

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268B0001

SIX-DAY TO FIVE DAY STREET DELIVERY  
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

NOTICE OF THE UNITED STATES POSTAL SERVICE  
OF MINOR REVISIONS TO TESTIMONY OF WITNESS COLVIN -- ERRATA  
(July 19, 2010)

The United States Postal Service hereby provides notice of filing today minor revisions to the testimony of witness Colvin (USPS-T-7), all of which result from the revisions to the testimony of witness Whiteman (USPS-T-9) filed on Friday, July 16. Changes appear on page 17 of the text, Table 6 (on page 18), and Attachment 3. On page 17, line 18, "0.7" changes to "0.71"; line 19, "\$428" changes to "\$466"; line 19, "\$231" changes to "\$260"; and line 20, "\$197" twice changes to "\$206". On Table 6, "\$ (197)" changes to "\$ (206)" and "\$3,103" changes to "\$3,094." Corresponding changes appear in Attachment 3. Copies of the revised pages are attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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July 19, 2010

1 volume reductions or impacts. Again, as discussed above, these savings are  
2 “full-up” savings—annual ongoing savings once a full transition is made.  
3 Also, these are the savings in terms of FY 2009, as if the five-day delivery  
4 plan had been in place and “full up” during FY 2009. Future years will have  
5 higher hourly labor costs and input unit costs, a greater number of delivery  
6 points to serve, and most likely lower mail volumes. Actual savings  
7 obtainable in the coming years will be affected by these somewhat offsetting  
8 factors.

9 The gross savings are summarized in the top part of Table 6 for city  
10 carriers, rural carriers, air transport, highway contract, vehicle service drivers,  
11 contract delivery, and plant and post office operations. Professor Bradley has  
12 provided the savings associated with moving from six-day delivery to five-day  
13 delivery for city carriers, rural carriers and transportation, including those  
14 provided for vehicle maintenance and service-wide benefits by my testimony.  
15 I have supplied the savings associated with plant and post office operations  
16 from moving to five-day delivery. The gross savings are \$3.3 billion. Witness  
17 Whiteman, USPS-T-9, has testified that going from six-day delivery to five-  
18 day delivery will lead to a 0.71 percent volume reduction, reducing revenues  
19 by \$466 million and costs by \$260 million, leading to a net loss in contribution  
20 of \$206 million. Adding the \$206 million contribution loss and the gross  
21 savings of \$3.3 billion, results in net savings of \$3.1 billion. Additional detail  
22 is shown in my Attachment 3 and, of course, in the testimony of Professor  
23 Bradley and myself.

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<b>Table 6: Gross and Net Savings for Five-Day Delivery                      In Terms of FY 2009                      (in millions of dollars)</b>		
<b>Delivery:</b>		
<b>City Carrier</b>	<b>\$</b>	<b>2,263</b>
<b>Rural Carrier</b>	<b>\$</b>	<b>484</b>
<b>Transportation:</b>		
<b>HCR (w/o Boxes)</b>	<b>\$</b>	<b>220</b>
<b>Air</b>	<b>\$</b>	<b>62</b>
<b>Box Routes</b>	<b>\$</b>	<b>35</b>
<b>MVS</b>	<b>\$</b>	<b>59</b>
<b>Plant Processing</b>	<b>\$</b>	<b>123</b>
<b>Post Office Operations</b>	<b>\$</b>	<b>53</b>
<b>Total Gross Savings</b>	<b>\$</b>	<b>3,300</b>
<b>Loss in Contribution from Volume Impact</b>	<b>\$</b>	<b>(206)</b>
<b>Total Net Savings</b>	<b>\$</b>	<b>3,094</b>

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Attachment 3,  
Page 2

**Gross and Net Savings for Five-Day Delivery –In Terms of FY  
2009: Additional Detail**

**Page 2: Contribution Loss Calculation and Net Savings**

(in millions of dollars)

<b>Gross Savings</b>	<b>\$</b>	<b>3,300</b>
<b>Revenue Loss</b>	<b>\$</b>	<b>(466)</b>
<b>Cost Reduction</b>	<b>\$</b>	<b>260</b>
<b>Contribution Loss</b>	<b>\$</b>	<b>(206)</b>
<b>Net Savings</b>	<b>\$</b>	<b>3,094</b>

**Source: Gross Savings from Attachment 3, page 1. Revenue Loss, Cost Reduction From Witness Whiteman, USPS-T-9.**

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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