

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2006

)

Docket No. R2006-1

NOTICE OF OFFICE OF THE CONSUMER ADVOCATE
CONCERNING ERRATA TO THE TESTIMONY OF
OCA WITNESS: PAMELA A. THOMPSON (OCA-T-4)
(OCTOBER 20, 2006)

The Office of the Consumer Advocate hereby gives notice of the filing of the following revisions to the direct testimony of Pamela A. Thompson (OCA-T-4), filed on September 6, 2006. The changes to the testimony are set forth below. Revised pages 20 – Figure 3, 26, and 27 – Exhibit 1, are attached hereto.

Respectfully submitted,

SHELLEY S. DREIFUSS
Director
Office of the Consumer Advocate

EMMETT RAND COSTICH
Attorney

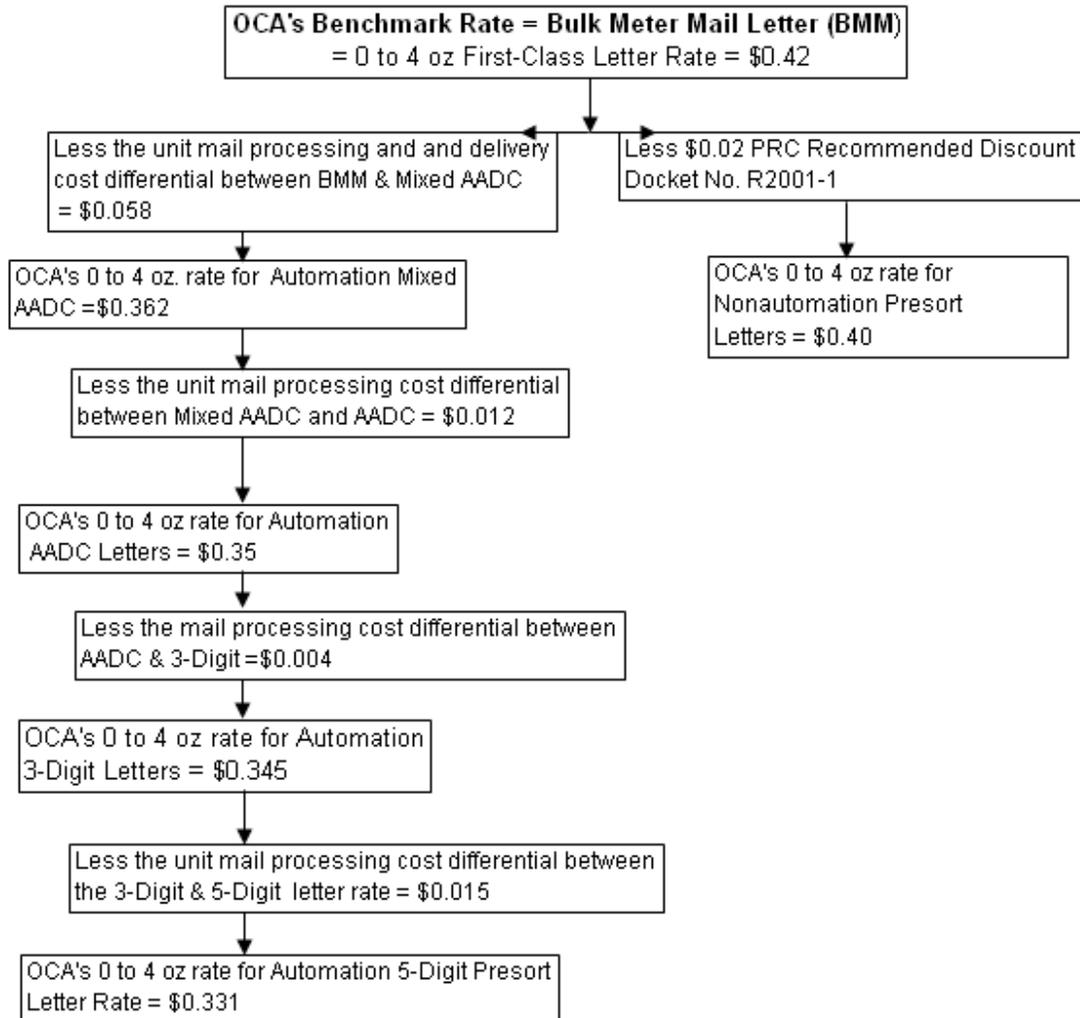
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<u>Page</u>	<u>Item</u>	<u>Correction</u>
20	Flowchart: AADC & 3-Digit	Delete "\$0.005 (Rounded up)" insert "\$0.004"
20	Flowchart: 3-Digit & 5-Digit	Delete "\$0.014 (Rounded down)" insert "\$0.015"
20	Source:USPS-LR-L-141, page 1	Delete "7/14/06" and insert 8/23/2006
20	Source:USPS-LR-L-141, page 1	Delete "\$0.1195" and insert "\$0.0120"
20	Source:USPS-LR-L-141, page 1	Delete "\$0.05831" and insert "\$0.0521"
20	Source:USPS-LR-L-141, page 1	Delete "\$0.005" and insert "\$0.004"
20	Source:USPS-LR-L-141, page 1	Delete \$0.07456" and insert "\$0.0746"
20	Source:USPS-LR-L-141, page 1	Delete "\$0.0146" and insert "\$0.0148"
20	Source:USPS-LR-L-141, page 1	Delete "\$0.08916" and insert "\$0.08938"

<u>Page</u>	<u>Line</u>	<u>Correction</u>
26	6	Delete "\$2.8" and insert "\$2.9"
26	Footnote 35	Delete "\$35,548,298" and insert "\$35,548,391"
26	Footnote 35	Delete "\$2.8" and insert "\$2.9"

<u>Page</u>	<u>Exhibit 1 Column</u>	<u>Correction</u>
27	TYAR Revenue, line – Workshared	Delete "\$16,968,922" and insert "\$16,969,015"
27	TYAR Revenue, line - Total Workshare	Delete \$17,033,272 and insert "\$17,033,365"
27	TYAR Revenue, line – Total	Delete \$35,825,972 and insert "\$35,826,066"
27	Line Number 1	Delete "1"

Figure 3



Source: Docket No. R2000-1, PRC-LR-12, Part B
 PRC Op., R2001-1, Table 3-2 at 77.
 PRC Op., R2000-1 Table 5-3 at 243.
 Docket No. R2006-1, USPS-LR-L-141, page 1, column 5, revised 8/23/06.
 \$0.058 = Automation AADC Letters
 \$0.012 (rounded) = \$0.0120 = \$0.07026 - \$0.05821
 \$0.004 (rounded) = \$0.0043 = \$0.0746 - \$0.07026
 \$0.015 (rounded) = \$0.0148 = \$0.08938 - \$0.0746

1 V. OCA's Rate Proposal Has a Negligible Impact on the Revenue Requirement

2 Each First-Class single piece shaped-based rate under the OCA proposal is a
3 multiple of \$0.42. The one exception is the First-Class single piece parcel-shaped 8 to
4 13 ounce increment which is \$2.79 – six \$0.42 stamps and one USPS proposed \$0.27
5 card stamp.

6 The impact of my proposal is an increase in First-Class revenues of \$2.9
7 million,³⁰ which is a virtually negligible variance to that proposed by the Postal Service.
8 Exhibit 1 provides the Test Year After Rates revenues, costs and revenue per piece for
9 the Letters and Sealed Parcels subclass.

³⁰ The OCA's First-Class letter, flat and parcel proposal is \$2.8 million higher than that of the USPS.
(\$35,548,391 (OCA) less \$35,545,505 (USPS) = \$2.9 million rounded)

Exhibit 1

Revised 10/20/2006

First-Class Mail
Subclass By Rate Category
Test Year After Rates
(\$000)

<u>Rate Category</u>	<u>TYAR Revenue</u>	<u>Test * Cost</u>	<u>Revenue/ Cost</u>	<u>AVG/Cost Per Piece</u>
Letters and Sealed Parcels Subclass				
Single Piece	\$ 18,579,376	\$ 10,423,261		
Fees *	\$ 213,324			
Total Single Piece	\$ 18,792,700	\$ 10,423,261	180%	\$ 0.505
Workshared	\$ 16,969,015			
Negotiated Service Agreement (NSA) *	\$ 37,803			
Fees *	\$ 26,547			
Total Workshare	\$ 17,033,365	\$ 5,265,124	324%	0.351
Total	\$ 35,826,066	\$ 15,688,385	228%	

Total Letters Volume (TYAR) 85,749,198 **
Letters Revenue / Piece at TYAR Volume: \$ 0.418

Note: * Using USPS-T-32 Exhibit A Cost, Volumes and NSA and Fee Revenue
See also, USPS-LR-129, worksheet "Revenue - SP&Presort".
** Includes NSA Volumes of 115,559 thousand pieces per USPS-T-32 at 48.
revised 8/25/06