

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

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POSTAL RATE AND FEE CHANGES

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Docket No. R2006-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF  
SECOND ERRATA TO LIBRARY REFERENCE L-123 [Errata]  
(August 24, 2006)

The United States Postal Service hereby provides notice of the filing of errata to library reference L-123. The changes make these supporting spreadsheets for witness Berkeley (USPS-T-39) consistent with the errata filed for the supporting spreadsheets for witness Mitchum (USPS-LR-L-124) on August 3, 2006, incorporate a costing change by witness Mayes (USPS-T-25) for Bulk Parcel Return Service filed on August 7, 2006, and correct other small errors in WP-30 and WP-32 in the original filing.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -6187

## Summary of Changes to LR-L-123

### **USPS-T-39, WP-27**

As a result of errata filed to USPS-LR-L-124, the TYAR volumes for Standard Mail Certificates of Mailing were calculated using volumes that did not come off the volume forecast. The workpaper revisions were all after rates and were to the following: basic volume (changing the total volume), basic and bulk total costs (changing the total cost), basic and bulk revenue (changing the total revenue), total revenue per piece and total percentage change.

As a result of cell linkages, the Certificates of Mailing for Commercial-Regular in **USPS-T-39, WP-30** of LR-L-123 changed as follows:

Original Commercial-Regular Certificate of Mailing Fee	6
Revised Commercial-Regular Certificate of Mailing Fee	7
Original Total Commercial-Regular Certificate of Mailing Fee	10
Revised Total Commercial-Regular Certificate of Mailing Fee	12
Original Commercial-Regular Fee	70,890
Revised Commercial-Regular Fee	70,891
Original Standard Mail Fees	141,306
Revised Standard Mail Fees	141,309
Original Grand Total Fees	424,802
Revised Grand Total Fees	424,804

Due to small errors, TYAR First-Class Mail fees in **USPS-T-39, WP-30** of LR-L-123

changed as follows:

**Letters/Parcels**

	<u>Single</u>		<u>Workshare</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
First-Class Mail				
Pieces (millions)	37,056	37,206	48,693	48,543
Percent of total FCM pieces	40.49%	40.70%	53.21%	53.11%
Address Correction	15,061	15,039	19,790	19,621
Business Reply	185,093	185,663		
Certificate of Mailing	2,096	2,102	271	Same
Merchandise Return	108	116	142	151
Presort Permit Fee			6,485	6,484
Shipper-Paid Forwarding Acct.	1	.086	1	1.12
Total	212,762	213,324	26,690	26,528

**Cards**

	<u>Single</u>		<u>Workshare</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
First-Class Mail				
Pieces (millions)	2,359	2,247	3,298	Same
Percent of total FCM pieces	2.58%	2.46%	3.60%	3.61%
Address Correction	959	908	1,341	1,333
Business Reply	11,783	11,213		
Certificate of Mailing	133	127	18	Same
Presort Permit Fee			439	441
Total	12,875	12,248	1,798	1,792

**USPS-T-39, WP-32**

As a result of errata filed to USPS-T-32, the TYAR volumes for FCM Letter Single Piece, FCM Automated Presort and FCM Nonautomated Presort changed.

Original TYAR volume for FCM Letter Single Piece	37,056.128
Revised TYAR volume for FCM Letter Single Piece	37,206.438
Original TYAR volume for FCM Automated Presort	47,767.868
Revised TYAR volume for FCM Automated Presort	47,613.504
Original TYAR volume for FCM Nonautomated Presort	925.202
Revised TYAR volume for FCM Nonautomated Presort	929.256

**USPS-T-39, WP-27 and WP-28**

As a result of errata filed to USPS-T-25 on August 7, 2006, the per-piece cost for Bulk Parcel Return Service changed. WP-27 changes were to the cost per piece, the total cost, and the cost coverages. WP-28 changes were to the per-piece cost, with and without contingency.

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

USPS-T-39  
WP-27

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	100.6%	0.3200	23	82		0.32	88%	0.2800	14.29%
Address Correction - Manual	64,349	\$0.40	25,802	32,175	124.7%	0.5000	48,533	64,711	25,947	\$0.40	187%	0.7500	-33.33%
Address Correction - Electronic First-Class	39,812	\$0.04	1,769	2,389	135.0%	0.0600	25,242	120,201	5,342	\$0.04	473%	0.2100	-71.43%
Address Correction - Electronic Other	147,786	\$0.29	42,962	36,946	86.0%	0.2500	48,264	229,828	66,812	\$0.29	72%	0.2100	19.05%
Address Correction - Auto First-Class	544,333	\$0.00	2,199	6,480	294.7%	0.0119	N/A	N/A	N/A	\$0.00	N/A	N/A	N/A
Address Correction - Auto Standard	508,501	\$0.01	2,568	27,566	1073.5%	0.0542	N/A	N/A	N/A	\$0.01	N/A	N/A	N/A
Total Address Correction	1,304,782		72,732	105,556	145.1%	0.0809	122,040	414,741	98,101			0.2943	-72.51%
Bulk Parcel Return Service	2,530	\$1.24	3,135	5,313	169.5%	2.1000	4,977	2,619		1.24	153%	1.9000	10.53%
Bulk Parcel Return Service Permits	0	\$128.85	15	21	135.8%	175.0000	20	0		128.85	124%	160.0000	9.37%
Bulk Parcel Return Account Maint Fee	0	\$318.60	14	25	172.6%	550.0000	23	0		318.60	157%	500.0000	10.00%
Total Bulk Parcel Return Fees	0		30	46	153.5%	277.0241	43	0			N/A	N/A	N/A
Business Reply Mail													
QBRM with Quarterly Fee	152,425	0.005	705	1,372	194.6%	0.0090	1,235	154,343		0.005	173%	0.0080	12.50%
QBRM without Quarterly Fee	206,866	0.021	4,419	10,343	234.1%	0.0500	12,568	209,468		0.021	281%	0.0600	-16.67%
Non-QBRM Advance Deposit	309,982	0.033	10,081	24,799	246.0%	0.0800	34,568	314,253		0.033	338%	0.1100	-27.27%
Nonletter-Size Piece	3,596	0.006	22	40	182.4%	0.0110	36	3,646		0.006	166%	0.0100	10.00%
Account Maintenance Fee	65	318.599	20,823	35,947	172.6%	550.0000	33,130	66		318.599	157%	500.0000	10.00%
Nonletter-Size Monthly Fee (annualized)	0	7895.732	172	235	136.8%	10,800.0000	209	0		7,895.732	120%	9480.0000	13.92%
QBRM Quarterly Fee (annualized)	1	2452.078	2,620	7,694	293.6%	7,200.0000	8,233	1		2,452.078	310%	7600.0000	-5.26%
Permit Fee	122	128.847	15,737	21,374	135.8%	175.0000	19,811	124		128.847	124%	160.0000	9.38%
Nonadvance	137,340	0.379	52,120	96,138	184.5%	0.7000	90,498	139,228		0.379	171%	0.6500	7.69%
Total Business Reply Mail	810,398		106,700	197,942	185.5%	0.2443	200,289	821,129				0.2439	0.14%
Carrier Sequencing of Address Cards	N/A	\$0.32	N/A	N/A	103.7%	0.3300	N/A	N/A		N/A	94%	0.3000	10.00%
Certificates of Mailing													
Basic	2,138	\$0.75	1,598	2,245	140.5%	1.0500	2,066	2,174		0.75	127%	0.9500	10.53%
Firm Book Mailing	366	\$0.26	96	128	133.3%	0.3500	111	371		0.26	114%	0.3000	16.67%
Bulk First 1,000	43	\$3.77	164	239	146.0%	5.5000	210	44		3.77	126%	4.7500	15.79%
Bulk Additional 1,000	97	\$0.38	36	58	160.0%	0.6000	54	99		0.38	147%	0.5500	9.09%
Total	2,645		1,894	2,670	141.0%	1.0097	2,441	2,688				0.9080	11.20%
Certified Mail	263,719	\$1.69	445,522 5/	698,854	156.9%	2.6500	647,395	269,748	455,178 4/	1.69	142%	2.4000	10.42%

**SPECIAL SERVICES COST SUMMARY**  
**TEST YEAR 2008 BEFORE RATES**  
**Cost Input Data**

USPS-T-39  
 WP-28  
**Test Year  
 Cost With  
 Contingency  
 At 1%**

	<b>Test Year Cost</b>	<b>Test Year Cost References</b>	<b>1.01</b>
<b>Address Correction Service</b>			
Manual - cost per piece	\$0.397	USPS-T-26, Appendix A	\$0.401
Electronic - cost per piece			
First-Class Mail	\$0.044	USPS-T-26, Appendix A	\$0.044
Other	\$0.288	USPS-T-26, Appendix A	\$0.291
Automated (letters only) - cost per piece			
First-Class Mail	\$0.004	USPS-T-26, Appendix A	\$0.004
Standard Mail	\$0.005	USPS-T-26, Appendix A	\$0.005
<b>Bulk Parcel Return Service</b>	\$1.227	USPS-T-25	\$1.239
<b>Business Reply Mail</b>			
QBRM quarterly billing and rating cost	\$606.95	USPS-T-22	\$613.02
QBRM cost per piece - high volume	\$0.0046	USPS-T-22	\$0.0046
QBRM cost per piece - low volume	\$0.0212	USPS-T-22	\$0.0214
Non-BRMAS advance deposit cost per piece	\$0.0322	USPS-T-22	\$0.0325
Non-advance deposit cost per piece	\$0.376	USPS-T-22	\$0.379
Annual accounting cost	\$315.45	USPS-T-22	\$318.60
Non letter-size per piece cost	\$0.0060	USPS-T-22	\$0.0060
Non letter-size fixed cost per month	\$651.46	USPS-T-22	\$657.98
<b>Caller Service</b>			
Annual cost per call number	\$283.66	USPS-LR-L-52, Page 82	\$286.50
Annual cost per reserved number	\$21.15	USPS-LR-L-59, Attachment 1	\$21.36
<b>Correction of Mailing Lists</b>			
Cost per name on list	\$0.315	USPS-LR-L-59, Attachment 3	\$0.318
<b>Money Order Inquiry</b>			
	\$4.92	USPS-T-23, Page 11	\$4.97
<b>Permit Imprint</b>			
Cost per application	\$127.57	USPS-T-22	\$128.85
<b>Periodicals Application</b>			
Original entry cost	\$468.03	USPS-T-23, Page 12	\$472.71
Additional entry cost	\$69.20	USPS-T-23, Page 12	\$69.89
Reentry cost	\$51.62	USPS-T-23, Page 12	\$52.14
Registration for news agents	\$32.84	USPS-T-23, Page 12	\$33.17
<b>ZIP Coding of Mailing Lists</b>			
Cost per 1000 cards	\$79.90	USPS-LR-L-59, Attachment 15	\$80.70
<b>Certificate of Mailing</b>			
<u>INDIVIDUAL PIECES</u>			
FORM 3817, ORIGINAL (NO DUPLICATE)	\$0.74	USPS-LR-L-59, Attachment 2	\$0.75
FORM 3817, DUPLICATE	\$0.58	USPS-LR-L-59, Attachment 2	\$0.59
FORM 3877, ORIGINAL - 13 PIECES/COST PER PIECE	\$0.26	USPS-LR-L-59, Attachment 2	\$0.26
<u>BULK QUANTITIES</u>			
FORM 3606, ORIGINAL - FIRST 1000 PIECES	\$3.73	USPS-LR-L-59, Attachment 2	\$3.77
EACH ADDITIONAL 1000 PIECES	\$0.37	USPS-LR-L-59, Attachment 2	\$0.38
FORM 3606, DUPLICATE	\$0.50	USPS-LR-L-59, Attachment 2	\$0.51
<b>Insurance</b>			
INSURANCE - OVER \$200	\$3.57	USPS-LR-L-59, Attachment 6	\$3.60
INSURANCE - \$50 AND LESS	\$1.39	USPS-LR-L-59, Attachment 6	\$1.40
INSURANCE - \$50.01 TO \$100	\$1.48	USPS-LR-L-59, Attachment 6	\$1.49
INSURANCE - \$100.01 TO \$200	\$1.71	USPS-LR-L-59, Attachment 6	\$1.73
BULK INSURANCE COST SAVINGS - per piece	\$0.78	USPS-T-23, Table 5	\$0.79

TYAR DOMESTIC MAIL FEES DISTRIBUTION TO SUBCLASS  
TEST YEAR 2008  
(\$ IN 000)

	LETTERS/PARCELS		CARDS			Total
	Single	Workshare	Stamped	Private Single	Workshare	
<b>FIRST-CLASS MAIL</b>						
Pieces (millions)	37,206	48,543	112	2,247	3,298	91,407
Percent of total FCM pieces	40.70%	53.11%	0.12%	2.46%	3.61%	100.00%
Address Correction	15,039	19,621	45	908	1,333	36,946
Business Reply	185,663			11,213		196,875
Certificate of Mailing	2,102	271	6	127	18	2,525
Merchandise Return (Acct & Permit)	116	151				267
Presort Permit Fee		6,484			441	6,924
Shipper-Paid Forwarding Account	1	1				2
Special Handling	10,404					10,404
Total	213,324	26,528	52	12,248	1,792	253,944
<b>PRIORITY MAIL</b>						
Address Correction						62
Business Reply						1,067
Certificate of Mailing						57
Merchandise Return (Acct & Permit)						129
Premium Forwarding (Piece & Application Fees)						3,702
Shipper-Paid Forwarding Account						1
Special Handling						379
Total						5,397
<b>PERIODICALS</b>						
	In-County	Nonprofit	Classroom	Regular Rate		Total
Pieces (millions)	700	1,699	60	6,291		8,750
Percent of Pieces	8.00%	19.42%	0.69%	71.90%		100.00%
Address Correction	1,603	3,891	138	14,408		20,040
Application Fees	63	153	5	565		786
Total	1,666	4,044	143	14,973		20,826
<b>STANDARD MAIL</b>						
	Commercial-Reg	Commercial-ECR	Nonprofit-Reg	Nonprofit-ECR		Total
Pieces (millions)	62,816	29,342	12,373	2,523		107,053
Percent of Pieces	58.68%	27.41%	11.56%	2.36%		100.00%
Address Correction	27,140	12,677	5,346	1,090		46,253
Bulk Permit Fee	31,714	14,814	21,027	4,288		71,843
Certificate of Mailing	7	3	1	0		12
Standard Forwarding Fee	1,496	699	295	60		2,550
Standard Weighted Fee	7,390	3,452	3,697	754		15,292
Bulk Parcel Total Fees	3,144	1,469	619	126		5,358
Total	70,891	33,114	30,985	6,318		141,309
<b>PACKAGE SERVICES</b>						
	Parcel Post	BPM	Special	Library		Total
Pieces (millions)	363	655	154	12		1,183
Percent of Pieces	30.64%	55.33%	12.99%	1.04%		100.00%
Address Correction	618	1,305	282	51		2,255
Certificate of Mailing	23	42	10	1		76
Merchandise Return (Acct & Permit)	63	113	27	2		204
Presort Permit			133			133
Shipper-Paid Forwarding Account	2					2
Special Handling	328	33	37			399
Parcel Airlift	59					59
Parcel Return Service (Acct & Permit)	1					1
Parcel Select Permit Fee	93					93
Total	1,186	1,493	489	54		3,222

GRAND TOTAL FEES

424,697

## VOLUME INPUTS 1/

	FY 2005	2008	
	Base Year	TYBR	TYAR
FCM Letter Single Piece	43,375.988	38,161.662	37,206.438 2/
FCM Automated Presort	47,141.472	47,519.492 2/	47,613.504 2/
FCM Nonautomated Presort	1,924.080	984.277	929.256 2/
Stamped Cards	120.217	118.645	111.951
Single-Piece Cards	2,521.714	2,490.753	2,358.960
Single Piece Cards Less Stamped Cards	2,401.497	2,372.108	2,247.009
Automated Presort Cards	2,744.131	3,094.597	2,997.708
Nonautomated Presort Cards	363.570	300.461	300.783
Priority Mail	887.477	949.616 3/	828.331 3/
Express Mail	55.475	50.024	42.683
Mailgrams	1.896	0.000	0.000
Periodicals Within County	762.673	722.431	700.140
Periodicals Special Nonprofit	1,785.083	1,749.382	1,698.941
Periodicals Classroom	62.719	61.479	60.068
Periodicals Regular	6,459.528	6,521.338	6,290.945
Standard ECR Regular	31,966.424	33,291.001 4/	29,341.944 4/
Standard Regular	53,928.865	62,380.254 4/	62,815.558 4/
Standard Nonprofit Enhanced Carrier Route	3,056.994	2,703.711	2,522.847 4/
Standard Nonprofit	11,989.808	12,464.101	12,372.554 4/
Parcel Post	387.805	411.572	362.597
Bound Printed Matter	583.774	648.785	654.853
Media Mail	179.601	166.139	153.731
Library Rate	14.355	13.291	12.253
US Postal Service Mail	621.283	646.024	646.024
Free Mail for the Blind and Handicapped	76.365	87.514	87.514
Total International Mail	851.631	816.333	771.496
Registered	5.149	3.670	3.396
Insurance	51.565	43.008	41.636
Certified	261.144	269.748	263.719
Collect on Delivery	1.499	1.311	1.135
Money Orders	180.412	160.930	151.879
Return Receipt	239.571	247.952	237.633
Delivery Confirmation	702.573	866.748	811.319
Signature Confirmation	9.126	11.258	10.538
Stamped Envelopes	267.058 5/	300.000 6/	300.000 6/

1/ All test year volumes from USPS-T-7, unless otherwise noted.

2/ USPS-LR-L-129

3/ USPS-T-33, Attachment B, Table 1 (TYBR) and Attachment C, Table 9 (TYAR)

4/ USPS-LR-L-36, WP-STDREG.xls and WP-STDECR.xls

5/ From the 2005 Accountable Paper Shipped Recapitulation Report.

6/ Volume projection from the Stamp Acquisition and Distribution Office.