

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, 2001

Docket No. R2001-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO
TESTIMONY OF WITNESS MAYO (USPS-T-36)
(November 21, 2001)

The United States Postal Service hereby provides notice of the filing of errata to the testimony of witness Mayo (USPS-T-36). The errata correct minor production errors, and reflect the cost errata filed by witness Patelunas on October 31, 2001.¹


A summary of the changes is attached, along with the revised pages. A complete, revised electronic copy of witness Mayo's testimony is also being provided to the Commission.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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¹ See Notice of United States Postal Service of Filing of Errata to Exhibits and Workpapers of Witness Patelunas (USPS-T-12), filed October 31, 2001.

Summary of revisions to USPS-T-36 (witness Mayo):

Page 12 – line 4: change "131" to "130"

Page 12 – line 5: change "24" to "26"

Page 37 – footnote 23: add last footnote line from page 38

Page 38 – line 15: change "36" to "28"

Page 38 – delete footnote line

Page 40 – line 17: change "126" to "132"

Page 40 – line 18: change "126" to "132"

Page 57 – line 23: delete: "Unlike the basic return receipt,"

Page 58 – lines 1, 2, 3: delete "the electronic return receipt would not provide a different address, if other than the original address. The electronic return receipt would, however, provide the five-digit ZIP Code of delivery."

Page 73 – footnote 36: add last footnote line from page 74

Page 74 – line 16: change "36" to "28"

Page 74 – delete footnote line

1 122 percent. This proposed fee for the annual permit reflects the proposed
2 permit fee discussed in witness Koroma's testimony (USPS-T-37).

3
4 The overall proposed cost coverage for BRM is 130 percent. The overall
5 proposed percentage increase for BRM is 26 percent. Table 2 presents the
6 current and proposed BRM fees.

1 continued growth and acceptance of this service to all users, both business and
2 individuals, alike. As such, a relatively modest overall cost coverage seems
3 appropriate at this time. Based on the above criteria, the proposed fees and cost
4 coverages are fair and promote an equitable schedule (Criterion 1).

5 6 8. Classification Criteria

7
8 The first two classification changes proposed in this testimony for
9 Delivery Confirmation involve First-Class Mail Letters and Sealed Parcels
10 parcels. The first proposed classification change is to extend manual Delivery
11 Confirmation to these parcels. The second proposed classification change is to
12 extend electronic Delivery Confirmation to these parcels. The third proposed
13 classification change is to limit the availability of Delivery Confirmation for
14 Package Services to parcels only. The first two proposed classification changes
15 are addressed together in the discussion below.

16
17 Offering Delivery Confirmation to First-Class Mail Letters and Sealed
18 Parcels parcels would establish fairness and equity for this subclass of mail
19 (Criterion 1). Currently, these parcel customers need to buy either certified mail
20 or registered mail with a return receipt²³ to receive the delivery data provided by
21 Delivery Confirmation or pay Priority Mail postage. Being able to receive this
22 delivery data at a much lower fee with Delivery Confirmation would increase the

²³ Certified mail and registered mail are proposed to have the enhancement of delivery data provided at no additional fee, so these services (without return receipt service) would be alternatives to Delivery Confirmation in the future.

1 value of this service to First-Class Mail Letters and Sealed Parcels parcel
2 customers (Criterion 2). This proposed classification would provide an option for
3 these parcel customers with a high degree of reliability (Criterion 3). Finally, it is
4 desirable from the viewpoint of the Postal Service and should be desirable from
5 the viewpoint of the First-Class Mail Letters and Sealed Parcels parcel customers
6 (Criterion 5) to have a special classification to provide these parcel customers
7 with the same Delivery Confirmation option currently afforded other parcel
8 customers.

9
10 The third proposed classification change is to limit Delivery Confirmation
11 to parcels only within the Package Services mail class. This proposed change
12 involves a special service with a high value of service (Criterion 2). It is a fair and
13 equitable proposal, because it ensures that the service will be provided for all
14 parcel customers (Criterion 1). This proposed change reflects the operational
15 concerns discussed by witness Kingsley. USPS-T-39, at 8-9, 28.

16

1 **E. Insurance**

2
3 1. Proposal

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5 The fee changes proposed in this testimony include fee increases for
6 unnumbered and all numbered insurance pieces. The current unnumbered fee
7 of \$1.10 is proposed to increase by 18 percent to \$1.30. The current numbered
8 fee up to \$100 is proposed to increase by 10 percent to \$2.20. Percentage
9 increases for the proposed fees over the current fees range from less than one
10 percent to seven percent for numbered insurance value levels above \$100. The
11 current incremental fee of \$1.00 between value levels is proposed to remain at
12 \$1.00. This proposed incremental fee also applies to Express Mail insurance
13 \$100 value levels above \$100. (See my other testimony, USPS-T-35, for the
14 proposed classification change for Express Mail insurance.) The bulk discounts
15 are proposed to remain the same at \$0.60 for unnumbered and \$0.80 for
16 numbered. The proposed implicit cost coverage is 139 percent for unnumbered
17 insurance, and the overall cost coverage for insurance is 132 percent. The
18 overall proposed cost coverage over incremental costs is also 132 percent.
19 Table 5 presents the current and proposed insurance fees and the percentage
20 changes.

1 needs to be purchased to use return receipt for merchandise. The proposed
2 seven percent reduction in the return receipt after mailing fee would have nothing
3 but a positive impact on its users.

4
5 The proposed return receipt fee schedule is simple (Criterion 7). Based
6 on the aforementioned criteria, the proposed fees for return receipt service are
7 fair and equitable (Criterion 1). This is especially true when considering the
8 proposed fee for the new electronic return receipt product. At the proposed fee,
9 customers would have an option for certified mail combined with an electronic
10 return receipt that costs the same as the current price for certified mail and basic
11 return receipt service combined.

12 13 8. Classification Criteria

14
15 The first proposed classification change is to add a new fee category for
16 electronic return receipts. Electronic return receipts would provide a customer
17 the opportunity to automatically receive an electronic message with delivery
18 information and a copy of the recipient's signature for mail sent by certified mail,
19 numbered insurance, Collect-on-Delivery and registered mail. The electronic
20 return receipt customer would provide an email address at the point of purchase
21 or through pre-registration on the Internet. The delivery date, time, address and
22 a digitized image of the recipient's signature would be sent by secure email to the
23 sender automatically after delivery of the mail.

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Electronic return receipts should represent a high value of service to those customers able to take advantage of the service (Criterion 2). This fee category would provide a high degree of reliability (Criterion 3) and is desirable from the viewpoints of the Postal Service and, most assuredly, the potential users of the service (Criterion 5). Based on these criteria, the proposed classification would be fair and equitable (Criterion 1).

1 The proposed fees for Signature Confirmation are simple and represent
2 identifiable fee relationships, as there is only one manual fee and one electronic
3 fee (Criterion 7). The proposed Signature Confirmation fees strive to maintain a
4 fair and equitable fee schedule (Criterion 1).

5
6 5. Classification Criteria

7
8 The first two classification changes proposed in this testimony for
9 Signature Confirmation involve First-Class Mail Letters and Sealed Parcels
10 parcels. The first proposed classification change is to extend electronic
11 Signature Confirmation to these parcels. The second proposed classification
12 change is to extend manual Signature Confirmation to these parcels. The third
13 proposed classification change is to limit the use of Signature Confirmation for
14 Package Services to parcels only. The first two proposed classification changes
15 are addressed together in the discussion below.

16
17 Offering Signature Confirmation to First-Class Mail Letters and Sealed
18 Parcels parcels would establish fairness and equity for this subclass of mail
19 (Criterion 1). Currently, First-Class Mail Letters and Sealed Parcels parcel
20 customers need to buy either certified mail or registered mail with a return
21 receipt³⁶ to receive the delivery data provided by Signature Confirmation or pay
22 the Priority Mail postage. Being able to receive this delivery data at a much

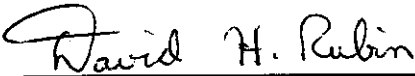
³⁶ Certified mail and registered mail are proposed to have the enhancement of delivery data provided at no additional fee, so these services (without return receipt service) would be an alternative.

1 lower fee with Signature Confirmation would increase the value of this service to
2 these parcel customers (Criterion 2). This proposed classification would provide
3 an option for these parcel customers with a high degree of reliability (Criterion 3).
4 Finally, it is desirable from the viewpoint of the Postal Service and should be
5 desirable from the viewpoint of the First-Class Mail Letters and Sealed Parcels
6 parcel customers (Criterion 5) to have a special classification to allow another
7 special service option for First-Class Mail Letters and Sealed Parcels parcels.

8
9 *The third proposed classification change is to limit Signature*
10 *Confirmation to parcels only within the Package Services mail class. This*
11 *proposed change involves a special service with a high value of service (Criterion*
12 *2). It is a fair and equitable proposal, because it ensures that the service will be*
13 *provided in a manner that is consistent with the proposal for First-Class Mail*
14 *Letters and Sealed Parcels parcels and the existing requirement for Standard*
15 *Mail (Criterion 1). The proposal also reflects the operational concerns discussed*
16 *by witness Kingsley. USPS-T-39 at 8-9, 28.*

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.



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