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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

**ERRATUM - AMERICAN BANKERS ASSOCIATION AND NATIONAL
ASSOCIATION OF PRESORT MAILERS FILING OF ERRATA PAGES TO
CLIFTON SURREBUTTAL TESTIMONY (ABA&NAPM-SRT-1)**

(February 25, 2002)

The American Bankers Association and the National Association of Presort
Mailers hereby file the following two Errata pages to the surrebuttal testimony of James

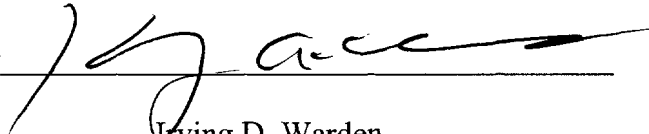
A. Clifton (ABA&NAPM-SRT-1):

- 1) iii – Table of Contents – underlining is deleted.
- 2) Page 5 – Table two, line 21, substitutes “7.92” for “7.9” and “6.33” for “6.34.”

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION
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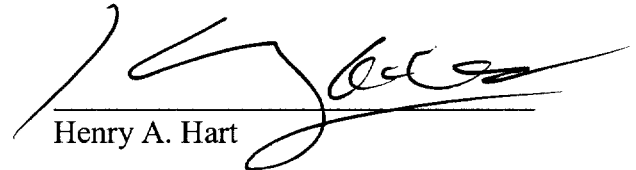
Counsel for
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Date: February 25, 2002
Washington, D.C.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


Henry A. Hart

February 25, 2002

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1 For the longer term, the trend line exercises in Figure 1, Figure 2, and Figure 3, make
 2 clear that, in witness Riley’s own terms, “CRA actual costs” indicate increasing cost
 3 avoidance for the discounted mail. These trends are consistent with the increase in
 4 discounts proposed by the Commission in recent cases, recommended by the Postal
 5 Service in this case, and negotiated between the parties in the settlement of R2001-1.

6
 7 Were I to adopt Mr. Riley’s 80% - 100% pass through proposal for First Class
 8 worksharing discounts using his preferred method of estimating cost avoidance, namely
 9 the actual CRA cost differences, I could base discounts on the full CRA cost difference or
 10 the CRA cost difference for mail processing and delivery costs between discounted and
 11 non-discounted First Class mail. For BY2000, these would approximate discounts as
 12 follows:

13
 14 Table Two
 15 Base Year 2000 Discounts Using Witness Riley’s Preferred CRA Approach
 16 (in cents)

<u>CRA Approach</u>	<u>Pass Through</u>	
	<u>100%</u>	<u>80%</u>
Full cost difference	14.06	11.25
MP + D	7.92	6.33

17
 18
 19
 20
 21
 22
 23 Source: ABA&NAPM_SRT-1 WP1, Table 1 & Table 4.
 24
 25

26 These CRA-based discounts are an average across all rate categories for presorted or
 27 prebarcoded mail. Using the trends established in Figure 1 through Figure 3, TY2003
 28 discounts utilizing APWU witness Riley’s preferred actual CRA costs yields discounts as
 29 shown in Table Three.