

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

PREMIUM FORWARDING SERVICE

Docket No. MC2007-3

**NOTICE OF THE UNITED STATES POSTAL SERVICE
OF FILING SECOND ERRATA TO USPS-T-3,
TESTIMONY OF WITNESS DAWSON
(ERRATA)
(September 13, 2007)**

On September 6, the Commission's Office of the Consumer Advocate filed interrogatory OCA/USPS-T3-7, inquiring about a footnote to Attachment 1 of witness Dawson's testimony, USPS-T-3. The response, filed contemporaneously with this Notice, acknowledges an error in the footnote and indicates that the testimony is being revised accordingly.

Previous errata to witness Dawson's testimony involving page 11 were filed on August 30, 2007. At that time, the Postal Service filed a formal notice of filing errata and a complete copy of witness Dawson's testimony, as revised. The latter failed, however, to indicate on page 11 the fact of revision as of that date. A copy of revised Attachment 1 is also appended here.

The Postal Service is once again filing this formal Notice plus a corrected copy of USPS-T-3. In the latter, both page 11 and Attachment 1 now indicate respective revision dates.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**ATTACHMENT 1
PREMIUM FORWARDING SERVICE
PRICING**

Inputs

Priority Mail Cost Elements (Including Contingency)¹

Cost per Piece	\$ 2.562							
	L, 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	
Cost per Cubic Foot	\$ 2.215	\$ 3.388	\$ 4.347	\$ 6.928	\$ 8.198	\$ 8.941	\$ 9.940	
Cost per Pound	\$ 0.023	\$ 0.021	\$ 0.026	\$ 0.048	\$ 0.052	\$ 0.064	\$ 0.127	

PFS Labor Costs²

Set-up Cost	\$ 4.856
Per-Shipment Cost	\$ 4.076

PFS Shipment Characteristics

Average Volume (cubic feet) ³	0.260						
Average Weight (Pounds) ⁴	5.301						
	L, 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Zone Distribution ⁵	10.7%	5.4%	10.5%	28.9%	28.9%	7.7%	7.9%

PFS Parcel Cost

Packaging Cost Adjustment ⁶	\$ 0.100
Window Service Adjustment ⁷	\$ (0.097)
Average Cost per Parcel⁸	\$ 4.575

Extra Parcel Adjustment⁹ 1.5%

Prices

Application	\$ 10.00
Per-Shipment	\$ 11.95

Cost Coverages

Application ¹⁰	205.9%
Shipment Labor ¹¹	120.9%
Shipment Parcel ¹²	149.7%

1. R2006-1, PRC-LR-18, Attachments.xls, sheet Rate Calc., cells B4 through H6.
2. Witness Abdirahman (USPS-T-2), Appendix, page 1.
3. Attachment 3, Average volume of PFS container ÷ 1728 (to convert in³ to ft³).
4. Fiscal Year 2006 Revenue, Pieces, and Weight Report.
5. Docket No. MC2005-1, Second Data Collection Report, page 2.
6. My estimate, as explained in section (IV)(A)(1)(b) of my testimony, USPS-T-3.
7. TYAR Priority Mail window service cost (Docket No. R2006-1 PRC-LR-21, tyar_prcrem1_bfile.xls, sheet Seg3, cell D7) ÷ TYAR Priority Mail volume (Docket No. R2006-1 PRC-LR-23, vfar06PRCLR23.xls, sheet AttachmentA, cell AV32).
8. (Cost per Piece + Average Volume × (Cost per Cubic Foot × Zone Distribution) + Average Weight × (Cost per Pound × Zone Distribution) + Packaging Cost Adjustment).
9. My estimate, as explained in section (IV)(A)(1)(b) of my testimony, USPS-T-3.
10. Application Price ÷ Set-up Cost.
11. (Per-Shipment Price - Priority Mail Price) ÷ [Per-Shipment Labor Cost × (1+Additional Package Adjustment)].
12. [Parcel Cost × (1 + Extra Parcel Adjustment) × Priority Mail Cost Coverage], rounded to nearest 5-cent interval ÷ [Parcel Cost × (1 + Extra Parcel Adjustment)].