

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

UNITED STATES POSTAL SERVICE NOTICE OF FILING OF ERRATA
IN RESPONSE OF WITNESS VANGORDER TO
PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-T1-8
(September 29, 2009) [ERRATA]

The United States Postal Service hereby provides notice of errata in the response of witness Alice VanGorder to the following Public Representative interrogatory: PR/USPS-T1-8. Without explanation and correction, the Table attached to the response filed on July 27, 2009 could generate misunderstanding.

Explanation

In both the “Brick & Mortar” and “Alternate Access” portions of the original Table, Forever Stamp purchases are depicted in a manner that could give the impression that they are separate line items with separate ratios that contribute to the “Brick and Mortar” and “Alternate Access” subtotals.

However, in the “Brick And Mortar” section of that Table, “Forever Stamps At The Window” are already included in “Walk In Rev Stamps.” Similarly, in the “Alternate Access” portion of that Table, “Forever Stamp Alternate Access” sales are already reflected in sales via consignment, stamps by mail/phone/fax, APC, and traditional vending. The depiction of those “Forever Stamp” lines items in the Table could lead one to double-count Forever Stamp revenue ratios. Accordingly, to avoid any potential

for such confusion, references to Forever Stamps sales are not included as separate line items in the revised Table filed today.

Correction

Also, in the original Table, the 3.0 percent “Contract Unit” retail ratio that is a separate line item in the “Alternate Access” portion of the Table was also disaggregated and distributed among the following line items in the “Brick and Mortar” section of the Table -- “Postage Validation” and “Walk-In Rev Stamps’ and “Ready Post/Merch/Other Ret Prod.”. Since the intent of the Table is to distinguish Post Office/Station/Branch “Brick and Mortar” retail revenue from “Alternate Access” revenue, the “Contract Unit” ratio should appear only as a component of “Alternate Access” revenue. Eliminating the distribution of “Contract Unit” revenue from the above-referenced “Brick and Mortar” line items reduces those percentages and clarifies the basis for the 73.23 percent “USPS Retail Window” subtotal.

Reconciliation

That correction, combined with the elimination of the separate references to Forever Stamps, reconciles the 73.23 “USPS Retail Window” subtotal and the 26.77 percent “Alt Channels” subtotal. Accordingly, a revised version of the Table has been prepared. There is no change to the narrative portion of the response. The attached response filed today supersedes the response filed on July 27th.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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September 29, 2009

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VANGORDER
TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

Revised: September 29, 2009

PR/USPS-T1-8

On page 8 of your testimony, you state that “more than a quarter of retail revenue is now generated through alternative access channels.” The Postal Service’s Request also states that “alternative retail access channels...now account for more than 30 percent of retail revenue.” Request at 4. Please identify the universe of alternative retail access channels and provide the percent of total retail revenue by alternative retail access channel and by type of transportation (such as stamp purchase, special services).

RESPONSE

My testimony included two references to percentages of revenue generated through different retail access channels. In Fiscal Year 2008, over 25 percent of retail revenue was generated through alternative access channels. For the month of May 2009, approximately 30 percent of retail revenue was generated through alternative access channels. Below is a table depicting the ratios of alternate access retail channels to total retail revenue for FY 2008.

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RESPONSE TO PR/USPS-T1-8 (continued)

	NATIONAL	
NATIONAL	YTD September - FY 2008	ACTUAL
LINE NAME	CHANNEL	RATIO
BRICK & MORTAR	POSTAGE VALIDATION	26.1%
	WALK IN REV STAMPS	38.7%
	MONEY ORDERS/BOX RENTS/PASS/OTH SVC	7.6%
	READY POST/MERCH/OTHER RET PROD	0.8%
	SUB TOTAL USPS RETAIL WINDOW	73.23%
ALTERNATE ACCESS		
CONTRACTS & PARTNERSHIPS	CONTRACT UNITS	3.0%
	CONSIGNMENT	5.9%
	PC POSTAGE	8.7%
	SUB TOTAL	17.7%
SERVICE TO HOME & OFFICE	CLICK & SHIP	1.9%
	NET POST REVENUE	0.0%
	STAMPS BY MAIL/PHONE/FAX	2.9%
	STAMPED ENVELOPES SALES	0.3%
	SUBTOTAL	5.1%
EQUIPMENT & TECHNOLOGY	APC	2.7%
	TRADITIONAL VENDING	1.2%
	PHILATELIC MAIL ORDER	0.0%
	ONLINE BOX FEES	0.0%
	SUB TOTAL	4.0%
	SUB TOTAL ALT CHANNELS	26.77