

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

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U.S. POSTAL SERVICE
OFFICE OF THE CHIEF COUNSEL

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO
LIBRARY REFERENCE J-110

The United States Postal Service hereby provides notice of the filing of errata to Library Reference J-110, which include the workpapers of witness Koroma (USPS-T-37). The errata correct minor production errors, improve the presentation of the money order workpaper, 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 Library Reference J-110 is also being provided to the Commission.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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January 16, 2002

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 Library Reference J-110 (witness Koroma):

WP-11: Revised to reflect version attached to response to OCA/USPS-T37-10.

Changes in value column show that \$1,000 limit applies to all categories, and that two fee categories (\$0-\$500, and \$500-\$1000) are proposed for Domestic category. Presentation of Domestic fees is also revised to reflect two categories.

Footnotes 2 and 3 are added to TYAR Domestic transactions to reflect FY 2000 split between money order value \$0.01-\$500 (constituting approximately 90 percent of TYAR money orders) and \$500.01 and above (constituting approximately 10 percent of TYAR money orders).

Footnote 4 is added to explain percent change calculation for proposed Domestic \$500.01-\$1,000 category.

Footnote "2" becomes footnote "5".

WP-20, Page 1:

Change "\$4.07" to \$4.06" for Total C.O.D. in the After Rates Cost Per Piece column.

Change "12,608" to "12,598" for Total C.O.D. in the After Rates Total Cost column.

Change "140.4%" to "140.5%" for Total C.O.D. in the After Rates Cost Coverage column.

Change "180,181" to "180,160" for Money Orders volume variable cost in the After Rates Total Cost column.

WP-20, Page 2:

Change "\$7.77" to "\$7.70" for Total Registry in the After Rates Cost Per Piece column.

Change "80,320" to "79,573" for Total Registry in the After Rates Total Cost column.

Change "122.7%" to "123.8%" for Total Registry in the After Rates Cost Coverage column.

WP-20, Page 3:

Change footnotes 5 and 10 to "Deleted".

Change footnote 7 to "Test Year After Rates volume variable cost including contingency, USPS-T-12, Exhibit 12A, Revised 10/31/01."

Change footnote 9 to "Test Year After Rates volume variable cost including contingency, USPS-T-12, Exhibit 12A, Revised 10/31/01."

Move footnotes 7 through 12 to page 3 of 3.

WP-20, Page 4:

Delete page.

SPECIAL SERVICES
MONEY ORDERS
TEST YEAR 2003USPS-T-37
WP-11

VALUE	TRANSACTIONS (000s)			FEES (\$)		REVENUES (000)		PERCENT CHANGE 1/
	FY 2000	TEST YEAR BEFORE RATES	TEST YEAR AFTER RATES	CURRENT	PROPOSED	BEFORE RATES VOLUME CURRENT FEE	AFTER RATES VOLUME PROPOSED FEE	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>APO-FPO</u>								
\$0-\$700/\$0-\$1000	582	580	574	\$0.25	\$0.25	145	144	0.00%
<u>DOMESTIC</u>								
\$0-\$700/\$0-\$500	230,587	229,642	204,719	2/ \$0.90	\$0.90	206,677	184,247	0.00%
\$500-\$700	N/A	N/A	22,747	3/ \$0.90	\$1.25	N/A	28,433	38.89%
<u>INTERNATIONAL</u>								
\$0-\$700/\$0-\$1000	1,591	1,584	1,569	\$3.00	\$3.00	4,752	4,707	0.00%
TOTAL (APO, DOM, INT)	232,759	231,805	229,608			211,575	217,531	
INQUIRY FEE	889	885	877	\$2.75	\$3.00	2,435	2,631	9.09%
MO COMM REDEEM INTERNATIONAL FOR ISSUE						585	580	
MONEY ORDER FLOAT						51,334	50,848	
OUTSTANDING MONEY ORDERS TAKEN INTO REVENUE 5/						32,291	31,985	
GRAND TOTAL						298,219	303,574	

1/ Denotes the percentage change from the current fee to the proposed fee or (Column 5 - Column 4) / Column 4.

2/ 90 percent of total TYAR money orders, based on FY 2000 transaction split

3/ 10 percent of total TYAR money orders, based on FY 2000 transaction split

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Service	After Rates Volume 1/ (000) (1)	After Rates Cost Per Piece 2/ (\$ (2)	After Rates Total Cost 3/ (000) (3)	After Rates Revenue 1/ (000) (4)	After Rates Cost Coverage (Col 4/Col 3) (5)	After Rates Revenue Per Piece (Col 4/Col 1) (6)	Before Rates Revenue 1/ (000) (7)	Before Rates Volume 1/ (000) (8)	Before Rates Total Cost 4/ (000) (9)	Before Rates Cost Per Piece 2/ (\$ (10)	Before Rates Cost Coverage (Col 9/Col 2) (11)	Before Rates Revenue Per Piece (Col 7/Col 8) (12)	After Rates Percentage Change (Col 8/Col 9) (13)
Address Changes to Election Boards	976	\$0.26	256	264	102.8%	0.2700	225	976	0.26	88%	0.2300	17.39%	
Address Correction - Manual	64,845	\$0.53	34,350	45,391	132.1%	0.7000	39,397	65,662	0.53	113%	0.6000	16.67%	
Address Correction - Automated	219,465	\$0.15	32,325	43,893	135.8%	0.2000	44,615	223,077	0.15	136%	0.2000	0.00%	
Total Address Correction	284,310		66,675	89,284	133.9%	0.3140	84,013	288,739			0.2910	7.93%	
Bulk Parcel Return Service	1,010	\$1.27	1,282	1,819	141.8%	1.8000	1,670	1,031	1.27	128%	1.6200	11.11%	
Carrier Sequencing of Address Cards	N/A	\$0.26	N/A	N/A	114.2%	0.3000	N/A	N/A	N/A	95%	0.2500	20.00%	
Certificates of Mailing													
Basic:	2,426	\$0.66	1,599	2,183	136.5%	0.9000	1,851	2,468	0.66	114%	0.7500	20.00%	
Firm Block Mailing	457	\$0.23	104	137	132.4%	0.3000	116	464	0.23	110%	0.2500	20.00%	
Bulk First 1,000	50	\$3.42	172	226	131.6%	4.5000	180	51	3.42	102%	3.5000	28.57%	
Bulk Additional 1,000	3	\$0.34	1	1	147.1%	0.5000	1	3	0.34	118%	0.4000	25.00%	
Total	2,936		1,875	2,548	135.9%	0.8678	2,147	2,986			0.7193	20.65%	
Collect On Delivery													
\$0.01 to \$50	1,285			5,827		4.5000	5,827	1,295			4.5000	0.00%	
\$0.01 to 100	700			3,852		5.5000	3,852	700			5.5000	0.00%	
100.01 to 200	669			4,350		6.5000	4,350	669			6.5000	0.00%	
200.01 to 300	194			1,458		7.5000	1,458	194			7.5000	0.00%	
300.01 to 400	106			901		8.5000	901	106			8.5000	0.00%	
400.01 to 500	75			712		9.5000	712	75			9.5000	0.00%	
500.01 to 600	47			492		10.5000	492	47			10.5000	0.00%	
600.01 to 700	6			66		11.5000	66	6			11.5000	0.00%	
700.01 to 800	2			2		12.5000	2	0			12.5000	0.00%	
800.01 to 900	1			19		13.5000	19	1			13.5000	0.00%	
900.01 to 1,000	0			0		N/A	0	0			N/A	N/A	
Notice of Non-Delivery	0			0		N/A	0	0			0.0000	0.00%	
Alteration of charges	0			0		N/A	0	0			0.0000	0.00%	
Registered C.O.D.	6			22		4.0000	22	6			4.0000	0.00%	
Total C.O.D.	3,100	\$4.06	12,588	17,700	140.5%	5.7107	17,700	3,100	4.06	141%	5.7107	0.00%	
Correction of Mailing Lists (Per Address)	1,571	\$0.26	413	471	114.2%	0.3000	393	1,571	0.26	95%	0.2500	20.00%	
Destination Bulk Mail Center Permits	0	\$122.96	49	59	122.0%	150.0000	51	0	122.96	102%	125.0000	20.00%	
First-Class Presort Permits	50	\$122.96	6,137	7,487	122.0%	150.0000	6,326	51	122.96	102%	125.0000	20.00%	
Merchandise Return Permits	2	\$122.96	201	245	122.0%	150.0000	212	2	122.96	102%	125.0000	20.00%	
Money Orders													
APD - \$0.01 to \$700	574			144		0.2500	145	580			0.2500	0.00%	
Domestic - \$0.01 to \$700	N/A			N/A		N/A	206,677	229,642			0.9000	N/A	
Domestic - \$0.01 to \$500	204,719			184,247		0.9000						0.00%	
Domestic - \$500.01 to \$1,000	22,747			28,433		1.2500						38.89%	
International	1,568			4,707		3.0000	4,752	1,584			3.0000	0.00%	
Inquiry Fee	877			2,631		3.0000	2,435	885			2.7500	9.09%	
Total Money Orders	229,608	\$0.78	180,160	303,574	166.5%	1.3221	298,219	231,805	0.78	164%	1.2865	2.77%	

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Service	(1) After Rates Volume 1/ (000)	(2) After Rates Cost Per Piece 2/ (\$)	(3) After Rates Total Cost 3/ (000)	(4) After Rates Revenue 1/ (000)	(5) After Rates Cost Coverage (Col 4/Col 3)	(6) After Rates Revenue Per Piece (Col 4/Col 1)	(7) Before Rates Revenue 1/ (000)	(8) Before Rates Volume 1/ (000)	(9) Before Rates Total Cost 4/ (000)	(10) Before Rates Cost Per Piece 2/ (\$)	(11) Before Rates Cost Coverage (Col 9/Col 2)	(12) Before Rates Revenue Per Piece (Col 7/Col 8)	(13) After Rates Percentage Change (Col 6/Col 9)
On-Site Meter Service	139	\$28.01	3,904	4,879	125.0%	35.0000	4,321	139	28.01	111%	31.0000	12.90%	
Meter Access	32	\$3.65	115	158	137.1%	5.0000	127	32	3.65	110%	4.0000	25.00%	
Meter Reset or Examined	83	\$2.76	228	331	144.9%	4.0000	331	83	2.76	145%	4.0000	0.00%	
Meter Checked In or Out of Service	254		4,246	5,368	126.4%	21.1502	4,773	254			18.8286	12.33%	
Total On-Site Meter Service													
Periodical Mailing Applications	2	\$330.36	626	710	113.5%	375.0000	663	2	330.36	106%	350.0000	7.14%	
Original Entry	1	\$3.04	26	32	121.1%	40.0000	32	1	3.04	121%	40.0000	0.00%	
Re-Entry	0	\$45.08	10	13	133.1%	60.0000	11	0	45.08	111%	50.0000	20.00%	
Additional Entry	0	\$24.01	0	0	N/A	40.0000	0	0	N/A	167%	40.0000	0.00%	
News Agents	3		662	765	114.1%	260.0317	705	3			242.9912	7.01%	
Total													
Permit Imprint Permits	62	\$122.96	7,550	9,259	122.0%	150.0000	7,716	62	122.96	102%	125.0000	20.00%	
Registered Mail													
Covered by Postal Insurance	562			4,498		6.0000	4,291	572			7.5000	6.67%	
\$0.00 to \$100	1,012			8,952		8.8500	8,492	1,029			8.2500	7.27%	
100.01 to 500	665			6,453		9.7000	6,093	677			9.0000	7.78%	
500.01 to 1000	567			5,979		10.5500	5,623	577			9.7500	8.21%	
1000.01 to 2000	345			3,928		11.4000	3,682	351			10.5000	8.57%	
2000.01 to 3000	192			2,358		12.2500	2,204	196			11.2500	8.89%	
3000.01 to 4000	209			2,743		13.1000	2,557	213			12.0000	9.17%	
4000.01 to 5000	107			1,490		13.9500	1,386	109			12.7500	9.41%	
5000.01 to 6000	99			1,464		14.8000	1,359	101			13.5000	9.63%	
6000.01 to 7000	39			1,039		15.6500	963	68			14.2500	9.82%	
7000.01 to 8000	66			649		16.5000	601	40			15.0000	10.00%	
8000.01 to 9000	39			2,026		17.3500	1,872	119			16.5000	10.16%	
9000.01 to 10000	117			554		18.2000	512	31			17.2500	10.30%	
10000.01 to 11000	29			562		19.0500	517	30			18.0000	10.43%	
11000.01 to 12000	44			679		19.9000	608	45			18.0000	10.56%	
12000.01 to 13000	27			562		20.7500	508	27			19.5000	10.77%	
13000.01 to 14000	32			702		21.6000	645	33			20.2500	10.86%	
14000.01 to 15000	14			309		22.4500	284	14			20.2500	10.95%	
15000.01 to 16000	20			462		23.3000	424	22			21.0000	11.03%	
16000.01 to 17000	21			514		24.1500	471	22			21.7500	11.11%	
17000.01 to 18000	13			326		25.0000	289	13			22.5000	11.18%	
18000.01 to 19000	39			1,012		25.8500	927	40			24.0000	11.25%	
19000.01 to 20000	31			817		26.7000	747	31			24.7500	11.31%	
20000.01 to 21000	12			319		27.5500	292	12			25.5000	11.37%	
21000.01 to 22000	8			239		28.4000	216	9			26.2500	11.43%	
22000.01 to 23000	12			356		29.2500	325	12			27.0000	11.48%	
23000.01 to 24000	138			4,164		30.1000	3,801	141			27.7500	13.33%	
24000.01 to 25000	92			78		0.8500	70	93			0.7500	5.67%	
Handling per \$1000	3,347			26,773		8.0000	25,542	3,406			7.5000	7.27%	
International - \$100	20			180		8.8500	171	21			8.2500	7.78%	
International - \$500	4			41		9.7000	39	4			9.0000	7.78%	
International - \$1000													
Not Covered By Postal Insurance	2,417			18,128		7.5000	17,633	2,460			7.2500	3.45%	
\$0.00	10,352			98,550		9.5983	93,555	10,514			8.9982	7.19%	
Total Registry		\$7.70	79,573	7/	123.8%	7.63	8/	80,201		117%	7.2500	3.45%	
Restricted Delivery	3,055	\$2.25	6,864	10,694	155.8%	3.5000	9,931	3,103	2.25	142%	3.2000	9.37%	
Standard Mail Bulk Mailing Permit	535	\$122.96	65,744	80,203	122.0%	150.0000	67,338	539	122.96	102%	125.0000	20.00%	

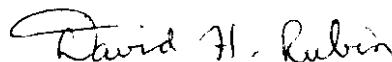
SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (000)	After Rates Revenue 1/ (000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece (Col 4/Col 1)	Before Rates Revenue 1/ (000)	Before Rates Cost Coverage (Col 4/Col 3)	Before Rates Total Cost 4/ (000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 9/Col 2)	Before Rates Revenue Per Piece (Col 7/Col 6)	After Rates Percentage Change (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Package Services Special Present Permit	2	\$122.96	189	230	122.0%	150.0000	192	2		122.96	102%	125.0000	20.00%
ZIF Coding of Mailing Lists	0	\$83.48	35	42	119.8%	100.0000	30	0		83.48	87%	73.0000	36.99%
Total	537,803		628,307			1,168,283,906	594,992	544,735		1,092,3		1,092,3	6.96%

1/ From the special services workpapers
 2/ From Special Studies. Cost and contingency calculation included at USPS-LR-J-110, WP-21.
 3/ Column 2 multiplied by Column 1 unless otherwise noted.
 4/ Test Year Before Rates volume variable cost with contingency from USPS-T-12, WP-F, Table E.
 5/ Deleted
 6/ Column 3 divided by Column 1.
 7/ Test Year After Rates volume variable cost including contingency, USPS-T-12, Exhibit 12A, Revised 10/31/01.
 8/ Column 9 divided by Column 8.
 9/ Test Year After Rates volume variable cost including contingency, USPS-T-12, Exhibit 12A, Revised 10/31/01.
 10/ Deleted.
 11/ Money order inquiry fee cost from USPS-T-42, Appendix A, plus contingency
 12/ Includes money order international commissions, float, and outstanding money orders taken into revenue.

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.



David H. Rubin

475 L'Enfant Plaza West, S.W.
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January 16, 2002