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

POSTAL RATE AND FEE CHANGES, 1997 Docket No. R97-1

NOTICE OF THE UNITED STATES POSTAL SERVICE CONCERNING THE FILING OF ERRATA TO THE TESTIMONY OF WITNESS HATFIELD (USPS-T-25)

The United States Postal Service hereby gives notice that it is filing revised pages of the testimony of witness Hatfield (USPS-T-25) to reflect the correct citation to USPS Library Reference No. H-185 in seven places where an incorrect reference to USPS Library Reference H-105 appears. In the following places on the revised pages of USPS-T-25, correct references to "USPS-LR-H-185" replaces incorrect references to "USPS-LR-H-105":

Page 13	Footnote 10
Appendix II	Page 1, line 6
"	Pages 3, 4, and 5; footnotes for columns 1 through 4
"	Page 6, footnote for row 2

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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trays, the preparation characteristics of the mail are used to determine the bundle sorting costs associated with that type of mail. For example, 3-digit bundles in ADC trays will receive at least one bundle sort from the ADC level to the 3-digit level.

In Docket No. MC95-1, First-Class Mail characteristics data were used for the development of both the entry profiles and the bundle sorting costs. However, the mail characteristics data used in Docket No. MC95-1 represented the mail entry requirements for First-Class Mail that existed before classification reform. For the post classification reform models in Docket No. MC95-1, estimates were made of how mail entry characteristics would change as a result of classification reform. In order to support the development of cost estimates for this docket, a post mail characteristics study was conducted to collect data in the post classification reform environment.[10]

The data from this new study reflect the changes that were made in First-Class presort mail entry requirements. One major change in entry requirements is that in order to receive automation presort discounts, all mail must be prepared in full trays (no bundles). Prior to classification reform, automation presort mail could be prepared in bundles. With this change, the presort rate that automation mail receives (basic, 3-digit, or 5-digit) is determined by the tray presort level as opposed to the bundle presort level.

Another significant change in First-Class presort mail entry requirements has to do with nonautomation mail preparation. In the post classification reform environment, there are two options for preparing First-Class nonautomation presort mail. If the mail fails certain standards for automation compatibility, it is non-OCR upgradable. Non-OCR upgradable mail is mail that would most likely not be upgraded by an optical character reader (OCR). Mail is classified as non-OCR upgradable for one of two reasons: it is non-machinable or it is non-readable. Non-machinable mail is mail that cannot be run across a piece of automated equipment because of its physical properties. This mail is either too thick, too wide, too tall, not properly tabbed, etc. Non-readable mail is mail that, although machinable, cannot be read by an OCR. Mail can be machinable but not readable because the address is handwritten, the address is

[10] The new First-Class Mail Characteristics Study is documented in Library Reference USPS LR-H-185.

I. INTRODUCTION

Appendix II contains the First-Class Mail characteristics data that are used throughout the development of mail processing unit costs in this testimony. All data come from a recent field study conducted specifically to update the First-Class Mail characteristics (USPS LR-H-185). Appendix II shows the results of that study and combines those results into a summary form that is used in various places in this testimony. The primary uses of the mail characteristics data in this testimony are for bundle sorting cost calculations (Appendix III) and entry profile calculations (Appendix IV). In both cases the information that is needed is the breakdown of First-Class presort mail volume by container presort level or container/bundle presort level. Mail characteristics data are also used to determine the amount of non-machinable mail and to weight the three nonautomation model costs together.

II. FIRST-CLASS MAIL CHARACTERISTICS RESULTS

The results of the First-Class Mail characteristics study are shown for six different types of First-Class non-carrier route presort mail:

- Nonautomation presort non-OCR upgradable mail in non-OCR trays
- Nonautomation presort OCR upgradable mail in non-OCR trays
- Nonautomation presort OCR upgradable mail in OCR trays
- Automation basic presort
- Automation 3-digit presort
- Automation 5-digit presort

For the first two types of mail, the results show the volume of mail broken down into container/bundle presort levels. This is because for nonautomation presort mail in non-OCR upgradable trays mail must be prepared in bundles before it is put into trays. The results also show the average number of pieces in each bundle. This information is used to determine bundle sorting costs in Appendix III.

First-Class Mail Characteristics Data

Nonautomation Presort Non-OCR Upgradable Mail in Non-OCR Trays

	[1]	[2]	[3]	[4]	[5]
		Tray Presort Level			
	5-Digit	3-Digit	ADC	Mixed ADC	Total
Full 5-Digit Trays					
Pieces	1,032,992	N/A	N/A	N/A	1,032,992
5-Digit Bundles					
Pieces	N/A	1,103,615	86,157	55,888	1,245,660
Pieces per package	N/A	31.7	18.5	27.6	
3-Digit Bundles					
Pieces	N/A	208,411	174,265	144,881	527,557
Pieces per package	N/A	39.1	32.4	25.1	
ADC Bundles					
Pieces	N/A	N/A	2,851	36,528	39,379
Pieces per package	N/A	N/A	24 5	19.0	
Mixed ADC Bundles					
Pieces	N/A	N/A	N/A	29,253	29,253
Pieces per package	N/A	N/A	N/A	51.1	
Total					
Pieces 1/	**1,032,992**	**1,312,026**	**263,273**	**266,550**	**2,874,841**

Row 1/: Sum of the piece volumes from all rows.
Column [1]: USPS LR-H-185, total pieces in 5-digit trays
Column [2]: USPS LR-H-185, total pieces in 3-digit trays.
Column [3]: USPS LR-H-185, total pieces in ADC trays.
Column [4]: USPS LR-H-185, total pieces in mixed ADC trays.
Column [5]: Sum of piece volumes from columns 1 - 4.

First-Class Mail Characteristics Data

Nonautomation Presort OCR Upgradable Mail in Non-OCR Trays

	[1]	[2]	[3]	[4]	[5]
		Tray Presort Level			
	5-Digit	3-Digit	ADC	Mixed ADC	Total
Full 5-Digit Trays					
Pieces	183,056	N/A	N/A	N/A	183,056
5-Digit Bundles					
Pieces	N/A	179,285	4,263	16,795	200,343
Pieces per package	N/A	35.0	16.9	18.6	
3-Digit Bundles					
Pieces	N/A	14,467	14,567	43,040	72,074
Pieces per package	N/A	38.9	27.1	32.3	
ADC Bundles					
Pieces	N/A	N/A	1,638	33,671	35,309
Pieces per package	N/A	N/A	24.1	18.7	
Mixed ADC Bundles					
Pieces	N/A	N/A	N/A	14,536	14,536
Pieces per package	N/A	N/A	N/A	58.8	
Total					
Pieces 1/	**183,056**	**193,752**	**20,468**	**108,042**	**505,318**

Row 1/: Sum of the piece volumes from all rows.
Column [1]: USPS LR-H-185, total pieces in 5-digit trays.
Column [2]: USPS LR-H-185, total pieces in 3-digit trays.
Column [3]: USPS LR-H-185, total pieces in ADC trays.
Column [4]: USPS LR-H-185, total pieces in mixed ADC trays.
Column [5]: Sum of piece volumes from columns 1 - 4.

First-Class Mail Characteristics Data

Nonautomation Presort OCR-Upgradable and Automation Presort

		[1] Nonautomation Presort	[2]	[3]	[4]
			Automation Presort		
		OCR-Upgradable	Basic	3-Digit	5-Digit
5-Digit Trays		281,478			8,967,204
3-Digit Trays		1,565,393		19,388,008	
AADC Trays		504,094	2,201,894		
Mixed AADC Trays		802,032	2,057,484		
Total	1/	**3,152,997**	**4,259,378**	**19,388,008**	**8,967,204**

Row 1/: Sum of the piece volumes from all rows.

Column [1]: USPS LR-H-185, total pieces by tray presort level.

Column [2]: USPS LR-H-185, total pieces in AADC and mixed AADC trays.

Column [3]: USPS LR-H-185, total pieces in 3-digit trays.

Column [4]: USPS LR-H-185, total pieces in 5-digit trays.

First-Class Mail Characteristics Data

Volume Summary

First-Class nonautomation presort		
Mail in Non-OCR upgradable trays		
Non-OCR Upgradable Mail	2,874,841	1/
Non-machinable	1,597,340	2/
Machinable	1,277,501	3/
OCR Upgradable Mail	505,318	4/
Total	**3,380,159**	5/
Mail in OCR upgradable trays	**3,152,997**	6/
Total nonautomation presort	**6,533,156**	7/
First-Class automation presort		
Non-carrier route automation presort		
Basic	4,259,378	8/
3-Digit	19,388,008	9/
5-Digit	8,967,204	10/
Total automation presort	**32,614,590**	11/
Total First-Class non-carrier route presort	**39,147,746**	12/
Non-machinable mail as a percent of non-OCR mail in non-OCR trays	**55.56%**	13/
Non-OCR mail in non-OCR trays as a percent of nonautomation mail	44.00%	14/
OCR mail in non-OCR trays as a percent of nonautomation mail	7.73%	15/
OCR mail in OCR trays as a percent of nonautomation mail	48.26%	16/
	100.00%	17/

Row 1/: Appendix II, page 3 of 6, sum of column 5.
Row 2/: USPS LR-H-185, total non-machinable pieces.
Row 3/: Row 1 - row 2.
Row 4/: Appendix II, page 4 of 6, sum of column 5.
Row 5/: Row 1 + row 4.
Row 6/: Appendix II, page 5 of 6, sum of column 1.
Row 7/: Row 5 + row 6.
Row 8/: Appendix II, page 5 of 6, sum of column 2.
Row 9/: Appendix II, page 5 of 6, sum of column 3.
Row 10/: Appendix II, page 5 of 6, sum of column 4.
Row 11/: Row 8 + row 9 + row 10.
Row 12/: Row 7 + row 11.
Row 13/: Row 2 / row 1
Row 14/: Row 1 / row 7.
Row 15/: Row 4 / row 7.
Row 16/: Row 6 / row 7.
Row 17/: Row 14 + row 15 + row 16.

CERTIFICATE OF SERVICE

I hereby certify that I have this date 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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