

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF
ERRATA TO LIBRARY REFERENCE L-124 [Errata]
(July 3, 2006)

The United States Postal Service hereby provides notice of the filing of errata to library reference L-124 (Special Services and Standard Mail Forwarding Pricing Spreadsheets (Mitchum)). The changes are small corrections to worksheets "WP-2 Address Correction," "WP-3 Certificates of Mailing," "WP-11 Std Weighted Fee," "WP-13 Fee Change Summary," and "WP-15 Volume input Data," as described in the following pages. These changes have no impact on witness Mitchum's testimony, including his pricing proposals. The affected pages of LR-L-124 are attached, and the complete Excel file for LR-L-124, as revised, is also being filed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Summary of Changes to LR-L-124

The first keyed change was made to the “WP-15 Volume input Data” worksheet in cell F21. This change caused automatic changes to the following cells as a result of the use of formulas:

Worksheet	Cell(s)
WP-2 Address Correction	N20, W17, W18, W28, AH27, AH28, AH32, AH49, AH55, AP27, AP28, AP32, AP49, AP55
WP-3 Certificates of Mailing	S19, AB15, AB16, AB25, AK28, AK30, AK33, AK45, AK47, AK50, AS28, AS30, AS33, AS45, AS47, AS47
WP-11 Std Weighted Fee	E18, E23, E25, N14, N17, V14, V17
WP-13 Fee Change Summary	N14, N17, N21, N28, N170, N172, N178, P14, P17, P21, P170, P172, P178

Two other errors resulting from hard coded data where Formulas should have been are:

WP-2 Address Correction

The following array of cells were hard coded and as a result contain incorrect data:

P8 to P27

The correct values for this array are:

37,056.128
 47,767.868
 925.202
 111.951
 2,358.960
 2,997.708
 300.783
 828.331
 700.140
 1,698.941
 60.068
 6,290.945
 29,341.944
 62,815.558
 2,522.847
 12,372.554
 362.597
 654.853

153.731
12.253

As a result the values in the following cells changed as the result of the use of formulas:

Y10 to Y12, Y14, Y17, Y18, Y21 to Y25, Y28, all populated cells in columns AJ and AR with the following exceptions, AJ19 to AJ21 and AR19 to AR21.

WP-11 Std Weighted Fee

The following array of cells were hard coded and as a result contain incorrect data:

G18 to G21

The correct values for this array are:

29,341.944
62,815.558
2,522.847
12,372.554.

As a result the values in the following cells changed as the result of the use of formulas:

G23, G25, G26, P14, P15 P17, X14, X15, X17.

**SPECIAL SERVICES
ADDRESS CORRECTION
TEST YEAR 2008**

	Volumes			Fees (\$)		Revenues (\$)		Percent Change ^{1/}
	Test Year			Current	Proposed	Before Rates	After Rates	
	FY 2005	Before Rates	After Rates					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
First Class - Manual	56,514,244	56,216,985	56,317,434	0.75	0.50	42,162,739	28,158,717	-33.33%
First Class - Electronic	120,201,495	119,569,246	39,927,631	0.21	0.06	25,109,542	2,395,658	-71.43%
First Class - Automated								
First Two Notices, each	N/A	N/A	415,932,485	N/A	0.00	N/A	0	N/A
Additional Notices, each	N/A	N/A	129,978,901	N/A	0.05	N/A	6,498,945	N/A
Total First Class	176,715,739	175,786,231	642,156,451			67,272,280	37,053,320	
Priority - Manual	132,623	141,909	123,784	0.75	0.50	106,432	61,892	-33.33%
Priority - Electronic	0	0	0	0.21	0.25	0	0	19.05%
Total Priority	132,623	141,909	123,784			106,432	61,892	
Periodicals - Manual	8,050,294	8,036,650	7,766,351	0.75	0.50	6,027,487	3,883,176	-33.33%
Periodicals - Electronic	66,989,470	66,875,928	64,626,677	0.21	0.25	14,043,945	16,156,669	19.05%
Total Periodicals	75,039,764	74,912,578	72,393,029			20,071,432	20,039,845	
Standard Mail - Manual	278,630	305,949	295,498	0.75	0.50	229,461	147,749	-33.33%
Standard Mail - Electronic	139,845,175	153,556,445	74,155,547	0.21	0.25	32,246,853	18,538,887	19.05%
Standard Mail - Automated								
First Two Notices, each	N/A	N/A	374,685,163	N/A	0.02	N/A	7,493,703	N/A
Additional Notices, each	N/A	N/A	133,816,130	N/A	0.15	N/A	20,072,419	N/A
Total Standard Mail	140,123,805	153,862,394	582,952,337			32,476,315	46,252,758	
<u>Package Services</u>								
Parcels - Manual	4,630	4,914	4,329	0.75	0.50	3,685	2,165	-33.33%
Parcels - Electronic	2,633,800	2,795,213	2,462,600	0.21	0.25	586,995	615,650	19.05%
BPM - Manual	2,309	2,566	2,590	0.75	0.50	1,924	1,295	-33.33%
BPM - Electronic	4,648,475	5,166,146	5,214,467	0.21	0.25	1,084,891	1,303,617	19.05%
Special Rate - Manual	1,237	1,144	1,059	0.75	0.50	858	529	-33.33%
Special Rate - Electronic	1,314,937	1,216,382	1,125,538	0.21	0.25	255,440	281,385	19.05%
Library - Manual	1,284	1,189	1,096	0.75	0.50	892	548	-33.33%
Library - Electronic	235,612	218,150	201,105	0.21	0.25	45,812	50,276	19.05%
Total Package Services	8,842,285	9,405,705	9,012,784			1,980,497	2,255,465	
GRAND TOTAL	400,854,216	414,108,816	1,306,638,385			121,906,956	105,663,280	
<u>Summary</u>								
Manual	64,985,251	64,711,305	64,512,141			48,533,479	32,256,070	
Electronic	335,868,965	349,397,511	187,713,566			73,373,477	39,342,142	
Automated	N/A	N/A	133,816,130			N/A	34,065,068	
Total	400,854,216	414,108,816	386,041,837			121,906,956	105,663,280	

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

**SPECIAL SERVICES
CERTIFICATE OF MAILING
TEST YEAR 2008**

Mail Class Type	Volumes			Fees (\$)		Revenues (\$)		Percent Change ^{1/}
	FY 2005	Test Year		Current	Proposed	Before Rates	After Rates	
		Before Rates	After Rates					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
First Class								
Basic	2,154,340	2,033,202	2,007,942	\$ 0.95	\$ 1.05	1,931,541	2,108,339	10.53%
Firm Book Mailing	389,896	367,972	363,401	\$ 0.30	\$ 0.35	110,392	127,190	16.67%
Bulk: First 1,000 Pcs	45,184	42,643	42,114	\$ 4.75	\$ 5.50	202,556	231,624	15.79%
Each Add'L. 1,000 Pcs	104,073	98,221	97,001	\$ 0.55	\$ 0.60	54,022	58,200	9.09%
Total	2,693,493	2,542,038	2,510,457			2,298,510	2,525,354	
Priority								
Basic	54,508	58,325	50,875	\$0.95	\$1.05	55,408	53,419	10.53%
Firm Book Mailing	1,992	2,131	1,859	\$0.30	\$0.35	639	651	16.67%
Bulk: First 1,000 Pcs	597	639	557	\$4.75	\$5.50	3,034	3,065	15.79%
Each Add'L. 1,000 Pcs	278	297	259	\$0.55	\$0.60	164	156	9.09%
Total	57,375	61,392	53,551			59,246	57,290	
Standard Mail								
Basic	6,839	7,510	5,713	\$0.95	\$1.05	7,134	5,999	10.53%
Firm Book Mailing	0	0	0	\$0.30	\$0.35	0	0	16.67%
Bulk: First 1,000 Pcs	762	837	637	\$4.75	\$5.50	3,974	3,501	15.79%
Each Add'L. 1,000 Pcs	0	0	0	\$0.55	\$0.60	0	0	9.09%
Total	7,601	8,346	6,350			11,108	9,500	
Package Services								
Basic	70,702	75,206	71,788	\$0.95	\$1.05	71,446	75,377	10.53%
Firm Book Mailing	1,005	1,069	1,020	\$0.30	\$0.35	321	357	16.67%
Bulk: First 1,000 Pcs	0							
Each Add'L. 1,000 Pcs	0							
Total	71,707	76,275	72,808			71,767	75,734	
Total All Classes								
Basic	2,286,389	2,174,242	2,136,319	\$0.95	\$1.05	2,065,530	2,243,135	10.53%
Firm Book Mailing	392,893	371,173	366,280	\$0.30	\$0.35	111,352	128,198	16.67%
Bulk: First 1,000 Pcs	46,543	44,119	43,307	\$4.75	\$5.50	209,564	238,190	15.79%
Each Add'L. 1,000 Pcs	104,351	98,518	97,260	\$0.55	\$0.60	54,185	58,356	9.09%
Grand Total	2,830,176	2,688,052	2,643,166			2,440,631	2,667,879	

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

Revised July 3, 2006

**SPECIAL SERVICES
STANDARD MAIL WEIGHTED FEE
TEST YEAR 2008**

USPS-T-40
WP-11

	Volumes			Fees (\$)		Revenues (\$)		Percent Change ^{2/}
	FY 2005	Test Year		Current	Estimated ^{1/}	Before Rates	After Rates	
		Before Rates	After Rates					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Standard Mail Weighted Fee								
Regular	7,434,361	8,280,485	7,976,365	\$ 1.63	\$ 1.36	13,466,138	10,841,537	-16.42%
Nonprofit	3,975,916	4,007,891	3,935,910	\$ 1.35	\$ 1.13	5,422,730	4,450,880	-16.42%
Total	<u>11,410,277</u>	<u>12,288,376</u>	<u>11,912,275</u>			<u>18,888,868</u>	<u>15,292,417</u>	

^{1/} The estimated prices are calculated in WP-17, the Standard Mail Forwarding worksheet.

^{2/} Denotes the percentage change from the current fee to the proposed fee, or (Column 5 - Column 4)/Column 4.

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 Volume 1/ (000)	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 8)	After Rates Percentage Change (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Address Changes to Election Boards	82	0.32	26	26	99.7%	0.3200	23	82		0.32	87%	0.2800	14.29%
Address Correction - Manual	64,512	0.401	25,867	32,256		0.5000	48,533	64,711		0.40	187%	0.7500	-33.33%
Address Correction - Electronic													
First-Class Mail	39,928	0.044	1,774	2,396		0.0600	25,110	119,569		0.04	473%	0.2100	-71.43%
Other	147,786	0.291	42,962	36,946		0.2500	48,264	229,828		0.29	72%	0.2100	19.05%
Address Correction - Automated (letters)													
First-Class Mail	545,911	0.004	2,205	6,499		0.0119	N/A	N/A		N/A	N/A	N/A	N/A
Standard Mail	508,501	0.005	2,568	27,566		0.0542	N/A	N/A		N/A	N/A	N/A	N/A
Total Address Correction	1,306,638		70,604	71,598	101.4%	0.0548	121,907	414,109				0.2944	-81.39%
Address Sequencing	N/A	0.32	N/A	N/A	102.9%	0.3300	N/A	N/A		N/A	94%	0.3000	10.00%
Certificates of Mailing													
Basic	2,136	0.75	1,597	2,243		1.0500	2,066	2,174		0.75	127%	0.9500	10.53%
Firm Book Mailing	366	0.26	96	128		0.3500	111	371		0.26	114%	0.3000	16.67%
Bulk First 1,000	43	3.77	163	238		5.5000	210	44		3.77	126%	4.7500	15.79%
Bulk Additional 1,000	97	0.38	36	58		0.6000	54	99		0.38	147%	0.5500	9.09%
Total	2,643		1,893	2,668	141.0%	1.0093	2,441	2,688				0.9080	11.17%
Confirm®													
Silver	N/A			N/A			32	16				2.0000	-100.00%
Additional Scans	N/A			N/A			0	0				500.0000	-100.00%
Gold	N/A			N/A			536	119				4.5000	-100.00%
Additional Scans	N/A			N/A			1	1				0.7500	-100.00%
Platinum	N/A			N/A			450	45				10.0000	-100.00%
User Fee	0			900		5,000.0000	N/A	N/A				N/A	N/A
Blocks of Units													
1st through 9th	1			64		70.0000	N/A	N/A				N/A	N/A
10th through 89th	4			153		35.0000	N/A	N/A				N/A	N/A
90th and more	23			400		17.5000	N/A	N/A				N/A	N/A
Total Blocks of Units	28			617			1,018	181					
Additional IDs													
Quarter	0			0		750.0000	0	0				500.0000	50.00%
Annual	0			0		2,000.0000	0	0				2000.0000	0.00%
Total Additional Ids	0			0			0	0					
Total Confirm	28	N/A	1,201	1,517	126.3%	53.5541	1,018	181				5.6257	851.96%
Correction of Mailing Lists (Per Address)	211	0.32	68	70	102.9%	0.3300	63	211		0.32	94%	0.3000	10.00%

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 Volume 1/ (000)	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 8)	After Rates Percentage Change (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Parcel Airlift Mail													
0 - 2 lbs.	23		N/A	11	N/A	0.5000	11	24		N/A	N/A	0.4500	11.11%
2 - 3 lbs.	15		N/A	15	N/A	1.0000	14	16		N/A	N/A	0.9000	11.11%
3 - 4 lbs.	0		N/A	0	N/A	N/A	-	-		N/A	N/A	N/A	N/A
Over 4 lbs.	16		N/A	33	N/A	2.0000	31	17		N/A	N/A	1.8000	11.11%
Total Parcel Airlift Mail	54		N/A	59	N/A	1.0884	56	57				0.9796	11.11%
Registered Mail													
Covered by Postal Insurance													
\$0.00 to \$100	226			2,872		12.7000	2,065	244				8.4500	50.30%
100.01 to 500	368			5,147		14.0000	3,715	397				9.3500	49.73%
500.01 to 1000	285			4,381		15.3500	3,162	308				10.2500	49.76%
1000.01 to 2000	310			5,169		16.7000	3,729	334				11.1500	49.78%
2000.01 to 3000	166			2,990		18.0500	2,157	179				12.0500	49.79%
3000.01 to 4000	91			1,763		19.4000	1,272	98				12.9500	49.81%
4000.01 to 5000	107			2,213		20.7500	1,596	115				13.8500	49.82%
5000.01 to 6000	81			1,785		22.1000	1,287	87				14.7500	49.83%
6000.01 to 7000	44			1,037		23.4500	748	48				15.6500	49.84%
7000.01 to 8000	58			1,438		24.8000	1,037	63				16.5500	49.85%
8000.01 to 9000	43			1,114		26.1500	803	46				17.4500	49.86%
9000.01 to 10000	54			1,499		27.5000	1,081	59				18.3500	49.86%
10000.01 to 11000	45			1,295		28.8500	934	49				19.2500	49.87%
11000.01 to 12000	17			503		30.2000	363	18				20.1500	49.88%
12000.01 to 13000	13			400		31.5500	288	14				21.0500	49.88%
13000.01 to 14000	12			390		32.9000	281	13				21.9500	49.89%
14000.01 to 15000	21			730		34.2500	526	23				22.8500	49.89%
15000.01 to 16000	33			1,174		35.6000	846	36				23.7500	49.89%
16000.01 to 17000	8			289		36.9500	208	8				24.6500	49.90%
17000.01 to 18000	16			615		38.3000	443	17				25.5500	49.90%
18000.01 to 19000	6			230		39.6500	166	6				26.4500	49.91%
19000.01 to 20000	20			826		41.0000	595	22				27.3500	49.91%
20000.01 to 21000	13			547		42.3500	395	14				28.2500	49.91%
21000.01 to 22000	7			313		43.7000	225	8				29.1500	49.91%
22000.01 to 23000	4			189		45.0500	136	5				30.0500	49.92%
23000.01 to 24000	7			330		46.4000	238	8				30.9500	49.92%
24000.01 to 25000	69			3,305		47.7500	2,382	75				31.8500	49.92%
Handling per \$1000	36			3,282		91.2334	2,365	39				60.8223	50.00%
Not Covered By Postal Insurance													
\$0.00	1,237			14,784		11.9500	10,562	1,337				7.9000	51.27%
Total Registered Mail	3,396	17.58 5/	59,696 6/	60,607	101.5%	17.8479	43,606	3,670	64,273	17.51 7/	68%	11.8825	50.20%
Special Handling													
Under 10 pounds	1,613			11,127		6.9000	10,283	1,645				6.2500	10.40%
Over 10 pounds	6			56		9.6000	57	7				8.7000	10.34%
Total Special Handling	1,618	5.96	9,639	11,182	116.0%	6.9097	10,340	1,652	9,869	5.96	105%	6.2598	10.38%
Standard Mail Forwarding													
Letters	2,849,603	\$0.15	441,391	997,361		0.3500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Flats	1,462,217	\$0.46	673,775	1,535,328		1.0500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Standard Mail Forwarding	4,311,820		1,115,166	2,532,689	227.1%	0.5874							
Standard Weighted Fee													
Regular	7,976,365		N/A	10,841,537	N/A	1.3592	13,466,138	8,280,485	N/A	N/A	N/A	1.63	-16.42%
Nonprofit	3,935,910		N/A	4,450,880	N/A	1.1308	5,422,730	4,007,891	N/A	N/A	N/A	1.35	-16.42%
Total Standard Weighted Fee	11,912,275		N/A	15,292,417		1.2838	18,888,868	12,288,376				1.54	-16.48%

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 Volume 1/ (000)	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 8)	After Rates Percentage Change (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ZIP Coding of Mailing Lists	0	66.49	3	5	165.4%	110.0000	5	0		66.49	158%	105.0000	4.76%
Total 9/	1,356,183			247,993		0.182860977	287,111	465,514				0.6168	-70.35%

1/ From the special services workpapers
 2/ From Special Studies. Cost and contingency calculation included at USPS-LR-L-59
 3/ Column 2 multiplied by Column 1 unless otherwise noted.
 4/ Test Year Before Rates volume variable cost with contingency from USPS-T-10
 5/ Column 3 divided by Column 1.
 6/ Test Year After Rates volume variable cost including contingency, USPS-T-10
 7/ Column 9 divided by Column 8.
 8/ Test Year After Rates volume variable cost including contingency, USPS-T-10
 9/ Confirm[®] data are not included in the total as Confirm[®] unit blocks are not comparable to volumes from other services.