

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

RATE AND SERVICE CHANGES TO IMPLEMENT
FUNCTIONALLY EQUIVALENT NEGOTIATED
SERVICE AGREEMENT WITH BANK ONE
CORPORATION

Docket No. MC2004-3

UNITED STATES POSTAL SERVICE NOTICE OF ERRATA TO
RESPONSE OF WITNESS PLUNKETT TO INTERROGATORY OF THE OFFICE OF
CONSUMER ADVOCATE (OCA/USPS-T1-19)(ERRATA)
(August 16, 2004)

The United States Postal Service hereby provides notice that is filing errata to the the Response of United States Postal Service Witness Plunkett to Interrogatory of the Office of the Consumer Advocate, OCA/USPS-T1-19. In the last sentence of the response, the ACS savings for letters has been changed from approximately \$3.2 million to approximately \$3.7 million, and the combined ACS savings for letters and flats has been changed from \$9.5 million to \$10 million. The errors have been corrected in the attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 16, 2004

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS PLUNKETT TO
INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(REVISED 8/16/04)

OCA/USPS-T1-19. Please refer to the attachment to this interrogatory and confirm that under the Commission's MC-2002-2 methodology, the stop-loss volume for Bank One would be 616.6 million pieces. If you do not confirm, please provide the correct volume and show its derivation.

RESPONSE:

Not confirmed. The attached worksheet (line 15) shows "BOC TYBR Equilibrium Solicitation Letter Volume" to be 581.6 million pieces. This appears to be incorrect, and should instead be identified as "BOC TYBR Equilibrium First-Class Mail Letter Volume." Furthermore, if Bank One were to attain volumes of 616.6 million pieces, then the expected ACS savings would be substantially larger than the \$2.5 million calculated in the attached worksheet. By assuming that solicitations are a fixed proportion of Bank One's letter mail volume at all volume levels, the attached worksheet erroneously assumes that growth from 571 million pieces of mail to 616 million pieces would come predominantly from statements. If, as is likely, the volume growth prompted by the NSA will consist predominantly of solicitations, then the cost savings will be considerably larger (because statements for currently active accounts by definition tend to have addresses with a very low UAA rate). For example, if 100% of the incremental volume consists of solicitation mail, then a volume of 616.6 million pieces would produce ACS savings for letters under the NSA of approximately **\$3.7** million with a combined ACS savings for letters and flats of **\$10** million.

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.

Nan K. McKenzie

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