

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

RECEIVED
APR 18 4 44 PM '00

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 RESPONSES OF WITNESS KIEFER
TO INTERROGATORIES AAP/USPS-T37-12 & 18

The United States Postal Service hereby gives notice that it is filing errata to: the attachment to witness Kiefer's response to AAP/USPS-T37-12, originally filed on March 14, 2000; and to witness Kiefer's response to AAP/USPS-T37-18, originally filed on April 4, 2000.

The numbers being corrected in the attachment to interrogatory 12 are under "Savings" and "Pass-Through" for DSCF and DDU. These errors were discovered in responding to interrogatory 18. The response to that interrogatory had indicated that a revised version of the attachment to the response to interrogatory 12 was being attached to the response to 18, although it was inadvertently omitted.

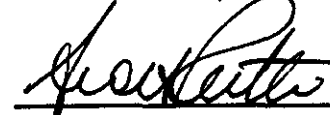
Provided herewith are: A revised attachment to the response to interrogatory 12 incorporating the changes noted above; a revision to the response to interrogatory 18 reflecting the separate filing of the revised attachment; and a declaration from the witness.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999; Fax -5402
April 18, 2000

Pass-Through of Cost Savings

Discount	Savings	Per-Piece Discount	Pass-Through	Savings	Per-Pound Discount	Pass-Through
DBMC						
Zones 1&2	0.38	0.062	16%	0.047	0.004	9%
Zone 3	0.38	0.062	16%	0.018	0.006	33%
Zone 4	0.38	0.062	16%	0.003	0.006	200%
Zone 5	0.38	0.062	16%	-0.100	0.008	-8%
DSCF	0.529	0.246	47%	0.064	0.029	45%
DDU	0.656	0.297	45%	0.088	0.031	35%
Carrier Route	0.077	0.077	100%	0	0	
Barcode	0.029	0.030	103%	0	0	

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER
TO INTERROGATORIES OF THE ASSOCIATION OF AMERICAN PUBLISHERS

AAP/USPS-T37-18 Please refer to the attachment to your response to AAP/USPS-T37-12. Please provide a complete explanation of the savings and per piece discounts shown in the right hand columns of the attachment.

RESPONSE

The column title for the three columns on the right in the attachment contained a typographical error. It should have read "Per Pound" rather than "Per Piece." In reviewing this table, I also discovered another error in the way the per-pound savings for the DSCF and DDU discounts were computed. The values for the per-pound savings in the original attachment were too high, causing the reported pass-through percentages to be too low for these discounts. A corrected version of the table is being provided.

The per-pound savings are the difference between the fully marked up costs (cost plus leakages per pound) for the non-drop-shipped pounds in each zone less the fully marked up costs for the discounted pounds in the same zone. The difference between these two figures is the cost savings per pound. The Zones 1&2 costs were used as the reference point for the DSCF and DDU discounts. The per-pound discounts are the differences between the final per-pound rates shown in my workpaper WP-BPM-16. The pass-through per pound is the ratio of the per-pound discount to the per-pound cost savings expressed as a percentage.

DECLARATION

I, James M. Kiefer, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

James M Kiefer

Dated: 4-18-00

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, appearing to read "Scott L. Reiter", written over a horizontal line.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 18, 2000