

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

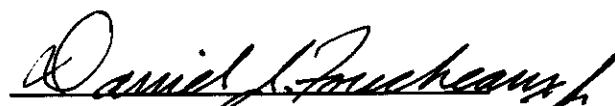
NOTICE OF THE UNITED STATES POSTAL SERVICE
OF ERRATUM TO DECISION OF THE GOVERNORS

The United States Postal Service hereby gives notice of an erratum to correct a typographical error in the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Postal Rate and Fee Changes in this docket. On page 12, in the last sentence of the first paragraph in the section labeled "Revenue Requirement Conclusion" the word "million" should be changed to "billion." A replacement page is provided herewith.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:


Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

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December 6, 2000

revenues match expectations or not. The contingency protects all of the services the Postal Service provides for the American people.

Revenue Requirement Conclusion

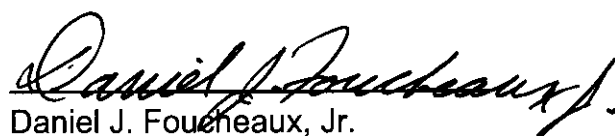
The record indicates and the Governors have found that total accrued costs as updated in this case, including the Field Reserve and Supervisor Cost Adjustments as discussed above, are \$67.825 billion. The provision for recovery of prior years' losses is \$312 million. We have determined that a contingency of 2.5 percent, or \$1.695 billion, is reasonable and appropriate in this case. Accordingly, we find that the revenue requirement is \$69.832 billion.

For the revenue requirement assumed in the Commission's Recommended Decision, we are satisfied that the rates and fees recommended by the Commission are lawful at this stage, for the reasons presented in the Commission's Opinion. While the Postal Service did not have a practical opportunity to reconsider and update its proposed rate design once the Commission ordered the mid-case update in costs, the Commission has provided a balanced schedule of rates and fees that we find, for the most part, to be reasonable and sensible on the current record. As permitted by law, we have decided to allow these rates and fees to take effect under protest. By resolution adopted today, the Board has set an effective date of January 7, 2001.

We ask the Commission, on reconsideration, to adjust its recommended rates and fees to provide revenues consistent with the revenue requirement determined by the Governors, \$69,832 million. In light of our serious concerns about the Postal Service's financial condition, as reflected on the record and in our comments above, we urge the Commission to provide further recommended adjustments as expeditiously as possible, to enable the Postal Service to make up as much of the shortfall as it can in the remainder of the test year.

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.


Daniel J. Foucheaux, Jr.

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