to moderately (Criterion 3). In fact, with  
21 the exception of the proposed nonletter-size piece fee, none of the individual

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<sup>15</sup> Cost from LR-I-160, Section K, page 1 plus contingency.

<sup>16</sup> Cost from USPS-T-29, page 15 plus contingency.

<sup>17</sup> Cost from USPS-T-29, page 30 plus contingency.

1 Table 20-A – Effect of Proposed Post Office Box Fee Increase  
2

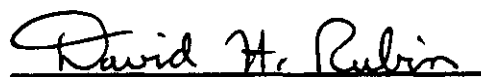
		TYBR VOLUME	PERCENTAGE OF GROUP VOLUME	INCREASE OR DECREASE	PERCENTAGE OF TOTAL VOLUME
GROUP A TO GROUP B2	SIZE 1	24,239	25.20%	0%	0.13%
	SIZE 2	667	0.69%	-2%	0.00%
	SIZE 3	659	0.69%	6%	0.00%
	SIZE 4	82	0.09%	13%	0.00%
	SIZE 5	17	0.02%	15%	0.00%
GROUP A TO GROUP C3	SIZE 1	50,532	1.81%	-8%	0.28%
	SIZE 2	1,391	0.05%	-13%	0.01%
	SIZE 3	1,374	0.05%	-6%	0.01%
	SIZE 4	170	0.01%	-1%	0.00%
	SIZE 5	36	0.00%	-4%	0.00%
GROUP B TO GROUP B2	SIZE 1	54,447	56.60%	11%	0.30%
	SIZE 2	10,717	11.14%	10%	0.06%
	SIZE 3	4,694	4.88%	21%	0.03%
	SIZE 4	602	0.63%	25%	0.00%
	SIZE 5	73	0.08%	38%	0.00%
GROUP B TO GROUP C3	SIZE 1	29,140	1.04%	2%	0.16%
	SIZE 2	5,736	0.21%	-2%	0.03%
	SIZE 3	2,512	0.09%	7%	0.01%
	SIZE 4	322	0.01%	10%	0.00%
	SIZE 5	39	0.00%	15%	0.00%
GROUP B TO GROUP C4	SIZE 1	41,381	1.62%	-17%	0.23%
	SIZE 2	8,145	0.32%	-21%	0.05%
	SIZE 3	3,568	0.14%	-14%	0.02%
	SIZE 4	458	0.02%	-8%	0.00%
	SIZE 5	56	0.00%	-2%	0.00%
GROUP C TO GROUP C3	SIZE 1	1,677,279	60.04%	25%	9.32%
	SIZE 2	724,488	25.93%	25%	4.03%
	SIZE 3	235,863	8.44%	32%	1.31%
	SIZE 4	52,835	1.89%	55%	0.29%
	SIZE 5	11,766	0.42%	54%	0.07%

Table 20-A  
(continued)

		TYBR VOLUME	PERCENTAGE OF GROUP VOLUME	INCREASE OR DECREASE	PERCENTAGE OF TOTAL VOLUME
GROUP C TO GROUP C4	SIZE 1	1,549,362	60.77%	2%	8.61%
	SIZE 2	669,235	26.25%	2%	3.72%
	SIZE 3	217,875	8.54%	5%	1.21%
	SIZE 4	48,806	1.91%	29%	0.27%
	SIZE 5	10,869	0.43%	31%	0.06%
GROUP C TO GROUP C5	SIZE 1	2,748,530	62.07%	-14%	15.27%
	SIZE 2	1,187,206	26.81%	-14%	6.60%
	SIZE 3	386,505	8.73%	-12%	2.15%
	SIZE 4	86,581	1.96%	-10%	0.48%
	SIZE 5	19,281	0.44%	-7%	0.11%
GROUP D TO GROUP D6	SIZE 1	3,997,319	90.27%	43%	22.21%
	SIZE 2	1,713,704	38.70%	33%	9.52%
	SIZE 3	456,279	10.30%	14%	2.54%
	SIZE 4	35,100	0.79%	52%	0.20%
	SIZE 5	2,162	0.05%	73%	0.01%
GROUP D TO GROUP D7	SIZE 1	179,464	4.05%	21%	1.00%
	SIZE 2	76,939	1.74%	8%	0.43%
	SIZE 3	20,485	0.46%	2%	0.11%
	SIZE 4	1,576	0.04%	21%	0.01%
	SIZE 5	97	0.00%	25%	0.00%
GROUP E REMAINING		1,645,182			9.14%

**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.



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February 18, 2000