

DOCKET SECTION

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

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**MAGAZINE PUBLISHERS OF AMERICA NOTICE  
OF REVISIONS TO TESTIMONY OF WITNESS RITA D. COHEN  
AND TO LIBRARY REFERENCE MPA-LR-1**

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(February 23, 1998)

Magazine Publishers of America (MPA) hereby gives notice of the following revisions to the testimony of witness Rita D. Cohen (MPA-T-2).

Corrections to page 40, line 27 of MPA-T-2 (changing "116.4" to "116.5"), Exhibits MPA-2C, MPA-2D, MPA-2F and MPA-2G and consequent minor revisions to Tables 2.1, 2.3, 3.1, and 3.3 of MPA-LR-1.

A summary of the revisions and corrected copies of all affected pages are attached to this notice. These revisions have no effect on the general conclusions presented in MPA-T-2.

Respectfully submitted,

  
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**REVISIONS TO DIRECT TESTIMONY OF RITA D. COHEN (MPA-T-2)  
AND TO LIBRARY REFERENCE MPA-LR-1**

**(February 23, 1998)**

On February 20, 1998, Time Warner, Inc., filed a Notice of Revision to the Testimony of Halstein Stralberg. According to the Notice, mistakes in the spreadsheets producing Table A-6 and A-7 in Stralberg's testimony caused a misallocation of certain mixed-mail costs with activity codes 5301-5345 at BMCs and non-MODS offices. *Correcting these mistakes requires minor revisions in MPA-T-2, exhibits MPA-2C, MPA-2D, MPA-2F, and MPA-2G and sections 2 and 3 of MPA-LR-1. MPA-2C and MPA-2D show base year costs from Stralberg's testimony.*

The effect of making these corrections is that total clerk and mailhandler costs attributed to First-Class Mail are reduced by \$4.444 million (0.06%), costs attributed to Periodicals mail are reduced by \$0.835 million (0.16%), costs attributed to Standard A mail are increased by \$5.317 million (0.23%) and costs attributed to Standard B mail are reduced by \$0.038 million (0.01%).

Sections 2 and 3 of MPA-LR-1 roll forward Stralberg's Base Year costs to the Test Year. Exhibits MPA-2F and MPA-2G present Test Year costs based upon the Stralberg-Cohen distribution. Therefore, the corrections to Stralberg's testimony also require correction to these exhibits and the library reference. These corrections have no effect on the general conclusions presented in MPA-T-2. Specifically, they only change the Periodicals Regular Rate cost coverage presented in MPA-T-2 from 116.4 percent to 116.5 percent.

1           B.       Periodicals Cost Coverage and Rate Increase

2           The Postal Service maintains that the cost coverage proposed for regular  
3 rate Periodicals in this docket is 107 percent, admittedly lower than the cost  
4 coverage traditionally assigned to this Periodicals subclass by the Commission.  
5 However, the 107 percent coverage estimate is predicated on witness Degen's  
6 flawed distribution methodology. The Stralberg/Cohen distribution methodology  
7 and my revised methodology with inefficient mixed and not-handling costs  
8 removed both reduce the overstatement of Periodicals costs that results from  
9 witness Degen's proposed distribution. If implemented by the Commission, either  
10 of the approaches I advocate would yield a higher cost coverage for regular rate  
11 Periodicals at the rate levels proposed by the Postal Service.

12           In addition, we have discovered an overstatement in the rural carrier costs  
13 attributed to Periodicals. This overstatement is described by witness Glick in  
14 MPA-T-3. In his testimony, witness Glick presents an improved distribution of  
15 rural carrier costs to subclass. As shown in his Exhibit MPA-3-3, his proposed  
16 distribution would reduce test year after rates costs for Periodicals Regular Rate  
17 by \$3.5 million.

18           I have combined witness Glick's revised rural carrier cost distribution with  
19 test year after rates cost distributions for mail processing costs (including  
20 piggybacks) based on the methodologies described in part V of this testimony.  
21 The procedure used to calculate piggyback factors and roll-forward the revised  
22 base year 1996 mail processing cost distributions is described in MPA-LR-1.  
23 MPA exhibits Exh. MPA-2F and MPA-2G provide new total attributable costs by  
24 class and subclass, incorporating both rural carrier and mail processing cost  
25 adjustments. The costs for regular rate periodicals in these exhibits are \$1.45  
26 billion and \$1.39 billion respectively. If implemented by the Commission, these  
27 cost distributions would yield cost coverages of 116.5 percent and 121.5 percent  
28 if the Commission adopts the rate increase proposed by the Postal Service for  
29 regular rate Periodicals.

**Exhibit MPA 2-C. Stralberg-Cohen Attribution of BY 96 Segment 3 Costs (\$000s)**

<b>Class</b>	<b>Subclass</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>	<b>Total Segment 3</b>
First Class	Letters & Parcels	4,821,288	515,633	482,312	5,819,232
First Class	Presort Letters & Parcels	1,021,182	22,798	143,563	1,187,543
First Class	Single Piece Cards	157,708	33,190	19,011	209,909
First Class	Presort Private Cards	47,331	792	5,361	53,484
Priority		317,269	42,667	29,499	389,435
Express		53,623	23,797	52,807	130,227
Mailgrams		114	0	17	130
Periodicals	Within County	13,623	473	2,746	16,842
Periodicals	Regular	373,446	2,260	41,116	416,821
Periodicals	Nonprofit	68,988	243	10,201	79,432
Periodicals	Classroom	3,798	0	386	4,184
Standard (A)	Single Piece Rate	73,912	2,481	6,590	82,983
Standard (A)	ECR	206,289	5,953	67,042	279,248
Standard (A)	Regular	1,363,549	23,106	151,282	1,537,937
Standard (A)	Nonprofit ECR	21,312	980	5,248	27,540
Standard (A)	Nonprofit Regular	339,015	8,409	37,612	385,035
Standard (B)	Parcels - Zone Rate	122,366	7,746	12,224	142,337
Standard (B)	Bound Printed Matter	63,601	641	7,328	71,571
Standard (B)	Special Rate	68,170	3,296	6,083	77,549
Standard (B)	Library Rate	15,096	102	1,170	16,367
USPS		103,620	14,202	10,156	127,977
Free for Blind/Handicapped		8,926	187	744	9,857
International		209,994	24,648	21,895	256,537
Special Services	Registry	31,606	12,087	4,903	48,596
Special Services	Certified	23,209	39,092	11,452	73,754
Special Services	Insurance	937	11,938	851	13,725
Special Services	COD	2,406	3,669	878	6,953
Special Services	Special Delivery	49	153	110	312
Special Services	Money Orders	0	82,983	4,139	87,123
Special Services	Stamped Envelopes	0	1,361	67	1,428
Special Services	Special Handling	277	548	41	867
Special Services	Post Office Box	0	69,153	7,163	76,317
Special Services	Other	88,878	10,208	10,265	109,351
<b>Total Volume Variable</b>		<b>9,621,584</b>	<b>964,796</b>	<b>1,154,262</b>	<b>11,740,642</b>
<b>Other</b>		<b>2,805,963</b>	<b>1,059,160</b>	<b>850,338</b>	<b>4,715,462</b>
<b>Total Costs</b>		<b>12,427,547</b>	<b>2,023,956</b>	<b>2,004,601</b>	<b>16,456,103</b>

**Exhibit MPA 2-D. Comparison of Base Year Attributable Clerk & Mailhandler  
Costs by Subclass (\$000s)**

<b>Class</b>	<b>Subclass</b>	<b>USPS Proposal</b>	<b>Stralberg-Cohen</b>	<b>Difference</b>
First Class	Letters & Parcels	5,566,303	5,819,232	252,929
First Class	Presort Letters & Parcels	1,194,689	1,187,543	-7,146
First Class	Single Piece Cards	183,379	209,909	26,530
First Class	Presort Private Cards	41,349	53,484	12,135
Priority		540,853	389,435	-151,418
Express		112,436	130,227	17,791
Mailgrams		88	130	42
Periodicals	Within County	17,388	16,842	-546
Periodicals	Regular	496,960	416,821	-80,139
Periodicals	Nonprofit	88,934	79,432	-9,502
Periodicals	Classroom	6,005	4,184	-1,821
Standard (A)	Single Piece Rate	82,069	82,983	914
Standard (A)	ECR	305,921	279,284	-26,637
Standard (A)	Regular	1,605,824	1,537,937	-67,887
Standard (A)	Nonprofit ECR	32,442	27,540	-4,902
Standard (A)	Nonprofit Regular	385,597	385,035	-562
Standard (B)	Parcels - Zone Rate	168,661	142,337	-26,324
Standard (B)	Bound Printed Matter	76,322	71,571	-4,751
Standard (B)	Special Rate	72,257	77,549	5,292
Standard (B)	Library Rate	16,453	16,367	-86
USPS		112,772	127,977	15,205
Free for Blind/Handicapped		11,042	9,857	-1,185
International		252,743	256,537	3,794
Special Services	Registry	31,718	48,596	16,878
Special Services	Certified	63,305	73,754	10,449
Special Services	Insurance	12,818	13,725	907
Special Services	COD	5,968	6,953	985
Special Services	Special Delivery	216	312	96
Special Services	Money Orders	82,277	87,123	4,846
Special Services	Stamped Envelopes	1,341	1,428	87
Special Services	Special Handling	754	867	113
Special Services	Post Office Box	65,299	76,317	11,018
Special Services	Other	89,524	109,351	19,827
<b>Total Volume Variable</b>		<b>11,723,707</b>	<b>11,740,642</b>	<b>16,935</b>
<b>Other</b>		<b>4,732,392</b>	<b>4,715,462</b>	<b>-16,930</b>
<b>Total Costs</b>		<b>16,456,099</b>	<b>16,456,103</b>	<b>4</b>

**Exhibit MPA-2F. Test Year Attributable Cost by Subclass with Stralberg-Cohen  
Clerks and Mailhandlers Methodology and MPA Rural Carriers Methodology**

<b>Class</b>	<b>Subclass</b>	<b>MPA Proposal</b>
First Class	Letters & Parcels	\$13,168,743
First Class	Presort Letters & Parcels	\$4,038,550
First Class	Single Piece Cards	\$472,351
First Class	Presort Private Cards	\$184,548
Priority	All	\$2,010,479
Express	All	\$440,857
Mailgrams	All	\$570
Periodicals	Within County	\$80,142
Periodicals	Regular	\$1,450,032
Periodicals	Nonprofit	\$316,364
Periodicals	Classroom	\$10,494
Standard (A)	Single Piece Rate	\$1,303
Standard (A)	ECR	\$1,838,116
Standard (A)	Regular	\$5,057,870
Standard (A)	Nonprofit ECR	\$117,999
Standard (A)	Nonprofit Regular	\$1,107,187
Standard (B)	Parcels - Zone Rate	\$708,266
Standard (B)	Bound Printed Matter	\$337,149
Standard (B)	Special Rate	\$266,877
Standard (B)	Library Rate	\$48,948
Free for Blind/Handicapped	All	\$29,580
International	All	\$1,212,197
Special Services	Registry	\$117,815
Special Services	Certified	\$347,785
Special Services	Insurance	\$49,686
Special Services	COD	\$18,532
Special Services	Money Orders	\$153,072
Special Services	Stamped Envelopes	\$12,386
Special Services	Special Handling	\$1,496
Special Services	Post Office Box	\$606,314
Special Services	Other	\$92,326

**Exhibit MPA-2G. Test Year Attributable Cost by Subclass with for Stralberg-Cohen  
Clerks and Mailhandlers (Treating Inefficient Mixed and Not Handling Costs as  
Institutional) Methodology and MPA Rural Carriers Methodology**

<b>Class</b>	<b>Subclass</b>	<b>MPA Proposal</b>
First Class	Letters & Parcels	\$12,385,999
First Class	Presort Letters & Parcels	\$3,851,682
First Class	Single Piece Cards	\$448,453
First Class	Presort Private Cards	\$174,751
Priority	All	\$1,954,530
Express	All	\$431,099
Mailgrams	All	\$552
Periodicals	Within County	\$78,006
Periodicals	Regular	\$1,389,577
Periodicals	Nonprofit	\$305,653
Periodicals	Classroom	\$10,008
Standard (A)	Single Piece Rate	-\$12,382
Standard (A)	ECR	\$1,803,778
Standard (A)	Regular	\$4,782,701
Standard (A)	Nonprofit ECR	\$114,797
Standard (A)	Nonprofit Regular	\$1,046,397
Standard (B)	Parcels - Zone Rate	\$686,182
Standard (B)	Bound Printed Matter	\$324,794
Standard (B)	Special Rate	\$253,520
Standard (B)	Library Rate	\$46,368
Free for Blind/Handicapped	All	\$27,874
International	All	\$1,179,539
Special Services	Registry	\$110,027
Special Services	Certified	\$342,659
Special Services	Insurance	\$49,507
Special Services	COD	\$18,148
Special Services	Money Orders	\$153,072
Special Services	Stamped Envelopes	\$12,386
Special Services	Special Handling	\$1,442
Special Services	Post Office Box	\$606,314
Special Services	Other	\$77,475

Table 2.1. Rollforward of Stralberg-Cohen Clerks and Mailhandlers Costs

Class	Subclass	USPS Proposed Clerks and Mailhandlers Cost						Stralberg-Cohen Clerks and Mailhandlers Cost						Total C/S 3
		BY 1996			TYAR			BY 1996			TYAR			
		3.1	3.2	3.3	3.1	3.2	3.3	3.1	3.2	3.3	3.1	3.2	3.3	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
First Class	Letters & Parcels	4,774,417	489,859	302,027	4,899,112	525,379	319,413	4,821,288	515,633	482,312	4,947,207	553,022	510,078	6,010,305
First Class	Presort Letters & Parcels	1,080,864	21,505	92,320	1,221,871	24,113	101,218	1,021,182	22,798	143,563	1,154,403	25,563	157,400	1,337,366
First Class	Single Piece Cards	140,338	31,460	11,583	137,836	33,661	12,172	157,708	33,190	19,011	154,674	35,512	19,978	210,164
First Class	Presort Private Cards	37,457	755	3,137	49,979	1,016	4,142	47,331	792	5,381	63,154	1,066	7,079	71,298
Priority		477,606	41,320	21,927	534,646	51,186	26,484	317,269	42,667	29,499	355,160	52,855	35,630	443,644
Express		83,202	23,023	6,211	96,575	27,063	7,132	53,623	23,797	52,807	82,242	27,973	60,638	150,852
Mailgrams		79	0	9	95	0	10	114	0	17	137	0	19	156
Periodicals	Within County	15,210	457	1,721	15,977	502	1,867	13,623	473	2,746	14,310	520	2,979	17,809
Periodicals	Regular	467,201	2,186	27,573	493,023	2,389	29,785	373,446	2,260	41,116	394,086	2,470	44,414	440,971
Periodicals	Nonprofit	81,970	235	6,729	82,589	245	6,987	68,988	243	10,201	69,509	253	10,592	80,354
Periodicals	Classroom	5,720	0	285	4,765	0	244	3,798	0	386	3,164	0	330	3,494
Standard (A)	Single Piece Rate	75,564	2,391	4,114	87,560	2,828	4,743	73,912	2,481	6,590	85,646	2,934	7,598	96,178
Standard (A)	ECR	256,941	5,677	43,303	270,838	5,958	45,086	206,289	5,953	67,042	217,446	6,246	69,802	293,494
Standard (A)	Regular	1,486,117	22,022	97,685	1,900,197	29,333	126,348	1,363,549	23,106	151,282	1,743,478	30,777	195,672	1,969,926
Standard (A)	Nonprofit ECR	27,934	930	3,578	26,167	878	3,361	21,312	980	5,248	19,964	925	4,930	25,819
Standard (A)	Nonprofit Regular	353,421	7,998	24,178	404,828	9,685	28,527	339,015	8,409	37,612	388,327	10,183	44,377	442,887
Standard (B)	Parcels - Zone Rate	153,080	7,492	8,089	157,448	6,623	9,169	122,366	7,748	12,224	125,858	6,848	13,856	146,561
Standard (B)	Bound Printed Matter	71,247	619	4,456	80,829	720	5,126	63,601	641	7,328	72,155	746	8,430	81,330
Standard (B)	Special Rate	65,485	3,187	3,585	72,355	3,592	4,004	68,170	3,296	6,083	75,322	3,715	6,794	85,830
Standard (B)	Library Rate	15,647	99	707	15,581	101	711	15,096	102	1,170	15,032	104	1,177	16,313
USPS		92,173	14,275	6,324	80,180	12,599	5,924	103,620	14,202	10,156	90,138	12,535	9,514	112,186
Free for Blind/Handicapped		10,378	181	483	12,075	216	574	8,926	187	744	10,386	223	884	11,493
International		214,584	23,808	14,351	212,491	24,292	14,740	209,994	24,648	21,895	207,946	25,149	22,488	255,583
Special Services	Registry	18,173	10,770	2,775	14,557	8,818	2,642	31,606	12,087	4,903	25,317	9,896	4,668	39,881
Special Services	Certified	18,704	37,823	6,778	21,987	43,690	7,634	23,209	39,092	11,452	27,283	45,156	12,898	85,337
Special Services	Insurance	781	11,550	487	878	13,135	550	937	11,938	851	1,053	13,576	961	15,591
Special Services	COD	1,840	3,549	579	1,547	3,025	518	2,406	3,669	878	2,023	3,127	782	5,933
Special Services	Special Delivery	9	148	59	0	0	0	49	153	110	0	0	0	0
Special Services	Money Orders	0	79,884	2,393	0	94,242	2,811	0	82,983	4,139	0	97,898	4,862	102,760
Special Services	Stamped Envelopes	0	1,302	38	0	1,169	35	0	1,361	67	0	1,222	60	1,282
Special Services	Special Handling	202	530	22	210	597	23	277	548	41	288	617	43	948
Special Services	Post Office Box	0	62,861	2,438	0	58,860	2,357	0	69,153	7,163	0	64,752	6,925	71,677
Special Services	Other	78,622	6,490	6,412	79,971	6,925	6,783	88,878	10,208	10,265	92,763	10,892	10,859	114,514
<b>Total Volume Variable</b>		<b>10,102,964</b>	<b>914,368</b>	<b>706,367</b>	<b>10,978,967</b>	<b>992,838</b>	<b>781,118</b>	<b>9,621,584</b>	<b>964,796</b>	<b>1,164,262</b>	<b>10,418,468</b>	<b>1,046,763</b>	<b>1,276,714</b>	<b>12,741,936</b>

(1) Exhibit USPS-5A at Pages 19-22  
 (2) Ibid.  
 (3) Ibid.  
 (4) Exhibit USPS-15H at Pages 19-22  
 (5) Ibid.  
 (6) Ibid.  
 (7) TW-T-1 at Table 2-1  
 (8) Ibid.  
 (9) Ibid.  
 (10) = ((4) / (1)) x (7)  
 (11) = ((5) / (2)) x (8)  
 (12) = ((6) / (3)) x (9)  
 (13) = (10) + (11) + (12)



Table 2.3. Test Year After Rates Cost Difference Between USPS Proposed and Stralberg-Cohen C/S 3 Costing Methodologies

Class	Subclass	Piggyback on C/S 3 [1]	C/S 3 Cost			Piggybacked Difference [5]
			USPS [2]	Stralberg-Cohen [3]	Difference [4]	
First-Class	Letters & Parcels	1.5223	5,743,904	6,010,305	266,401	405,548
First-Class	Presort Letters & Parcels	1.5575	1,347,202	1,337,366	-9,836	-15,320
First-Class	Single Piece Cards	1.4866	183,469	210,164	26,695	39,684
First-Class	Presort Private Cards	1.4925	55,137	71,298	16,161	24,120
Priority Mail		1.5157	612,316	443,644	-168,672	-255,658
Express Mail		1.5085	130,770	150,852	20,082	30,293
Mailgrams		1.2449	105	156	51	63
Periodicals	Within County	1.4363	18,346	17,809	-537	-772
Periodicals	Regular	1.4760	525,197	440,971	-84,226	-124,319
Periodicals	Nonprofit	1.4827	89,821	80,354	-9,467	-14,037
Periodicals	Classroom	1.4778	5,009	3,494	-1,515	-2,238
Standard A	Single Piece Rate	1.5374	95,131	96,178	1,047	1,609
Standard A	ECR	1.5194	321,880	293,494	-28,386	-43,129
Standard A	Regular	1.5186	2,055,878	1,969,926	-85,952	-130,523
Standard A	Nonprofit ECR	1.5432	30,406	25,819	-4,587	-7,079
Standard A	Nonprofit Regular	1.5062	443,040	442,887	-153	-231
Standard B	Parcels - Zone Rate	1.6883	173,240	146,561	-26,679	-45,041
Standard B	Bound Printed Matter	1.6475	86,675	81,330	-5,345	-8,806
Standard B	Special Rate	1.7062	79,951	85,830	5,879	10,032
Standard B	Library Rate	1.6509	16,393	16,313	-80	-132
USPS Penalty Mail		1.4537	98,703	112,186	13,483	19,600
Free		1.5806	12,865	11,493	-1,372	-2,169
International		1.5111	251,523	255,583	4,060	6,136
Special Services	Registry	2.9599	26,017	39,881	13,864	41,037
Special Services	Certified	1.8078	73,311	85,337	12,026	21,741
Special Services	Insurance	1.6386	14,563	15,591	1,028	1,684
Special Services	C.O.D.	1.8280	5,088	5,933	845	1,544
Special Services	Special Delivery	1.0000	0	0	0	0
Special Services	Money Orders	1.0000	97,053	102,760	5,707	5,707
Special Services	Stamped Envelopes	1.0000	1,204	1,282	78	78
Special Services	Special Handling	1.8009	830	948	118	213
Special Services	Post Office Box	1.0000	61,217	71,677	10,460	10,460
Special Services	Other	1.5404	93,679	114,514	20,835	32,094
<b>Total Volume Variable</b>		<b>1.5289</b>	<b>12,749,923</b>	<b>12,741,936</b>	<b>-7,987</b>	<b>2,190</b>

[1] Table 2.2, Column [7]

[2] Exhibit USPS 15H at Pages 19-22

[3] Table 2.1, Column [13]

[4]=[3]-[2]

[5]=[1]\*[4]

Table 3.1. Rollforward of Revised Stralberg-Cohen Clerks and Mailhandlers Costs

Class	Subclass	USPS Proposed Clerks and Mailhandlers Cost						Cohen Clerks and Mailhandlers Cost						Total C/S 3
		BY 1996			TYAR			BY 1996			TYAR			
		3.1	3.2	3.3	3.1	3.2	3.3	3.1	3.2	3.3	3.1	3.2	3.3	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]		
First Class	Letters & Parcels	4,774,417	489,859	302,027	4,899,112	525,379	319,413	4,320,197	515,633	482,312	4,433,029	553,022	510,076	5,496,127
First Class	Presort Letters & Parcels	1,060,864	21,505	92,320	1,221,871	24,113	101,218	915,048	22,798	143,563	1,034,422	25,563	157,400	1,217,385
First Class	Single Piece Cards	140,338	31,460	11,583	137,636	33,661	12,172	141,317	33,190	19,011	138,598	35,512	19,978	194,088
First Class	Presort Private Cards	37,457	755	3,137	49,979	1,016	4,142	42,412	792	5,361	56,590	1,066	7,079	64,734
Priority		477,608	41,320	21,927	534,646	51,186	26,484	484,294	42,667	29,499	318,247	52,855	35,630	406,732
Express		83,202	23,023	6,211	96,575	27,063	7,132	48,050	23,797	52,807	55,773	27,973	60,638	144,383
Mailgrams		79	0	9	95	0	10	102	0	17	123	0	19	142
Periodicals	Within County	15,210	457	1,721	15,977	502	1,867	12,207	473	2,746	12,823	520	2,979	16,321
Periodicals	Regular	467,201	2,186	27,573	493,023	2,369	29,785	334,633	2,260	41,116	353,128	2,470	44,414	400,012
Periodicals	Nonprofit	81,970	235	6,729	82,589	245	6,987	61,818	243	10,201	62,285	253	10,592	73,130
Periodicals	Classroom	5,720	0	285	4,765	0	244	3,403	0	386	2,835	0	330	3,166
Standard (A)	Single Piece Rate	75,564	2,391	4,114	87,560	2,826	4,743	66,230	2,481	6,590	76,744	2,934	7,598	87,276
Standard (A)	ECR	256,941	5,677	43,303	270,838	5,956	45,086	184,849	5,953	67,042	194,847	6,246	69,802	270,895
Standard (A)	Regular	1,486,117	22,022	97,685	1,900,197	29,333	126,348	1,221,831	23,106	151,282	1,562,273	30,777	195,672	1,788,721
Standard (A)	Nonprofit ECR	27,934	930	3,578	28,167	878	3,361	19,097	980	5,248	17,889	925	4,930	23,744
Standard (A)	Nonprofit Regular	353,421	7,998	24,178	404,828	9,685	28,527	303,780	8,409	37,812	347,967	10,183	44,377	402,527
Standard (B)	Parcels - Zone Rate	153,080	7,492	8,089	157,448	6,623	9,189	109,648	7,746	12,224	112,777	6,848	13,856	133,480
Standard (B)	Bound Printed Matter	71,247	619	4,456	80,829	720	5,128	56,991	641	7,328	64,655	746	8,430	73,831
Standard (B)	Special Rate	65,485	3,187	3,585	72,355	3,592	4,004	61,085	3,296	6,083	67,493	3,715	6,794	78,002
Standard (B)	Library Rate	15,647	99	707	15,581	101	711	13,527	102	1,170	13,470	104	1,177	14,751
USPS		92,173	14,275	6,324	80,180	12,599	5,924	92,850	14,202	10,156	80,769	12,535	9,514	102,818
Free for Blind/Handicapped		10,378	181	483	12,075	216	574	7,998	187	744	9,306	223	884	10,414
International		214,584	23,808	14,351	212,491	24,292	14,740	188,169	24,648	21,895	186,333	25,149	22,488	233,971
Special Services	Registry	18,173	10,770	2,775	14,557	8,818	2,842	28,321	12,087	4,903	22,686	9,896	4,668	32,250
Special Services	Certified	18,704	37,823	6,778	21,987	43,890	7,634	20,797	39,092	11,452	24,447	45,156	12,898	82,501
Special Services	Insurance	781	11,550	487	878	13,135	550	640	11,938	851	944	13,576	961	15,481
Special Services	COD	1,840	3,549	579	1,547	3,025	516	2,156	3,669	878	1,813	3,127	782	5,722
Special Services	Special Delivery	9	148	59	0	0	0	44	153	110	0	0	0	0
Special Services	Money Orders	0	79,884	2,393	0	94,242	2,811	0	82,983	4,139	0	97,898	4,862	102,760
Special Services	Stamped Envelopes	0	1,302	39	0	1,169	35	0	1,361	67	0	1,222	60	1,282
Special Services	Special Handling	202	530	22	210	597	23	248	548	41	258	617	43	918
Special Services	Post Office Box	0	62,661	2,438	0	58,860	2,357	0	69,153	7,163	0	64,752	6,925	71,677
Special Services	Other	76,622	6,490	6,412	79,971	6,925	6,783	79,641	10,208	10,265	83,122	10,892	10,859	104,873
<b>Total Volume Variable</b>		<b>10,102,964</b>	<b>914,388</b>	<b>706,367</b>	<b>10,976,967</b>	<b>992,838</b>	<b>781,118</b>	<b>8,621,584</b>	<b>964,796</b>	<b>1,154,262</b>	<b>9,335,646</b>	<b>1,046,763</b>	<b>1,276,714</b>	<b>11,659,113</b>

[1] Exhibit USPS-5A at Pages 19-22

[2] Ibid.

[3] Ibid.

[4] Exhibit USPS-15H at Pages 19-22

[5] Ibid.

[6] Ibid.

[7] Uses subclass proportions from TW-T-1 at Table 2-1 on total volume variable cost of \$1 billion minus volume variable cost from TW-T-1 at Table 2-1.

[8] Ibid.

[9] Ibid.

[10] = ([4] / [1]) x [7]

[11] = ([5] / [2]) x [8]

[12] = ([6] / [3]) x [9]

[13] = [10] + [11] + [12]

Table 3.3. Test Year After Rates Cost Difference Between USPS Proposed and Revised Stralberg-Cohen C/S 3 Costing Methodologies

Class	Subclass	Piggyback on C/S 3	C/S 3 Cost			Piggybacked Difference
			USPS	Cohen	Difference	
		[1]	[2]	[3]	[4]	[5]
First-Class	Letters & Parcels	1.5223	5,743,904	5,496,127	-247,777	-377,196
First-Class	Presort Letters & Parcels	1.5575	1,347,202	1,217,385	-129,817	-202,187
First-Class	Single Piece Cards	1.4866	183,469	194,088	10,619	15,786
First-Class	Presort Private Cards	1.4925	55,137	64,734	9,597	14,324
Priority Mail		1.5157	612,316	406,732	-205,584	-311,607
Express Mail		1.5085	130,770	144,383	13,613	20,535
Mailgrams		1.2449	105	142	37	46
Periodicals	Within County	1.4363	18,346	16,321	-2,025	-2,908
Periodicals	Regular	1.4760	525,197	400,012	-125,185	-184,774
Periodicals	Nonprofit	1.4827	89,821	73,130	-16,691	-24,748
Periodicals	Classroom	1.4778	5,009	3,166	-1,843	-2,724
Standard A	Single Piece Rate	1.5374	95,131	87,276	-7,855	-12,076
Standard A	ECR	1.5194	321,880	270,895	-50,985	-77,467
Standard A	Regular	1.5186	2,055,878	1,788,721	-267,157	-405,692
Standard A	Nonprofit ECR	1.5432	30,406	23,744	-6,662	-10,281
Standard A	Nonprofit Regular	1.5062	443,040	402,527	-40,513	-61,021
Standard B	Parcels - Zone Rate	1.6883	173,240	133,480	-39,760	-67,126
Standard B	Bound Printed Matter	1.6475	86,675	73,831	-12,844	-21,161
Standard B	Special Rate	1.7062	79,951	78,002	-1,949	-3,325
Standard B	Library Rate	1.6509	16,393	14,751	-1,642	-2,711
USPS Penalty Mail		1.4537	98,703	102,818	4,115	5,981
Free		1.5806	12,865	10,414	-2,451	-3,875
International		1.5111	251,523	233,971	-17,552	-26,523
Special Services	Registry	2.9599	26,017	37,250	11,233	33,249
Special Services	Certified	1.8078	73,311	82,501	9,190	16,615
Special Services	Insurance	1.6386	14,563	15,481	918	1,505
Special Services	C.O.D.	1.8280	5,088	5,722	634	1,160
Special Services	Special Delivery	1.0000	0	0	0	0
Special Services	Money Orders	1.0000	97,053	102,760	5,707	5,707
Special Services	Stamped Envelopes	1.0000	1,204	1,282	78	78
Special Services	Special Handling	1.8009	830	918	88	159
Special Services	Post Office Box	1.0000	61,217	71,677	10,460	10,460
Special Services	Other	1.5404	93,679	104,873	11,194	17,243
<b>Total Volume Variable</b>		<b>1.5289</b>	<b>12,749,923</b>	<b>11,659,113</b>	<b>-1,090,810</b>	<b>-1,654,557</b>

[1] Table 3.2, Column [7]

[2] Exhibit USPS 15H at Pages 19-22

[3] Table 3.1, Column [13]

[4]=[3]-[2]

[5]=[1]\*[4]

## CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

  
\_\_\_\_\_  
James R. Cregan

Washington, D.C.  
February 23, 1998