

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 THE UNITED STATES POSTAL SERVICE CONCERNING
ERRATA TO TESTIMONY OF WITNESS MAYES (USPS-T-32) (SECOND
ERRATUM) AND TO INFORMATION PROVIDED IN RESPONSE TO POIR 1
AND POIR 3

The United States Postal Service hereby provides notice of the filing of the second set of errata to the testimony of witness Mayes (USPS-T-32), and errata to the responses she filed to Presiding Officer's Information Request Nos. 1 and 3. The errata reflect the changes made to the testimony and/or workpapers of witnesses Kay (USPS-T-23) filed on March 13, 2000; Fronk (USPS-T-33) filed on April 17, 2000; and Plunkett (USPS-T-36) filed on April 17, 2000. The errata appear on the following Exhibits which accompany her testimony:

USPS-32A, page 1;

USPS-32B, page 1;

USPS-32C, page 1;

USPS-32E; page 1.

Additional changes are made to her responses to Presiding Officers Information Request No. 1, Question 4 and Presiding Officers Information Request No. 3, Question 5.

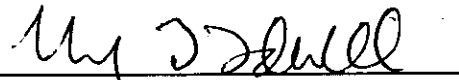
Revised pages are attached. These revised pages replace those originally filed on January 12, 2000 and revised on February 18, 2000. On each of the revised pages, the revised numbers are highlighted.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
April 21, 2000

Summary of Estimated Test Year Before Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col. 2/Col. 1) (3)	Revenue Minus Vol. Var. Cost (Col. 2 - Col. 1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,408,525	22,306,818	166.4%	8,898,293
Presort and Automation Letters	5,050,813	12,783,497	253.1%	7,732,684
Total Letters	18,459,338	35,090,315	190.1%	16,631,177
Single-Piece Cards	554,794	592,509	106.8%	37,715
Presort and Automation Cards	172,879	436,738	252.6%	263,859
Total Cards	727,673	1,029,247	141.4%	301,574
Total First-Class Mail	19,186,811	36,119,562	188.3%	16,932,751
Priority Mail	3,263,396	5,229,846	160.3%	1,966,450
Express Mail	476,631	1,019,497	213.9%	542,866
Mailgrams	991	1,136	114.6%	145
Periodicals				
Within County	82,227	76,286	92.8%	(5,941)
Outside County				
Nonprofit	370,280	319,556	86.3%	(50,724)
Classroom	14,284	12,986	90.9%	(1,298)
Regular-Rate	2,031,214	1,833,845	90.3%	(197,369)
Total Periodicals	2,488,005	2,242,674	89.8%	(255,331)
Standard Mail (A)				
Regular	7,125,095	8,653,220	121.4%	1,528,125
Enhanced Carrier Route	2,527,785	5,036,496	199.2%	2,508,711
Total Commercial	9,652,880	13,689,715	141.8%	4,036,835
Nonprofit	1,326,100	1,458,641	110.0%	132,541
Enhanced Carrier Route	212,388	232,440	109.4%	20,052
Total Nonprofit	1,538,488	1,691,081	109.9%	152,593
Total Standard Mail (A)	11,191,368	15,380,796	137.4%	4,189,428
Standard Mail (B)				
Parcel Post	1,078,203	1,197,801	111.1%	119,598
Bound Printed Matter	493,424	492,554	99.8%	(870)
Special Rate	304,846	327,631	107.5%	22,785
Library Rate	48,295	48,517	100.5%	222
Total Standard Mail (B)	1,924,768	2,066,503	107.4%	141,735
Free-for-the-Blind	40,302	0	0.0%	(40,302)
Total Domestic Mail	38,582,272	82,060,013	160.8%	23,477,741
International Mail	1,473,998	1,741,131	118.1%	267,133
Total All Mail	40,056,270	83,801,144	159.3%	23,744,874
Special Services				
Registry	89,271	81,435	91.2%	(7,836)
Certified Mail	494,945	414,039	83.7%	(80,906)
Insurance	78,162	89,575	114.6%	11,413
COD	15,104	18,373	121.8%	3,269
Money Orders *	159,605	288,465	180.7%	128,860
Stamped Cards	3,444	4,458	129.4%	1,014
Stamped Envelopes	12,542	12,515	99.8%	(27)
Box/Caller Service	597,451	746,817	125.0%	149,366
Other	141,152	396,957	281.2%	255,805
Total Special Services	1,591,676	2,052,636	129.0%	460,960
Total Mail & Services	41,647,946	65,853,780	158.1%	24,205,834
Other Costs	27,992,970			
Other Income		383,847		
Prior Years Loss Recovery	268,257			
Continuing Appropriations		67,093		
Investment Income *		(29,693)		
Grand Total	69,909,173	66,275,027	94.8%	(3,634,146)

* Money order revenues include interest of 56,893

Source: Volume Variable Costs from USPS-T-14, WP H, Table E. Revenues from USPS-T-33, USPS-T-34 (revised 4-17-00), USPS-T-35, USPS-T-36 (as revised 4-17-00), USPS-T-37, USPS-T-38 and USPS-T-39.

Summary of Estimated Test Year After Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost (1)	Revenue (2)	Revenue as Percent of Cost (Col.2/Col.1) (3)	Revenue Minus Vol. Var. Cost (Col.2 - Col.1) (4)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	13,326,042	22,913,594	171.9%	9,587,552
Presort and Automation Letters	5,019,464	13,252,350	264.0%	8,232,886
Total Letters	18,345,506	36,165,944	197.1%	17,820,438
Single-Piece Cards	539,919	603,902	111.9%	63,983
Presort and Automation Cards	168,958	448,787	265.6%	279,829
Total Cards	708,877	1,052,689	148.5%	343,812
Total First-Class Mail	19,054,383	37,218,633	195.3%	18,164,250
Priority Mail	3,064,062	5,542,259	180.9%	2,478,197
Express Mail	480,984	1,068,567	222.2%	587,583
Mailgrams	1,000	1,136	113.6%	136
Periodicals				
Within County	81,397	81,847	100.6%	450
Outside County	2,384,191	2,416,926	101.4%	32,735
Total Periodicals	2,465,588	2,498,774	101.3%	33,186
Standard Mail (A)				
Regular	6,823,933	9,070,437	132.9%	2,246,504
Enhanced Carrier Route	2,471,864	5,162,024	208.8%	2,690,160
Total Commercial	9,295,797	14,232,461	153.1%	4,936,664
Nonprofit	1,320,611	1,543,087	116.8%	222,476
Enhanced Carrier Route	208,577	264,218	126.7%	55,641
Total Nonprofit	1,529,188	1,807,305	118.2%	278,117
Total Standard Mail (A)	10,824,985	16,039,766	148.2%	5,214,781
Standard Mail (B)				
Parcel Post	1,052,158	1,211,453	115.1%	159,295
Bound Printed Matter	479,204	563,443	117.6%	84,239
Special Rate	301,195	338,764	112.5%	37,569
Library Rate	47,444	49,672	104.7%	2,228
Total Standard Mail (B)	1,880,001	2,163,332	115.1%	283,331
Free-for-the-Blind	40,348	0	0.0%	(40,348)
Total Domestic Mail	37,811,351	64,532,466	170.7%	26,721,115
International Mail	1,429,916	1,747,558	122.2%	317,642
Total All Mail	39,241,267	66,280,024	168.9%	27,038,757
Special Services				
Registry	85,204	94,993	111.5%	9,789
Certified Mail	481,746	577,361	125.0%	115,615
Insurance	76,838	106,070	138.4%	29,432
COD	14,992	19,968	133.2%	4,976
Money Orders *	153,995	305,488	198.4%	151,493
Stamped Cards	3,444	8,317	241.5%	4,873
Stamped Envelopes	12,544	16,041	127.9%	3,497
Box/Caller Service	589,226	814,060	138.2%	224,834
Other	141,324	419,918	297.1%	278,594
Total Special Services	1,539,113	2,362,218	153.5%	823,105
Total Mail & Services	40,780,380	68,642,242	168.3%	27,861,862
Other Costs	27,978,701			
Other Income		383,847		
Prior Years Loss Recovery	268,257			
Continuing Appropriations		67,093		
Investment Income *		(27,621)		
Grand Total	69,027,338	69,065,560	100.1%	38,222

* Money order revenues include interest of 54,821

Source: Volume Variable Costs from USPS-T-14, WP J, Table E. Revenues from USPS-T-33 (as revised 4-17-00), USPS-T-34, USPS-T-35, USPS-T-36 (as revised 4-17-00), USPS-T-37, USPS-T-38 and USPS-T-39.

Summary of Revenues
Fiscal Year 2000
(Thousands)

Description	Mall Volume	Revenues
First-Class Mail		
Single-Piece Letters and Sealed Parcels	53,685,016	22,470,798
Presort and Automation Letters	45,096,057	12,800,297
Total Letters	98,781,073	34,771,095
Single-Piece Cards	2,855,226	593,456
Presort and Automation Cards	2,600,104	417,473
Total Cards	5,455,330	1,010,928
Total First-Class Mail	104,236,403	35,782,023
Priority Mail	1,229,818	4,740,686
Express Mail	69,876	994,373
Mailgrams	3,858	1,312
Periodicals		
Within County	892,821	78,090
Outside County		
Nonprofit	1,988,739	325,163
Classroom	58,182	13,456
Regular-Rate	7,457,452	1,812,341
Total Periodicals	10,397,195	2,229,049
Standard Mail (A)		
Regular	41,673,597	8,464,503
Enhanced Carrier Route	32,691,235	4,896,106
Total Commercial	74,364,831	13,360,609
Nonprofit	11,255,435	1,438,278
Enhanced Carrier Route	2,957,311	236,456
Total Nonprofit	14,212,747	1,674,734
Total Standard Mail (A)	88,577,578	15,035,343
Standard Mail (B)		
Parcel Post	347,342	1,123,975
Bound Printed Matter	509,795	463,307
Special Rate	206,675	324,472
Library Rate	28,546	47,742
Total Standard Mail (B)	1,092,357	1,959,497
USPS Penalty Mail	359,429	0
Free-for-the-Blind	54,952	0
Total Domestic Mail	206,021,466	60,742,283
International Mail	1,048,763	1,690,211
Total All Mail	207,070,229	62,432,494
Special Services		
Registry	12,675	89,267
Certified Mail	281,365	393,911
Insurance	46,688	91,694
COD	3,805	19,549
Money Orders *	229,668	265,081
Stamped Cards	431,990	4,320
Stamped Envelopes	400,000	12,515
Box/Caller Service	17,853	728,460
Other		342,332
Total Special Services		1,947,129
Total Mail & Services	207,070,229	64,379,622
Other Income		376,023
Continuing Appropriations		64,436
Investment Income *		(24,112)
Grand Total	207,070,229	64,795,969

* Money order revenues include interest of 51,398

**Summary of Estimated Test Year After Rates
Revenue and Incremental Cost
(Dollars In Thousands)**

<u>Description</u>	<u>Incremental Cost (1)</u>	<u>Revenue (2)</u>	<u>Revenue Minus Incremental Cost (Col. 2 - Col. 1) (3)</u>
First-Class Mail			
Single-Piece Letters and Sealed Parcels	14,179,317	22,913,594	8,734,277
Presort and Automation Letters	5,188,914	13,252,350	8,063,436
Total Letters	19,860,211	36,165,944	16,305,733
Single-Piece Cards	539,919	603,902	63,983
Presort and Automation Cards	170,800	448,787	277,986
Total Cards	724,264	1,052,689	328,425
Total First-Class Mail	20,800,689	37,218,633	16,417,944
Priority Mail	3,441,926	5,542,259	2,100,333
Express Mail	724,264	1,068,567	344,303
Mailgrams	1,026	1,136	109
Periodicals			
Within County	82,098	81,847	(251)
Outside County	2,412,210	2,416,926	4,716
Total Periodicals	2,497,245	2,498,774	1,529
Standard Mail (A)			
Regular	6,937,525	9,070,437	2,132,912
Enhanced Carrier Route	2,617,126	5,162,024	2,544,898
Total Commercial	9,767,090	14,232,461	4,465,371
Nonprofit	1,334,443	1,543,087	208,644
Enhanced Carrier Route	208,768	264,218	55,450
Total Nonprofit	1,544,778	1,807,305	262,526
Total Standard Mail (A)	11,431,673	16,039,766	4,608,092
Standard Mail (B)			
Parcel Post	1,079,739	1,211,453	131,714
Bound Printed Matter	482,390	563,443	81,053
Special Rate	302,020	338,764	36,744
Library Rate	47,504	49,672	2,168
Total Standard Mail (B)	1,930,237	2,163,332	233,095
International Mail	1,531,016	1,747,558	216,542
Special Services			
Registry	85,307	94,993	9,686
Certified Mail	548,669	577,361	28,692
Insurance	76,780	106,070	29,291
COD	15,016	19,968	4,952
Money Orders *	217,464	305,488	88,024
Stamped Cards	3,444	8,317	4,873
Stamped Envelopes	12,551	16,041	3,490
Box/Caller Service	590,449	814,060	223,611

Source: Incremental Costs from USPS-T-23, as revised 3-13-00. Revenues from USPS-T-33 (revised 4-17-00), USPS-T-34, USPS-T-35, USPS-T-36 (as revised 4-17-00), USPS-T-37, USPS-T-38 and USPS-T-39.

Summary of Revenues
 Test Year Before Rates (2001)
 (thousands)

Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Par Piece (Col 4/Col 1)
	(1)	(2)	(3)	(4)	(5)
First-Class Mail					
Letters - Single	53,213,826	22,166,105	137,713	22,303,818	0.419102
Automated and Carrier Route Letters	44,117,377	11,785,013	0	11,785,013	0.266675
Non-Automated Presort Letters	2,930,521	600,600	0	600,600	0.204903
Total Worksharing	47,047,898	12,754,622	18,875	12,783,497	0.271712
Total Letters	100,261,726	34,833,727	156,588	35,090,315	0.349987
Stamped Cards	445,823	89,185	181	89,366	0.200407
Post Cards - Single	2,405,027	496,939	6,224	503,163	0.208213
Automated and Carrier Route Post Cards	2,333,598	363,556	0	363,556	0.155782
Non-Automated Presort Cards	400,483	72,087	0	72,087	0.180000
Total Worksharing Cards	2,734,081	435,643	1,095	436,738	0.156739
Total Cards	5,584,931	1,021,747	7,500	1,029,247	0.184290
Business Reply Fees	0	121,356	(121,356)	0	0
Domestic Mail Fees	0	42,733	(42,733)	0	0
Total First Class	105,846,657	36,119,563	0	36,119,563	0.341244
Priority Mail					
Priority Mail	1,356,715	5,229,143	703	5,229,846	3.854787
Domestic Mail Fees	0	703	(703)	0	0
Total Priority	1,356,715	5,229,846	0	5,229,846	3.854787
Express Mail	71,841	1,019,497	0	1,019,497	14.230817
Mailgrams	3,340	1,136	0	1,136	0.340000
Periodicals					
In-Country	872,194	74,589	1,697	76,286	0.087484
Outside Country					
Nonprofit	1,954,453	315,755	3,802	319,557	0.163502
Classroom	56,153	12,877	100	12,977	0.231267
Regular-Rate	7,545,945	1,819,167	14,678	1,833,845	0.243024
Domestic Mail Fees	0	20,285	(20,285)	0	0
Total Periodicals	10,428,745	2,242,874	0	2,242,874	0.215047
Standard Mail A					
Commercial					
Regular	42,783,773	8,633,803	19,817	8,653,620	0.202255
Enhanced Carrier Route	33,630,517	5,021,076	15,420	5,036,496	0.149760
Total Commercial	76,414,291	13,654,879	35,237	13,690,115	0.179151
Nonprofit					
Nonprofit	11,510,795	1,418,142	42,498	1,460,640	0.126719
Enhanced Carrier Route	2,907,206	221,706	10,734	232,440	0.079953
Total Nonprofit	14,418,001	1,639,848	53,232	1,693,072	0.117290
Bulk Mailing Fees	0	61,179	(61,179)	0	0
Domestic Mail Fees	0	27,089	(27,089)	0	0
Total Standard Mail A	90,832,291	15,380,796	0	15,380,796	0.169332
Standard Mail B					
Parcel Post	378,447	2,197,180	811	2,197,991	5.809046
Bound Printed Matter	541,976	491,907	847	492,754	0.908813
Special Rate	208,687	327,325	306	327,631	1.569964
Library Rate	29,009	48,455	62	48,517	1.672470
Domestic Mail Fees	0	1,347	(1,347)	0	0
Special Handling	0	230	(230)	0	0
PAL Fees	0	49	(49)	0	0
Total Standard Mail B	1,158,118	2,966,503	(0)	2,966,503	2.564362
Total USPS Penalty Mail	348,543	0	0	0	0
Free-for-the-Blind	56,675	0	0	0	0
Total Domestic Mail	210,102,726	62,080,013	(0)	62,080,013	0.295379
International					
Postage	1,066,939	1,478,198	10,140	1,486,339	1.394902
Terminal & Transit	0	252,793	0	252,793	0
Fees, etc.	0	10,140	(10,140)	0	0
Total	1,066,939	1,741,131	0	1,741,131	1.631895
Total All Mail	211,169,664	63,801,145	(0)	63,801,145	0.302132
Special Services					
Registry	11,563	81,435	0	81,435	7.042481
Certified Mail	295,742	414,039	0	414,039	1.400002
Insurance	45,810	89,575	0	89,575	1.963838
COD	3,576	18,373	0	18,373	5.137876
Money Orders *	234,993	288,465	0	288,465	1.227549
Stamped Cards	445,823	4,458	0	4,458	0.009999
Stamped Envelopes	400,000	12,515	0	12,515	0.031288
Box/Carrier Service	18,246	748,817	0	748,817	40.829987
Subtotal	1,455,553	1,655,678	0	1,655,678	1.137491
Other	N/A	396,957	0	396,957	N/A
Total	1,455,553	2,052,636	0	2,052,636	1.410210
Total Mail & Services	211,169,664	65,853,780	(0)	65,853,780	0.311852
Other Income	0	383,847		383,847	
Revenue Forgone	0	67,093		67,093	
Investment Income *	0	(29,693)		(29,693)	
Total, all items	211,169,664	66,275,027	(0)	66,275,027	0.313647

* Money order revenues include 59,893 in interest.

Source: Exhibit USPS-32A, as revised 4-21-2000. Express Mail and Priority Mail volumes from USPS-T-8; all other volumes from USPS-T-6.

Calculation of Overall Percent Increase

	Test Year Before Rates Postage & Fees	Percent Change	TYBR Revenue Weighted by % Change
First-Class Mail			
Letters - Single	22,306,818	3.4%	764,241
Automated and Carrier Route Letters	11,765,013	3.9%	462,871
Non-Automated Presort Letters	999,609	4.9%	48,996
Stamped Cards	89,346	5.0%	4,486
Post Cards - Single	503,163	4.8%	24,200
Automated and Carrier Route Post Card	363,556	5.2%	18,771
Non-Automated Presort Cards	72,087	5.6%	4,005
Priority Mail	5,229,846	15.0%	786,766
Express Mail	1,019,497	3.8%	38,741
Mailgrams	1,136	0.0%	-
Periodicals			
In-County	76,286	8.5%	6,484
Outside County			
Nonprofit	319,556	11.6%	37,069
Classroom	12,986	13.8%	1,788
Regular-Rate	1,833,845	13.5%	247,231
Standard Mail A			
Commercial			
Regular	8,653,220	9.4%	812,152
Enhanced Carrier Route	5,036,496	4.9%	246,788
Nonprofit			
Nonprofit	1,458,641	5.6%	81,684
Enhanced Carrier Route	232,440	14.8%	34,401
Standard Mail B			
Parcel Post	1,197,801	1.3%	15,843
Bound Printed Matter	492,554	18.1%	89,393
Special Rate	327,631	4.9%	15,904
Library Rate	48,517	4.5%	2,164
International	1,741,131	3.8%	66,244
Special Services			
Registry	81,435	23.0%	18,730
Certified Mail	414,039	50.0%	207,019
Insurance	89,575	20.9%	18,704
COD	18,373	9.7%	1,776
Delivery Confirmation	20,034	13.7%	2,749
Money Orders *	288,465	9.9%	28,558
Return Receipts	317,371	20.3%	64,458
Stamped Cards	4,458	100.0%	4,458
Stamped Envelopes	12,515	28.2%	3,526
Box/Caller Service	746,817	10.9%	81,254
Address changes	241	35.3%	85
BPRS	2,245	-5.7%	(128)
Correction of Mailing Lists	318	25.0%	79
Merchandise Return	2,038	-100.0%	(2,038)
On-site Meter Setting	8,984	4.5%	408
Permits	6,304	25.0%	1,576
Restricted Delivery	11,832	16.4%	1,936
Signature Confirmation	27,566	12.4%	3,415
Zip Coding Lists	25	0.0%	-
	65,833,810		4,246,785

6.5% = 4,246,785/65,833,810

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.

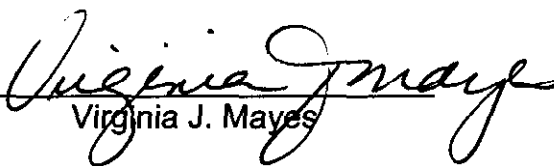
A handwritten signature in black ink, appearing to read "M. Tidwell". The signature is fluid and cursive, with a large initial "M" and a stylized "Tidwell".

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
April 21, 2000

DECLARATION

I, Virginia J. Mayes, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


Virginia J. Mayes

Dated: 4-21-00

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.



Michael T. Tidwell

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