

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

NOTICE OF THE UNITED STATES POSTAL SERVICE  
OF FILING REPLACEMENT PAGE 4 AND APPENDIX F FOR USPS-T-10, DIRECT  
TESTIMONY OF LILLIAN WATERBURY  
[ERRATA] (July 11, 2006)

In accordance with the Response of United States Postal Service Witness Lillian Waterbury to TW/USPS-T-10-3, filed on June 14, 2006, the United States Postal Service hereby files a replacement page 4 and a replacement Appendix F to the Direct Testimony of Lillian Waterbury on behalf of United States Postal Service. The replacement page 4 and replacement Appendix F should replace the original page 4 and original Appendix F, respectively, which were filed on May 3, 2006.

A description of the changes follows. The distribution key used for the \$15 million reduction in air transportation costs under the Periodicals Cost Reduction Initiative has been corrected to Periodicals only, as it was distributed in R2005-1. The roll forward model has been rerun applying this correction (along with the corrected corresponding workyear mix adjustments). The changes in the witness' testimony are included, and bolded, in replacement page 4. The amended "D" Reports (for the USPS and PRC versions of the roll forward) are set forth in the replacement Appendix F (Revised 7/11/2006).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Brian M. Reimer  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3037; Fax -5402

1           In reconciling the Commission's roll forward model for the R2005-1  
2 Recommended Decision, as presented in the Commission's library reference  
3 PRC-LR-2, component 46 (delivery activities) was not given a nonvolume  
4 workload effect. However, since the Commission has decided to apply the  
5 Postal Service's methodology for attributing carrier street time costs, the Postal  
6 Service assumes that this was an oversight and that component 46 should  
7 receive a nonvolume workload effect.

8           Appendix E of this testimony illustrates a comparison of Test Year 2008  
9 costs, at current rates and proposed rates, for the USPS and PRC versions of  
10 the roll forward. My testimony does not sponsor the PRC version.

11           Subsequent to the processing and production of the output from the roll  
12 forward model, it was discovered that the distribution key used for the Automated  
13 Postal Centers (APC) cost reductions programs was incorrect. See Addendum  
14 to USPS-LR-L-22. In addition, the APC's cost savings were incorrectly applied to  
15 component 35 (mail processing) rather than component 40 (window services).

16           **Also, in response to post filing interrogatory TW/USPS-T-10-3, the**  
17 **distribution key used for the \$15 million reduction in air transportation**  
18 **costs under the Periodicals Cost Reduction Initiative has been corrected to**  
19 **Periodicals only.**

20           **The roll forward model was rerun applying these corrections (along**  
21 **with the corrected corresponding workyear mix adjustments). The**  
22 **amended "D" Reports (for the USPS and PRC versions of the roll forward)**  
23 **are illustrated in Appendix F (Revised 7/11/2006).**

**Development of Cost by Segment and Component -  
R2006-1 - Fiscal Year 2006 - Addendum/Errata  
D Report**

USPS-T-10  
Appendix F  
Revised 7/11/2006

<b>Component Name</b>		Total Volume Variable	Final Adjustments	RF Final Adjustments	Adjusted Volume Variable Costs	Contingency	Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)
<b>Cost Segment</b>							
<b>First-Class Mail</b>							
Single Piece Letters	101	11,286,414	0	0	11,286,414	0	11,286,414
Presort Letters	102	5,116,601	0	-18,332	5,098,269	0	5,098,269
Total Letters	103	16,403,015	0	-18,332	16,384,683	0	16,384,683
Single Piece Cards	104	538,108	0	0	538,108	0	538,108
Presort Cards	105	229,040	0	-993	228,047	0	228,047
Total Cards	108	767,148	0	-993	766,155	0	766,155
<b>Total First-Class</b>	109	17,170,164	0	-19,326	17,150,838	0	17,150,838
<b>Priority Mail</b>	110	3,486,911	0	35,205	3,522,116	0	3,522,116
<b>Express Mail</b>	111	517,385	0	0	517,385	0	517,385
<b>Mailgrams</b>	112	1,995	0	0	1,995	0	1,995
<b>Periodicals</b>							
Within County	113	80,101	0	0	80,101	0	80,101
Outside County	117	2,218,961	0	0	2,218,961	0	2,218,961
<b>Total Periodicals</b>	123	2,299,061	0	0	2,299,061	0	2,299,061
<b>Standard Mail</b>							
Enhanced Carr Rte	126	2,894,404	0	-2,548	2,891,856	0	2,891,856
Regular	127	8,838,765	0	-85,815	8,752,951	0	8,752,951
<b>Total Standard Mail</b>	135	11,733,169	0	-88,363	11,644,807	0	11,644,807
<b>Package Services</b>							
Parcel Post	136	1,205,684	0	30,693	1,236,376	0	1,236,376
Bound Printed Matter	137	555,903	0	0	555,903	0	555,903
Media Mail	139	413,706	0	0	413,706	0	413,706
<b>Total Package Services</b>	141	2,175,292	0	30,693	2,205,985	0	2,205,985
<b>U.S. Postal Service</b>	142	444,911	-444,911	0	0	0	0
<b>Free Mail</b>	147	59,767	0	0	59,767	0	59,767
<b>International Mail</b>	161	1,444,398	0	0	1,444,398	0	1,444,398
<b>Total All Mail</b>	162	39,333,055	-444,911	-41,791	38,846,353	0	38,846,353
<b>Special Services</b>							
Registry	163	75,128	0	0	75,128	0	75,128
Certified	164	417,525	0	0	417,525	0	417,525
Insurance	165	109,157	0	0	109,157	0	109,157
COD	166	8,599	0	0	8,599	0	8,599
Money Orders	168	158,868	0	0	158,868	0	158,868
Stamped Cards	159	1,698	0	0	1,698	0	1,698
Stamped Envelopes	169	12,461	0	0	12,461	0	12,461
Special Handling	170	9,849	0	0	9,849	0	9,849
Post Office Box	171	566,595	0	0	566,595	0	566,595
Other	172	353,978	0	-43,354	310,624	0	310,624
<b>Total Special Services</b>	173	1,713,856	0	-43,354	1,670,502	0	1,670,502
<b>Total Volume Variable</b>	198	41,046,911	-444,911	-85,144	40,516,855	0	40,516,855
<b>Other Costs</b>	199	33,280,154	444,911	0	33,725,066	0	33,725,066
<b>Total Costs</b>	200	74,327,065	0	-85,144	74,241,921	0	74,241,921

**Development of Cost by Segment and Component -  
R2006-1 - Fiscal Year 2007BR - Addendum/Errata  
D Report**

USPS-T-10  
Appendix F  
Revised 7/11/2006

<b>Component Name</b>		Total Volume Variable	Final Adjustments	RF Final Adjustments	Adjusted Volume Variable Costs	Contingency	Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)
<b>Cost Segment</b>							
<b>First-Class Mail</b>							
Single Piece Letters	101	10,941,806	0	0	10,941,806	0	10,941,806
Presort Letters	102	5,170,763	0	-19,294	5,151,469	0	5,151,469
Total Letters	103	16,112,569	0	-19,294	16,093,275	0	16,093,275
Single Piece Cards	104	545,804	0	0	545,804	0	545,804
Presort Cards	105	240,002	0	-1,847	238,155	0	238,155
Total Cards	108	785,806	0	-1,847	783,959	0	783,959
<b>Total First-Class</b>	109	16,898,375	0	-21,142	16,877,233	0	16,877,233
<b>Priority Mail</b>	110	3,513,358	0	38,647	3,552,006	0	3,552,006
<b>Express Mail</b>	111	487,867	0	0	487,867	0	487,867
<b>Mailgrams</b>	112	494	0	0	494	0	494
<b>Periodicals</b>							
Within County	113	80,506	0	0	80,506	0	80,506
Outside County	117	2,224,536	0	0	2,224,536	0	2,224,536
<b>Total Periodicals</b>	123	2,305,042	0	0	2,305,042	0	2,305,042
<b>Standard Mail</b>							
Enhanced Carr Rte	126	2,976,972	0	-852	2,976,119	0	2,976,119
Regular	127	9,482,028	0	-153,476	9,328,551	0	9,328,551
<b>Total Standard Mail</b>	135	12,458,999	0	-154,328	12,304,671	0	12,304,671
<b>Package Services</b>							
Parcel Post	136	1,241,455	0	38,357	1,279,812	0	1,279,812
Bound Printed Matter	137	586,356	0	0	586,356	0	586,356
Media Mail	139	400,363	0	0	400,363	0	400,363
<b>Total Package Services</b>	141	2,228,174	0	38,357	2,266,531	0	2,266,531
<b>U.S. Postal Service</b>	142	454,415	-454,415	0	0	0	0
<b>Free Mail</b>	147	62,789	0	0	62,789	0	62,789
<b>International Mail</b>	161	1,438,380	0	0	1,438,380	0	1,438,380
<b>Total All Mail</b>	162	39,847,893	-454,415	-98,465	39,295,012	0	39,295,012
<b>Special Services</b>							
Registry	163	69,262	0	0	69,262	0	69,262
Certified	164	432,375	0	0	432,375	0	432,375
Insurance	165	104,857	0	0	104,857	0	104,857
COD	166	8,365	0	0	8,365	0	8,365
Money Orders	168	155,473	0	0	155,473	0	155,473
Stamped Cards	159	1,708	0	0	1,708	0	1,708
Stamped Envelopes	169	10,654	0	0	10,654	0	10,654
Special Handling	170	9,843	0	0	9,843	0	9,843
Post Office Box	171	588,327	0	0	588,327	0	588,327
Other	172	385,104	0	-44,706	340,398	0	340,398
<b>Total Special Services</b>	173	1,765,968	0	-44,706	1,721,262	0	1,721,262
<b>Total Volume Variable</b>	198	41,613,861	-454,415	-143,171	41,016,274	0	41,016,274
<b>Other Costs</b>	199	34,566,402	454,415	0	35,020,817	0	35,020,817
<b>Total Costs</b>	200	76,180,263	0	-143,171	76,037,091	0	76,037,091

**Development of Cost by Segment and Component -  
R2006-1 - Fiscal Year 2007AR - Addendum/Errata  
D Report**

USPS-T-10  
Appendix F  
Revised 7/11/2006

<b>Component Name</b>		Total Volume Variable	Final Adjustments	RF Final Adjustments	Adjusted Volume Variable Costs	Contingency	Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)
<b>Cost Segment</b>							
<b>First-Class Mail</b>							
Single Piece Letters	101	10,890,561	0	0	10,890,561	0	10,890,561
Presort Letters	102	5,190,477	0	-13,183	5,177,294	0	5,177,294
Total Letters	103	16,081,038	0	-13,183	16,067,855	0	16,067,855
Single Piece Cards	104	539,260	0	0	539,260	0	539,260
Presort Cards	105	240,751	0	-1,607	239,144	0	239,144
Total Cards	108	780,011	0	-1,607	778,404	0	778,404
<b>Total First-Class</b>	109	16,861,049	0	-14,790	16,846,259	0	16,846,259
<b>Priority Mail</b>	110	3,352,997	0	38,239	3,391,236	0	3,391,236
<b>Express Mail</b>	111	474,114	0	0	474,114	0	474,114
<b>Mailgrams</b>	112	496	0	0	496	0	496
<b>Periodicals</b>							
Within County	113	79,675	0	0	79,675	0	79,675
Outside County	117	2,211,651	0	0	2,211,651	0	2,211,651
<b>Total Periodicals</b>	123	2,291,326	0	0	2,291,326	0	2,291,326
<b>Standard Mail</b>							
Enhanced Carr Rte	126	2,934,862	0	-62,200	2,872,662	0	2,872,662
Regular	127	9,443,905	0	-117,956	9,325,949	0	9,325,949
<b>Total Standard Mail</b>	135	12,378,767	0	-180,157	12,198,610	0	12,198,610
<b>Package Services</b>							
Parcel Post	136	1,195,745	0	53,326	1,249,071	0	1,249,071
Bound Printed Matter	137	589,741	0	0	589,741	0	589,741
Media Mail	139	394,560	0	0	394,560	0	394,560
<b>Total Package Services</b>	141	2,180,046	0	53,326	2,233,372	0	2,233,372
<b>U.S. Postal Service</b>	142	455,950	-455,950	0	0	0	0
<b>Free Mail</b>	147	63,016	0	0	63,016	0	63,016
<b>International Mail</b>	161	1,415,428	0	0	1,415,428	0	1,415,428
<b>Total All Mail</b>	162	39,473,189	-455,950	-103,382	38,913,857	0	38,913,857
<b>Special Services</b>							
Registry	163	67,623	0	0	67,623	0	67,623
Certified	164	431,908	0	0	431,908	0	431,908
Insurance	165	103,904	0	-7,078	96,826	0	96,826
COD	166	7,947	0	0	7,947	0	7,947
Money Orders	168	154,616	0	0	154,616	0	154,616
Stamped Cards	159	1,688	0	0	1,688	0	1,688
Stamped Envelopes	169	12,810	0	0	12,810	0	12,810
Special Handling	170	9,825	0	0	9,825	0	9,825
Post Office Box	171	589,062	0	0	589,062	0	589,062
Other	172	377,917	0	-46,145	331,773	0	331,773
<b>Total Special Services</b>	173	1,757,300	0	-53,223	1,704,077	0	1,704,077
<b>Total Volume Variable</b>	198	41,230,489	-455,950	-156,604	40,617,934	0	40,617,934
<b>Other Costs</b>	199	34,591,657	455,950	0	35,047,607	0	35,047,607
<b>Total Costs</b>	200	75,822,145	0	-156,604	75,665,541	0	75,665,541

**Development of Cost by Segment and Component -  
R2006-1 - Test Year 2008BR - Addendum/Errata  
D Report**

USPS-T-10  
Appendix F  
Revised 7/11/2006

<b>Component Name</b>		Total Volume Variable	Final Adjustments	RF Final Adjustments	Adjusted Volume Variable Costs	Contingency	Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)
<b>Cost Segment</b>							
<b>First-Class Mail</b>							
Single Piece Letters	101	10,575,121	0	0	10,575,121	105,751	10,680,873
Presort Letters	102	5,207,689	0	-14,549	5,193,140	51,931	5,245,071
Total Letters	103	15,782,810	0	-14,549	15,768,262	157,683	15,925,944
Single Piece Cards	104	553,776	0	0	553,776	5,538	559,314
Presort Cards	105	253,673	0	-3,237	250,436	2,504	252,940
Total Cards	108	807,449	0	-3,237	804,212	8,042	812,254
<b>Total First-Class</b>	109	16,590,259	0	-17,786	16,572,473	165,725	16,738,198
<b>Priority Mail</b>	110	3,602,706	0	41,940	3,644,646	36,446	3,681,092
<b>Express Mail</b>	111	480,777	0	0	480,777	4,808	485,585
<b>Mailgrams</b>	112	0	0	0	0	0	0
<b>Periodicals</b>							
Within County	113	81,060	0	0	81,060	811	81,870
Outside County	117	2,301,841	0	0	2,301,841	23,018	2,324,859
<b>Total Periodicals</b>	123	2,382,901	0	0	2,382,901	23,829	2,406,730
<b>Standard Mail</b>							
Enhanced Carr Rte	126	3,099,893	0	-2,469	3,097,424	30,974	3,128,398
Regular	127	10,039,739	0	-212,426	9,827,312	98,273	9,925,585
<b>Total Standard Mail</b>	135	13,139,632	0	-214,895	12,924,736	129,247	13,053,984
<b>Package Services</b>							
Parcel Post	136	1,312,634	0	34,838	1,347,473	13,475	1,360,948
Bound Printed Matter	137	617,641	0	0	617,641	6,176	623,818
Media Mail	139	412,664	0	0	412,664	4,127	416,790
<b>Total Package Services</b>	141	2,342,939	0	34,838	2,377,778	23,778	2,401,555
<b>U.S. Postal Service</b>	142	468,084	-468,084	0	0	0	0
<b>Free Mail</b>	147	67,105	0	0	67,105	671	67,776
<b>International Mail</b>	161	1,477,215	0	0	1,477,215	14,772	1,491,987
<b>Total All Mail</b>	162	40,551,619	-468,084	-155,903	39,927,631	399,276	40,326,907
<b>Special Services</b>							
Registry	163	63,651	0	0	63,651	637	64,287
Certified	164	450,530	0	0	450,530	4,505	455,035
Insurance	165	98,831	0	0	98,831	988	99,819
COD	166	8,300	0	0	8,300	83	8,383
Money Orders	168	149,689	0	0	149,689	1,497	151,186
Stamped Cards	159	1,738	0	0	1,738	17	1,755
Stamped Envelopes	169	10,034	0	0	10,034	100	10,134
Special Handling	170	9,731	0	0	9,731	97	9,829
Post Office Box	171	619,002	0	0	619,002	6,190	625,192
Other	172	414,664	0	-44,814	369,850	3,698	373,548
<b>Total Special Services</b>	173	1,826,168	0	-44,814	1,781,354	17,814	1,799,168
<b>Total Volume Variable</b>	198	42,377,787	-468,084	-200,717	41,708,985	417,090	42,126,075
<b>Other Costs</b>	199	36,210,197	468,084	0	36,678,281	366,783	37,045,064
<b>Total Costs</b>	200	78,587,983	0	-200,717	78,387,266	783,873	79,171,139

**Development of Cost by Segment and Component -  
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D Report**

USPS-T-10  
Appendix F  
Revised 7/11/2006

<b>Component Name</b>		Total Volume Variable	Final Adjustments	RF Final Adjustments	Adjusted Volume Variable Costs	Contingency	Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)
<b>Cost Segment</b>							
<b>First-Class Mail</b>							
Single Piece Letters	101	10,320,060	0	0	10,320,060	103,201	10,423,261
Presort Letters	102	5,213,716	0	-721	5,212,994	52,130	5,265,124
Total Letters	103	15,533,776	0	-721	15,533,055	155,331	15,688,385
Single Piece Cards	104	524,865	0	0	524,865	5,249	530,113
Presort Cards	105	246,627	0	-1,917	244,710	2,447	247,157
Total Cards	108	771,491	0	-1,917	769,575	7,696	777,270
<b>Total First-Class</b>	109	16,305,267	0	-2,638	16,302,630	163,026	16,465,656
<b>Priority Mail</b>	110	3,158,631	0	-12,187	3,146,444	31,464	3,177,908
<b>Express Mail</b>	111	412,834	0	0	412,834	4,128	416,962
<b>Mailgrams</b>	112	0	0	0	0	0	0
<b>Periodicals</b>							
Within County	113	78,730	0	0	78,730	787	79,517
Outside County	117	2,227,833	0	0	2,227,833	22,278	2,250,111
<b>Total Periodicals</b>	123	2,306,563	0	0	2,306,563	23,066	2,329,628
<b>Standard Mail</b>							
Enhanced Carr Rte	126	2,918,251	0	-164,842	2,753,409	27,534	2,780,943
Regular	127	9,838,745	0	-99,565	9,739,180	97,392	9,836,572
<b>Total Standard Mail</b>	135	12,756,996	0	-264,407	12,492,589	124,926	12,617,515
<b>Package Services</b>							
Parcel Post	136	1,159,610	0	83,552	1,243,162	12,432	1,255,594
Bound Printed Matter	137	625,203	0	0	625,203	6,252	631,455
Media Mail	139	382,854	0	0	382,854	3,829	386,682
<b>Total Package Services</b>	141	2,167,667	0	83,552	2,251,219	22,512	2,273,732
<b>U.S. Postal Service</b>	142	468,615	-468,615	0	0	0	0
<b>Free Mail</b>	147	67,298	0	0	67,298	673	67,971
<b>International Mail</b>	161	1,397,153	0	0	1,397,153	13,972	1,411,125
<b>Total All Mail</b>	162	39,041,025	-468,615	-195,680	38,376,730	383,767	38,760,497
<b>Special Services</b>							
Registry	163	59,128	0	0	59,128	591	59,719
Certified	164	440,962	0	0	440,962	4,410	445,372
Insurance	165	95,740	0	-18,921	76,819	768	77,587
COD	166	7,191	0	0	7,191	72	7,263
Money Orders	168	141,349	0	0	141,349	1,413	142,762
Stamped Cards	159	1,640	0	0	1,640	16	1,656
Stamped Envelopes	169	12,813	0	0	12,813	128	12,941
Special Handling	170	9,545	0	0	9,545	95	9,640
Post Office Box	171	616,595	0	0	616,595	6,166	622,761
Other	172	390,604	0	-46,843	343,761	3,438	347,199
<b>Total Special Services</b>	173	1,775,565	0	-65,763	1,709,802	17,098	1,726,900
<b>Total Volume Variable</b>	198	40,816,590	-468,615	-261,443	40,086,532	400,865	40,487,397
<b>Other Costs</b>	199	36,188,028	468,615	0	36,656,644	366,566	37,023,210
<b>Total Costs</b>	200	77,004,619	0	-261,443	76,743,175	767,432	77,510,607



**Development of Cost by Segment and Component -  
R2006-1 - Fiscal Year 2006 (PRC) - Addendum/Errata  
D Report**

USPS-T-10  
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<b>Component Name</b>		Total Attributable	Final Adjustments	RF Final Adjustments	Adjusted Attributable Costs	Contingency	Total Including Contingency	Product Specific Including Contingency	Volume Variable Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)	(657)	(642)
<b>Cost Segment</b>									
<b>First-Class Mail</b>									
Single Piece Letters	101	12,260,948	0	0	12,260,948	0	12,260,948	-6,468	12,254,480
Presort Letters	102	5,366,889	0	-20,798	5,346,090	0	5,346,090	-7,317	5,338,774
Total Letters	103	17,627,837	0	-20,798	17,607,038	0	17,607,038	-13,785	17,593,254
Single Piece Cards	104	595,540	0	0	595,540	0	595,540	-376	595,165
Presort Cards	105	245,007	0	-1,134	243,873	0	243,873	-463	243,410
Total Cards	108	840,547	0	-1,134	839,413	0	839,413	-839	838,574
<b>Total First-Class</b>	109	18,468,384	0	-21,932	18,446,452	0	18,446,452	-14,624	18,431,828
<b>Priority Mail</b>	110	3,804,332	0	37,690	3,842,023	0	3,842,023	-50,189	3,791,834
<b>Express Mail</b>	111	573,139	0	0	573,139	0	573,139	-11,828	561,311
<b>Mailgrams</b>	112	2,023	0	0	2,023	0	2,023	0	2,023
<b>Periodicals</b>									
Within County	113	84,893	0	0	84,893	0	84,893	-6	84,887
Outside County	117	2,348,794	0	0	2,348,794	0	2,348,794	-65	2,348,728
<b>Total Periodicals</b>	123	2,433,687	0	0	2,433,687	0	2,433,687	-72	2,433,615
<b>Standard Mail</b>									
Enhanced Carr Rte	126	2,957,228	0	-2,483	2,954,745	0	2,954,745	-4,946	2,949,799
Regular	127	9,185,845	0	-94,085	9,091,760	0	9,091,760	-9,310	9,082,451
<b>Total Standard Mail</b>	135	12,143,073	0	-96,568	12,046,505	0	12,046,505	-14,256	12,032,249
<b>Package Services</b>									
Parcel Post	136	1,225,180	0	32,357	1,257,537	0	1,257,537	-74	1,257,462
Bound Printed Matter	137	581,217	0	0	581,217	0	581,217	0	581,217
Media Mail	139	434,562	0	0	434,562	0	434,562	0	434,562
<b>Total Package Services</b>	141	2,240,958	0	32,357	2,273,315	0	2,273,315	-74	2,273,241
<b>U.S. Postal Service</b>	142	489,412	-489,412	0	0	0	0	0	0
<b>Free Mail</b>	147	63,950	0	0	63,950	0	63,950	0	63,950
<b>International Mail</b>	161	1,538,726	0	0	1,538,726	0	1,538,726	-31,876	1,506,849
<b>Total All Mail</b>	162	41,757,684	-489,412	-48,453	41,219,818	0	41,219,818	-122,918	41,096,900
<b>Special Services</b>									
Registry	163	88,208	0	0	88,208	0	88,208	0	88,208
Certified	164	441,836	0	0	441,836	0	441,836	-33	441,803
Insurance	165	111,385	0	0	111,385	0	111,385	-252	111,133
COD	166	8,543	0	0	8,543	0	8,543	0	8,543
Money Orders	168	164,635	0	0	164,635	0	164,635	-3,326	161,308
Stamped Cards	159	1,698	0	0	1,698	0	1,698	0	1,698
Stamped Envelopes	169	12,631	0	0	12,631	0	12,631	0	12,631
Special Handling	170	1,030	0	0	1,030	0	1,030	0	1,030
Post Office Box	171	554,335	0	0	554,335	0	554,335	-1,103	553,233
Other	172	410,575	0	-47,354	363,222	0	363,222	-1,985	361,237
<b>Total Special Services</b>	173	1,794,876	0	-47,354	1,747,522	0	1,747,522	-6,699	1,740,823
<b>Total Volume Variable</b>	198	43,552,560	-489,412	-95,807	42,967,341	0	42,967,341	-129,617	42,837,723
<b>Other Costs</b>	199	30,751,705	489,412	0	31,241,117	0	31,241,117	129,617	31,370,734
<b>Total Costs</b>	200	74,304,264	0	-95,807	74,208,457	0	74,208,457	0	74,208,457

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<b>Component Name</b>		Total Attributable	Final Adjustments	RF Final Adjustments	Adjusted Attributable Costs	Contingency	Total Including Contingency	Product Specific Including Contingency	Volume Variable Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)	(657)	(642)
<b>Cost Segment</b>									
<b>First-Class Mail</b>									
Single Piece Letters	101	11,890,063	0	0	11,890,063	0	11,890,063	-6,273	11,883,790
Presort Letters	102	5,421,010	0	-23,053	5,397,957	0	5,397,957	-7,095	5,390,862
Total Letters	103	17,311,073	0	-23,053	17,288,021	0	17,288,021	-13,368	17,274,652
Single Piece Cards	104	603,857	0	0	603,857	0	603,857	-364	603,493
Presort Cards	105	256,523	0	-2,106	254,416	0	254,416	-449	253,967
Total Cards	108	860,380	0	-2,106	858,274	0	858,274	-813	857,460
<b>Total First-Class</b>	109	18,171,453	0	-25,159	18,146,294	0	18,146,294	-14,182	18,132,113
<b>Priority Mail</b>	110	3,822,917	0	40,859	3,863,775	0	3,863,775	-49,910	3,813,866
<b>Express Mail</b>	111	542,421	0	0	542,421	0	542,421	-12,110	530,311
<b>Mailgrams</b>	112	501	0	0	501	0	501	0	501
<b>Periodicals</b>									
Within County	113	85,320	0	0	85,320	0	85,320	-6	85,314
Outside County	117	2,356,161	0	0	2,356,161	0	2,356,161	-65	2,356,096
<b>Total Periodicals</b>	123	2,441,481	0	0	2,441,481	0	2,441,481	-72	2,441,410
<b>Standard Mail</b>									
Enhanced Carr Rte	126	3,041,627	0	-836	3,040,791	0	3,040,791	-4,946	3,035,845
Regular	127	9,856,521	0	-168,113	9,688,408	0	9,688,408	-9,310	9,679,098
<b>Total Standard Mail</b>	135	12,898,148	0	-168,949	12,729,198	0	12,729,198	-14,256	12,714,943
<b>Package Services</b>									
Parcel Post	136	1,261,904	0	39,918	1,301,822	0	1,301,822	-74	1,301,748
Bound Printed Matter	137	613,135	0	0	613,135	0	613,135	0	613,135
Media Mail	139	420,625	0	0	420,625	0	420,625	0	420,625
<b>Total Package Services</b>	141	2,295,664	0	39,918	2,335,582	0	2,335,582	-74	2,335,508
<b>U.S. Postal Service</b>	142	499,584	-499,584	0	0	0	0	0	0
<b>Free Mail</b>	147	67,220	0	0	67,220	0	67,220	0	67,220
<b>International Mail</b>	161	1,532,311	0	0	1,532,311	0	1,532,311	-31,841	1,500,469
<b>Total All Mail</b>	162	42,271,699	-499,584	-113,332	41,658,784	0	41,658,784	-122,444	41,536,339
<b>Special Services</b>									
Registry	163	81,340	0	0	81,340	0	81,340	0	81,340
Certified	164	457,685	0	0	457,685	0	457,685	-33	457,652
Insurance	165	107,064	0	0	107,064	0	107,064	-252	106,812
COD	166	8,312	0	0	8,312	0	8,312	0	8,312
Money Orders	168	161,466	0	0	161,466	0	161,466	-3,467	157,999
Stamped Cards	159	1,707	0	0	1,707	0	1,707	0	1,707
Stamped Envelopes	169	10,805	0	0	10,805	0	10,805	0	10,805
Special Handling	170	1,047	0	0	1,047	0	1,047	0	1,047
Post Office Box	171	575,464	0	0	575,464	0	575,464	-1,103	574,361
Other	172	446,728	0	-49,329	397,399	0	397,399	-1,985	395,414
<b>Total Special Services</b>	173	1,851,618	0	-49,329	1,802,289	0	1,802,289	-6,839	1,795,450
<b>Total Volume Variable</b>	198	44,123,317	-499,584	-162,660	43,461,073	0	43,461,073	-129,284	43,331,789
<b>Other Costs</b>	199	32,025,907	499,584	0	32,525,491	0	32,525,491	129,284	32,654,775
<b>Total Costs</b>	200	76,149,224	0	-162,660	75,986,564	0	75,986,564	0	75,986,564

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<b>Component Name</b>		Total Attributable	Final Adjustments	RF Final Adjustments	Adjusted Attributable Costs	Contingency	Total Including Contingency	Product Specific Including Contingency	Volume Variable Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)	(657)	(642)
<b>Cost Segment</b>									
<b>First-Class Mail</b>									
Single Piece Letters	101	11,837,334	0	0	11,837,334	0	11,837,334	-6,273	11,831,061
Presort Letters	102	5,442,774	0	-16,396	5,426,378	0	5,426,378	-7,095	5,419,282
Total Letters	103	17,280,108	0	-16,396	17,263,712	0	17,263,712	-13,368	17,250,344
Single Piece Cards	104	596,836	0	0	596,836	0	596,836	-364	596,472
Presort Cards	105	257,392	0	-2,261	255,131	0	255,131	-449	254,681
Total Cards	108	854,228	0	-2,261	851,967	0	851,967	-813	851,153
<b>Total First-Class</b>	109	18,134,336	0	-18,657	18,115,679	0	18,115,679	-14,182	18,101,497
<b>Priority Mail</b>	110	3,649,571	0	39,210	3,688,782	0	3,688,782	-49,910	3,638,872
<b>Express Mail</b>	111	527,623	0	0	527,623	0	527,623	-12,144	515,479
<b>Mailgrams</b>	112	503	0	0	503	0	503	0	503
<b>Periodicals</b>									
Within County	113	84,437	0	0	84,437	0	84,437	-6	84,431
Outside County	117	2,343,054	0	0	2,343,054	0	2,343,054	-65	2,342,988
<b>Total Periodicals</b>	123	2,427,491	0	0	2,427,491	0	2,427,491	-72	2,427,419
<b>Standard Mail</b>									
Enhanced Carr Rte	126	2,998,965	0	-38,851	2,960,114	0	2,960,114	-4,946	2,955,167
Regular	127	9,818,867	0	-138,867	9,680,000	0	9,680,000	-9,310	9,670,690
<b>Total Standard Mail</b>	135	12,817,831	0	-177,718	12,640,113	0	12,640,113	-14,256	12,625,858
<b>Package Services</b>									
Parcel Post	136	1,215,498	0	53,652	1,269,150	0	1,269,150	-74	1,269,076
Bound Printed Matter	137	616,765	0	0	616,765	0	616,765	0	616,765
Media Mail	139	414,595	0	0	414,595	0	414,595	0	414,595
<b>Total Package Services</b>	141	2,246,858	0	53,652	2,300,510	0	2,300,510	-74	2,300,436
<b>U.S. Postal Service</b>	142	501,408	-501,408	0	0	0	0	0	0
<b>Free Mail</b>	147	67,471	0	0	67,471	0	67,471	0	67,471
<b>International Mail</b>	161	1,508,632	0	0	1,508,632	0	1,508,632	-31,858	1,476,774
<b>Total All Mail</b>	162	41,881,725	-501,408	-103,513	41,276,803	0	41,276,803	-122,495	41,154,309
<b>Special Services</b>									
Registry	163	79,440	0	0	79,440	0	79,440	0	79,440
Certified	164	457,331	0	0	457,331	0	457,331	-33	457,298
Insurance	165	106,119	0	-7,125	98,994	0	98,994	-252	98,741
COD	166	7,899	0	0	7,899	0	7,899	0	7,899
Money Orders	168	160,646	0	0	160,646	0	160,646	-3,467	157,179
Stamped Cards	159	1,688	0	0	1,688	0	1,688	0	1,688
Stamped Envelopes	169	12,993	0	0	12,993	0	12,993	0	12,993
Special Handling	170	1,045	0	0	1,045	0	1,045	0	1,045
Post Office Box	171	576,147	0	0	576,147	0	576,147	-1,103	575,045
Other	172	438,656	0	-48,449	390,207	0	390,207	-1,985	388,222
<b>Total Special Services</b>	173	1,841,963	0	-55,574	1,786,389	0	1,786,389	-6,839	1,779,550
<b>Total Volume Variable</b>	198	43,723,688	-501,408	-159,088	43,063,193	0	43,063,193	-129,334	42,933,858
<b>Other Costs</b>	199	32,045,130	501,408	0	32,546,538	0	32,546,538	129,334	32,675,872
<b>Total Costs</b>	200	75,768,818	0	-159,088	75,609,730	0	75,609,730	0	75,609,730

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<b>Component Name</b>		Total Attributable	Final Adjustments	RF Final Adjustments	Adjusted Attributable Costs	Contingency	Total Including Contingency	Product Specific Including Contingency	Volume Variable Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)	(657)	(642)
<b>Cost Segment</b>									
<b>First-Class Mail</b>									
Single Piece Letters	101	11,489,435	0	0	11,489,435	114,894	11,604,329	-6,253	11,598,076
Presort Letters	102	5,452,947	0	-19,039	5,433,908	54,339	5,488,247	-7,073	5,481,174
Total Letters	103	16,942,382	0	-19,039	16,923,343	169,233	17,092,576	-13,326	17,079,250
Single Piece Cards	104	612,507	0	0	612,507	6,125	618,633	-363	618,269
Presort Cards	105	270,892	0	-3,597	267,295	2,673	269,968	-448	269,520
Total Cards	108	883,399	0	-3,597	879,803	8,798	888,601	-811	887,790
<b>Total First-Class</b>	109	17,825,781	0	-22,636	17,803,145	178,031	17,981,177	-14,137	17,967,040
<b>Priority Mail</b>	110	3,905,521	0	45,278	3,950,799	39,508	3,990,307	-50,291	3,940,016
<b>Express Mail</b>	111	535,521	0	0	535,521	5,355	540,876	-12,410	528,466
<b>Mailgrams</b>	112	0	0	0	0	0	0	0	0
<b>Periodicals</b>									
Within County	113	85,871	0	0	85,871	859	86,729	-6	86,723
Outside County	117	2,436,221	0	0	2,436,221	24,362	2,460,583	-66	2,460,517
<b>Total Periodicals</b>	123	2,522,092	0	0	2,522,092	25,221	2,547,313	-72	2,547,241
<b>Standard Mail</b>									
Enhanced Carr Rte	126	3,164,922	0	-2,377	3,162,545	31,625	3,194,170	-4,996	3,189,175
Regular	127	10,424,717	0	-230,061	10,194,656	101,947	10,296,602	-9,403	10,287,200
<b>Total Standard Mail</b>	135	13,589,638	0	-232,437	13,357,201	133,572	13,490,773	-14,398	13,476,375
<b>Package Services</b>									
Parcel Post	136	1,333,293	0	36,618	1,369,912	13,699	1,383,611	-75	1,383,536
Bound Printed Matter	137	645,189	0	0	645,189	6,452	651,641	0	651,641
Media Mail	139	433,100	0	0	433,100	4,331	437,431	0	437,431
<b>Total Package Services</b>	141	2,411,583	0	36,618	2,448,201	24,482	2,472,683	-75	2,472,608
<b>U.S. Postal Service</b>	142	514,356	-514,356	0	0	0	0	0	0
<b>Free Mail</b>	147	71,684	0	0	71,684	717	72,401	0	72,401
<b>International Mail</b>	161	1,572,170	0	0	1,572,170	15,722	1,587,892	-32,641	1,555,250
<b>Total All Mail</b>	162	42,948,346	-514,356	-173,177	42,260,813	422,608	42,683,421	-124,025	42,559,396
<b>Special Services</b>									
Registry	163	74,698	0	0	74,698	747	75,445	0	75,445
Certified	164	476,868	0	0	476,868	4,769	481,637	-33	481,603
Insurance	165	100,923	0	0	100,923	1,009	101,933	-255	101,678
COD	166	8,254	0	0	8,254	83	8,337	0	8,337
Money Orders	168	155,653	0	0	155,653	1,557	157,210	-3,630	153,580
Stamped Cards	159	1,738	0	0	1,738	17	1,755	0	1,755
Stamped Envelopes	169	10,172	0	0	10,172	102	10,273	0	10,273
Special Handling	170	1,048	0	0	1,048	10	1,059	0	1,059
Post Office Box	171	605,862	0	0	605,862	6,059	611,920	-1,114	610,807
Other	172	481,134	0	-51,639	429,495	4,295	433,790	-2,005	431,785
<b>Total Special Services</b>	173	1,916,350	0	-51,639	1,864,711	18,647	1,883,358	-7,036	1,876,322
<b>Total Volume Variable</b>	198	44,864,696	-514,356	-224,816	44,125,524	441,255	44,566,779	-131,061	44,435,718
<b>Other Costs</b>	199	33,672,356	514,356	0	34,186,712	341,867	34,528,579	131,061	34,659,640
<b>Total Costs</b>	200	78,537,052	0	-224,816	78,312,236	783,122	79,095,358	0	79,095,358

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<b>Component Name</b>		Total Attributable	Final Adjustments	RF Final Adjustments	Adjusted Attributable Costs	Contingency	Total Including Contingency	Product Specific Including Contingency	Volume Variable Total Including Contingency
<b>Component Number</b>		(460)	(501)	(506)	(504)	(503)	(502)	(657)	(642)
<b>Cost Segment</b>									
<b>First-Class Mail</b>									
Single Piece Letters	101	11,223,771	0	0	11,223,771	112,238	11,336,009	-6,253	11,329,756
Presort Letters	102	5,463,577	0	-3,634	5,459,943	54,599	5,514,542	-7,073	5,507,469
Total Letters	103	16,687,348	0	-3,634	16,683,714	166,837	16,850,551	-13,326	16,837,225
Single Piece Cards	104	581,198	0	0	581,198	5,812	587,010	-363	586,647
Presort Cards	105	263,590	0	-2,751	260,839	2,608	263,448	-448	263,000
Total Cards	108	844,788	0	-2,751	842,037	8,420	850,457	-811	849,647
<b>Total First-Class</b>	109	17,532,136	0	-6,385	17,525,751	175,258	17,701,009	-14,137	17,686,872
<b>Priority Mail</b>	110	3,427,318	0	-8,367	3,418,951	34,190	3,453,141	-50,291	3,402,850
<b>Express Mail</b>	111	461,933	0	0	461,933	4,619	466,552	-12,416	454,136
<b>Mailgrams</b>	112	0	0	0	0	0	0	0	0
<b>Periodicals</b>									
Within County	113	83,418	0	0	83,418	834	84,252	-6	84,245
Outside County	117	2,359,719	0	0	2,359,719	23,597	2,383,316	-66	2,383,250
<b>Total Periodicals</b>	123	2,443,136	0	0	2,443,136	24,431	2,467,568	-72	2,467,496
<b>Standard Mail</b>									
Enhanced Carr Rte	126	2,980,681	0	-138,453	2,842,229	28,422	2,870,651	-4,996	2,865,656
Regular	127	10,224,787	0	-122,427	10,102,359	101,024	10,203,383	-9,403	10,193,980
<b>Total Standard Mail</b>	135	13,205,468	0	-260,880	12,944,588	129,446	13,074,034	-14,398	13,059,636
<b>Package Services</b>									
Parcel Post	136	1,178,305	0	84,395	1,262,700	12,627	1,275,327	-75	1,275,252
Bound Printed Matter	137	653,428	0	0	653,428	6,534	659,962	0	659,962
Media Mail	139	402,055	0	0	402,055	4,021	406,076	0	406,076
<b>Total Package Services</b>	141	2,233,788	0	84,395	2,318,183	23,182	2,341,365	-75	2,341,290
<b>U.S. Postal Service</b>	142	515,520	-515,520	0	0	0	0	0	0
<b>Free Mail</b>	147	71,939	0	0	71,939	719	72,658	0	72,658
<b>International Mail</b>	161	1,489,380	0	0	1,489,380	14,894	1,504,273	-32,644	1,471,629
<b>Total All Mail</b>	162	41,380,618	-515,520	-191,237	40,673,861	406,739	41,080,600	-124,034	40,956,566
<b>Special Services</b>									
Registry	163	69,504	0	0	69,504	695	70,199	0	70,199
Certified	164	467,141	0	0	467,141	4,671	471,812	-33	471,779
Insurance	165	97,886	0	-19,046	78,840	788	79,628	-255	79,373
COD	166	7,158	0	0	7,158	72	7,229	0	7,229
Money Orders	168	147,469	0	0	147,469	1,475	148,944	-3,630	145,315
Stamped Cards	159	1,640	0	0	1,640	16	1,656	0	1,656
Stamped Envelopes	169	13,000	0	0	13,000	130	13,130	0	13,130
Special Handling	170	1,029	0	0	1,029	10	1,040	0	1,040
Post Office Box	171	603,537	0	0	603,537	6,035	609,573	-1,114	608,459
Other	172	454,161	0	-49,847	404,315	4,043	408,358	-2,005	406,353
<b>Total Special Services</b>	173	1,862,526	0	-68,893	1,793,633	17,936	1,811,570	-7,036	1,804,534
<b>Total Volume Variable</b>	198	43,243,144	-515,520	-260,129	42,467,495	424,675	42,892,170	-131,070	42,761,100
<b>Other Costs</b>	199	33,664,978	515,520	0	34,180,498	341,805	34,522,303	131,070	34,653,373
<b>Total Costs</b>	200	76,908,122	0	-260,129	76,647,992	766,480	77,414,472	0	77,414,472

## **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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Brian M. Reimer

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3037; Fax -5402  
July 11, 2006