

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
OF FURTHER REVISIONS TO THE TESTIMONY OF WITNESS KELLEY
(USPS-T-16) –ERRATA
(June 17, 2005)

The Postal Service hereby gives notice of the filing of revisions to the testimony of witness Kelley. The revisions are changes in the table shown on the attached revised pages 5 and 6. The changes are all in the second column, regarding the PRC version, and relate to revisions to USPS-LR-K-101, filed today.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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June 17, 2005

USPS-T-16 (REVISED 6/17/05)

Table 1: Test Year FY06 Unit Delivery Costs

First-Class Single Piece	USPS Test Year Unit Costs	PRC Test Year Units Costs
Single-Piece Letters	7.189	5.784
Single-Piece Flats	12.416	11.925
Single-Piece Parcels	30.049	26.184
<i>Single-Piece Nonletters</i>	14.424	13.549
First-Class Presort	USPS Test Year Unit Costs	PRC Test Year Units Costs
Nonautomation -- Nonmach Mixed ADC	10.918	9.795
Nonautomation -- Nonmach ADC	10.918	9.795
Nonautomation -- Mach Mixed AADC	3.929	3.957
Nonautomation -- Mach AADC	3.929	3.957
Nonautomation -- Nonmach 3-Digit	10.918	9.795
Nonautomation -- Nonmach 5-Digit	10.918	9.795
Nonautomation -- Mach 3-Digit	3.737	3.797
Nonautomation -- Mach 5-Digit	3.737	3.797
Automation Mixed AADC	4.148	4.140
Automation AADC	3.940	3.966
Auto 3-Digit Letters	3.846	3.888
Auto 5-Digit Letters CSBCS/Manual Sites	6.691	6.264
Auto 5-Digit Letters Other Sites	2.732	2.958
Auto 5-Digit Letters All	3.597	3.680
Auto CR Letters	6.520	6.121
Presort Flats	9.424	9.794
Presort Parcels	20.636	47.947
<i>Presort Nonletters</i>	9.527	10.146
First-Class Cards	USPS Test Year Unit Costs	PRC Test Year Units Costs
Single Piece Cards	8.888	7.015
NonAuto Presort Cards	3.362	2.847
Auto Mixed AADC Cards	3.555	2.981
Auto AADC Cards	3.372	2.853
Auto 3-Digit Cards	3.289	2.796
Auto 5-Digit Cards CSBCS/Manual Sites	5.799	4.534
Auto 5-Digit Cards Other Sites	2.307	2.116
Auto 5-Digit Cards All	3.069	2.644
Auto CR Cards	5.648	4.430
Standard Regular	USPS Test Year Unit Costs	PRC Test Year Units Costs
Nonautomation -- Nonmach Mixed ADC	11.050	5.654
Nonautomation -- Nonmach ADC	11.050	5.654
Nonautomation -- Mach Mixed AADC	3.879	3.296
Nonautomation -- Mach AADC	3.879	3.296
Nonautomation -- Nonmach 3-Digit	11.050	5.654
Nonautomation -- Nonmach 5-Digit	11.050	5.654
Nonautomation -- Mach 3-Digit	3.682	3.232
Nonautomation -- Mach 5-Digit	3.682	3.232
Automation Mixed AADC	4.104	3.370
Automation AADC	3.890	3.300
Automation 3-Digit Letters	3.794	3.268
Automation 5-Digit Letters	3.538	3.184
Regular Flat Subtotal	9.290	11.184
Regular Parcel Subtotal	28.948	32.542
<i>Regular Nonletter Subtotal</i>	10.094	12.057

Table 1, continued

Standard ECR - with DAL City –Carrier Street – Time Costs and DAL Rural-Carrier Costs included in the numerator of the ECR Saturation Letters Unit Cost

	USPS Test Year Unit Costs	PRC Test Year Units Costs
ECR Basic Auto Letters	2.887	3.670
ECR Basic Letters	5.334	7.624
ECR High Density Letters	4.476	4.081
ECR Saturation Letters	6.665	4.003
ECR Basic Flats	6.143	5.923
ECR High Density Flats	4.609	4.505
ECR Saturation Flats	3.191	3.942

Standard ECR - with DAL City Carrier Street-Time Costs and DAL Rural-Carrier Costs included in the numerator of the ECR Saturation Flats Unit Cost

	USPS Test Year Unit Costs	PRC Test Year Units Costs
ECR Basic Auto Letters	2.887	3.670
ECR Basic Letters	5.334	7.624
ECR High Density Letters	4.476	4.081
ECR Saturation Letters	4.137	N/A ¹
ECR Basic Flats	6.143	N/A
ECR High Density Flats	4.609	N/A
ECR Saturation Flats	4.163	N/A

1
 2 To the extent that, in response to Commission Rule 53, I discuss and compare
 3 PRC versions of delivery costs by rate category for First-Class Mail and Standard Mail, I
 4 do not sponsor those materials, or in any way endorse the methodologies used to
 5 prepare them. In its Order No. 1380 adopting the roadmap rule, the Commission
 6 included the following statements regarding the role played by Postal Service witnesses
 7 under these circumstances:

8 The comparison required by this exercise cannot be equated with
 9 sponsoring the preexisting methodology. It merely identifies and
 10 gives context to the proposed change, serving as a benchmark so
 11 that the impact can be assessed. ... [W]itnesses submitting
 12 testimony under Rule 53(c) sponsor the proposed methodological
 13 changes, not the preexisting methodology. That they may be
 14 compelled to reference the preexisting methodology does not mean
 15 that they are sponsoring it.

¹ The PRC allocates some of the costs of delivering ECR DALs to Saturation letters and some of these costs to Saturation flats. All PRC-version city route-time, access-time, and coverage-related load time DAL costs are allocated to Saturation flats. However, the PRC-version city elemental load-time and total rural-carrier costs are apportioned to both Saturation letters and Saturation flats, through a distribution based on a combination of CCS, RCS, and RPW volumes. The large discrepancies between the methods leads to the conclusion that they cannot be compared.

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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