

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

POSTAL RATE AND FEE CHANGES, 2000)

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Docket No. R2000-1
POSTAL RATE COMMISSION
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ERRATA TO THE INITIAL BRIEF
ON BEHALF OF VAL-PAK DIRECT MARKETING SYSTEMS, INC.,
VAL-PAK DEALERS' ASSOCIATION, INC., AND
CAROL WRIGHT PROMOTIONS, INC. (ERRATUM)
(September 20, 2000)

The attached errata to the VP/CW Initial Brief (i) correct two numbers on page 45, Table 5, Columns 1 and 2, Row 2; (ii) add new footnotes to more clearly identify the source of the Table 5 commercial cost numbers to the Initial Brief's Appendix (Tables A-1 and A-2); and (iii) provide new Tables A-3 and A-4 for the Appendix, which show the intermediate steps between the nonprofit cost data drawn from USPS-LR-I-92 and the costs shown in column 2 of Table 5. The corrected numbers appear with strikeout, while the additions are underlined.

Respectfully submitted,

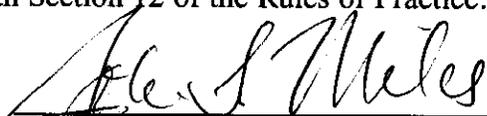


William J. Olson
John S. Miles
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

Counsel for:
Val-Pak Direct Marketing Systems, Inc.,
Val-Pak Dealers' Association, Inc., and
Carol Wright Promotions, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by this document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



John S. Miles

September 20, 2000

Table 5
Indicated Cost for a 16-Ounce Piece of
Standard A Commercial and Nonprofit Mail,
Based on Witness Daniel's Regressions

Revised (9/20/2000)

| | (1) Commercial | (2) Nonprofit | (3) Col. 1 Source ¹ | (4) Col. 2 Source ¹ |
|--|--|---|--------------------------------------|--------------------------------------|
| Detailed Half-ounce Increments: | | | | |
| Regular/Nonprofit: | | | | |
| 1. All shapes | \$0.8008 ² | \$1.1072 ¹⁰ | 1, p. 10 | 3, p. 10 |
| 2. Flats | 0.3652 <u>0.3562</u> ³ | 0.7592 <u>0.7542</u> ¹¹ | 1, p. 16 | 3, p. 16 |
| ECR/NECR: | | | | |
| 3. All shapes | 0.3198 ⁴ | 6.8934 ¹² | 2, p. 10 | 4, p. 10 |
| 4. Flats | 0.2745 ⁵ | 1.5708 ¹³ | 2, p. 17 | 4, p. 16 |
| Combined Weight Increments: | | | | |
| Regular/Nonprofit: | | | | |
| 5. All shapes | 0.7180 ⁶ | 0.9921 ¹⁴ | 1, p. 12 | 3, p. 12 |
| 6. All Flats | 0.3409 ⁷ | 0.7241 ¹⁵ | 1, p. 18 | 3, p. 18 |
| ECR/NECR: | | | | |
| 7. All shapes | 0.2833 ⁸ | 0.3555 ¹⁶ | 2, p. 10 | 4, p. 12 |
| 8. Flats | 0.2517 ⁹ | 0.6320 ¹⁷ | 2, p. 16 | 4, p. 18 |

¹ USPS-LR-I-92 is the source for all data; the first number indicates the section.

²⁻⁹ Commercial costs are drawn from Appendix, Tables A-1 and A-2, Column 5, as follows:

² A-1, Row 1 ³ A-1, Row 3 ⁴ A-2, Row 1 ⁵ A-2, Row 3

⁶ A-1, Row 4 ⁷ A-1, Row 6 ⁸ A-2, Row 4 ⁹ A-2, Row 7

¹⁰⁻¹⁷ Nonprofit costs are drawn from Appendix, Tables A-3 and A-4, Column 5, as follows:

¹⁰ A-3, Row 1 ¹¹ A-3, Row 2 ¹² A-4, Row 1 ¹³ A-4, Row 2

¹⁴ A-3, Row 3 ¹⁵ A-3, Row 4 ¹⁶ A-4, Row 3 ¹⁷ A-4, Row 4

Table A-3

Underlying Regressions and Indicated Rate for a 16-Ounce Piece of Standard A Nonprofit Mail, Using Witness Daniel's Regressions of the form $y = a + bx$

where

y = cost
a = intercept
b = slope
x = weight (in ounces)

| Description | (1) Source: LR-I-92, Section 3 | (2) Intercept Value (a) | (3) Slope (b) | (4) 16b | (5) Cost of a 16-ounce Piece: $a + 16b$ |
|--|---|----------------------------------|---------------------|------------|---|
| Detailed Half-Ounce Increments: | | | | | |
| 1. All shapes | P. 10 | -0.0400 | 0.0717 | 1.1472 | 1.1072 |
| 2. Flats | P. 16 | 0.0950 | 0.0412 | 0.6592 | 0.7542 |
| Combined Weight Increments: | | | | | |
| 3. All shapes | P. 12 | -0.0015 | 0.0621 | 0.9936 | 0.9921 |
| 4. All Flats | P. 18 | 0.0873 | 0.0398 | 0.6368 | 0.7241 |

Table A-4

Underlying Regressions and Indicated Rate for a 16-Ounce Piece of Standard A Nonprofit ECR Mail, Using Witness Daniel's Regressions of the form $y = a + bx$

where

y = cost
a = intercept
b = slope
x = weight (in ounces)

| Description | (1) Source: LR-I-92, Section 4 | (2) Intercept Value (a) | (3) Slope (b) | (4) 16b | (5) Cost of a 16-ounce Piece: $a + 16b$ |
|---------------------------------|---|----------------------------------|---------------------|------------|---|
| Detailed Half-Ounce Increments: | | | | | |
| 1. All shapes | P. 10 | -2.0458 | 0.5587 | 8.9392 | 6.8934 |
| 2. Flats | P. 16 | -0.3412 | 0.1195 | 1.9120 | 1.5708 |
| Combined Weight Increments: | | | | | |
| 3. All shapes | P. 12 | 0.0403 | 0.0197 | 0.3152 | 0.3555 |
| 4. All Flats | P. 18 | -0.0288 | 0.0413 | 0.6608 | 0.6320 |