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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO
TESTIMONY OF WITNESS KANEER (USPS-T-38)
(January 15, 2002)

The United States Postal Service hereby provides notice of the filing of errata to

the testimony of witness Kaneer (USPS-T-38). The errata correct minor production

errors, and do not affect the post office box service proposal.
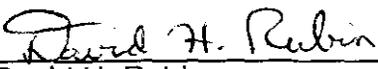
A summary of the changes is attached, along with the revised pages.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 15, 2002

Summary of revisions to USPS-T-38 (witness Kaneer):

Page 8   Replace Figure 1 with correct version from Docket No. R2000-1, USPS-LR-I-155, page 37, as revised March 31, 2000.

Page 19   Delete lines 1 to 3.

Page 24, Table 2

        Change "R2000-1" to "R2001-1" in title

        Change Group 3, Box Size 3 fee from "$68.50" to "$68.00"

        Change Group 6, Box Size 2 fee from "$18.50" to "$18.00".

Figure 1

Post Office Box Space Cost Per Square Foot Distribution
Classified Into Seven Cost Groups: I to VII

Frequency

Hypothetical Cost Groups and Rent Ranges	
I	>=$16
II	>=$12.5 & <$16.0
III	>=$10.0 & <$12.5
IV	>=$7.5 & <$10.0
V	>=$5.0 & <$7.5
VI	>=$4.0 & <$5.0
VII	<$4.0

Source: SAS frequency chart of cost per square foot based on witness
Yezer's estimates (see Docket No. R2000-1, USPS-LR-I-155. page
37, revised March 31, 2000).

If locations were strictly assigned to these seven fee groups based solely

on cost, without regard to fee impact on current customers, average cost per

square foot for each group could appropriately be used to allocate Space

Provision cost to the boxes in each group. Cost group IV is constructed to be

1

2

3

4   Then: $R_j = WCOST_j \div EQCAP_j$, = weighted average cost per square foot

5   in fee group j,

6   Where: $WCOST_j = \Sigma_i(POBINST_{ij} \times CAPFAC_i \times CSQFT_{ij})$,

7             $EQCAP_j, = \Sigma_i(POBINST_{ij} \times CAPFAC_i)$.

8   **A.   Square Feet Allocation for Each Box Size**

9   The following equations derive the amount of floor space allocated to each

10 box size given the total square feet attributed to post office boxes, the

11 relationship between box sizes and capacity, and the number of boxes installed.

12   Given: TSF = Total square feet attributed to post office boxes,

13   POBINST = Total number of boxes installed,

14          $IBSPDIS_k$ = Share of total boxes that are size k,

15          $S1CAPEQ_k$ = Size 1 Capacity Equivalent, size k

16   (k = Box size 1... Box size 5).

17

18   Then: $POBINST_k = POBINST \times IBSPDIS_k$

19   = Total boxes installed, size k,

20

21          $BS1EQ_k = POBINST_k \times S1CAPEQ_k$,

22   = Total size k post office boxes expressed in size 1 boxes,

23

24          $SFPBS1EQ = TSF \div \Sigma_k BS1EQ_k$

25   = Square feet per size 1 equivalent box,

1   organizations. Others may appreciate a higher level of mail security in post office

2   box service than carrier delivery receptacles, while some customers may prefer

3   not to disclose their physical addresses. In short, numerous factors may

4   influence individuals or businesses to value post office box service over

5   alternatives.

6   Post office box service is available at over 30,000 post office locations.

7   Boxes come in five sizes, but all five sizes are not always available at every

8   location. Box customers and post office employees work together to determine

9   which size is appropriate to customers' needs. Customers may ask for, or be

10 asked to move to, a larger size box if their current box is too small to handle the

11 volume of mail received. Caller service is available for customers whose mail

12 volume exceeds the space limitations of the largest size box.[14]

13 **A. Proposed Post Office Fees**

14   The Postal Service is proposing the following fees for post office boxes.
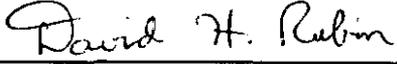
15

Table 2.

	Box Size				
R2001-1 Proposed Fees					
Group	1	2	3	4	5
1	$ 35.00	$ 50.00	$ 100.00	$ 205.00	$ 330.00
2	$ 29.00	$ 45.00	$ 80.00	$ 170.00	$ 315.00
3	$ 24.00	$ 38.00	$ 68.00	$ 118.00	$ 209.00
4	$ 19.00	$ 34.00	$ 63.00	$ 110.00	$ 175.00
5	$ 13.00	$ 22.00	$ 34.00	$ 65.00	$ 125.00
6	$ 12.00	$ 18.00	$ 33.00	$ 60.00	$ 97.00
7	$ 9.00	$ 13.00	$ 23.00	$ 40.00	$ 70.00

16   These fees represent both increases and decreases for current box

17 holders when compared to their current fees. Exhibit B, page 1, contains the

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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