

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF REVISIONS TO
THE TESTIMONY OF WITNESS TAUFIQUE (USPS-T-34) IN ACCORDANCE WITH
P.O. RULING NO. R97-1/27
(October 3, 1997)

Presiding Officer Ruling No. R97-1/27, issued September 26, 1997, directed the Postal Service to incorporate, to the maximum extent possible, all corrections and refinements identified by Postal Service witnesses. In accordance with that ruling, the United States Postal Service hereby provides notice that it is today filing revisions to the testimony of witness Taufique (USPS-T-34). This filing consists of narrative text to be appended at the end of witness Taufique's direct testimony (USPS-T-34). The substance of the revision filed today acknowledges the filing, on October 1, 1997, of changes to cost data used in witness Taufique's rate design.

In addition, witness Taufique is revising Tables III and IV of his testimony to delete the words "ZONED ADVRTSG" from the line below "Pound Rates" in each table.

The revised pages are attached.

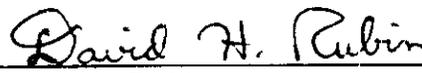
Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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October 10, 1997



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TABLE III - WITHIN COUNTY - Full	Proposed Rates
Pound Rates	
DELIVERY UNIT	\$ 0.117
GENERAL	\$ 0.131
Piece Rates	
BASIC NON-AUTOMATION	\$ 0.090
BASIC AUTOMATION LETTERS	\$ 0.063
BASIC AUTOMATION FLATS	\$ 0.078
NONAUTOMATION 3-DIGIT	\$ 0.080
AUTOMATION 3-DIGIT LETTER	\$ 0.061
AUTOMATION 3-DIGIT FLAT	\$ 0.066
NONAUTOMATION 5-DIGIT	\$ 0.077
AUTOMATION 5-DIGIT LETTER	\$ 0.059
AUTOMATION 5-DIGIT FLAT	\$ 0.063
CARRIER ROUTE	\$ 0.045
HIGH DENSITY	\$ 0.040
SATURATION	\$ 0.038
DISCOUNT FOR DELIVERY OFFICE ENTRY	\$ (0.004)

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TABLE IV - WITHIN COUNTY - Phase 5	Proposed Rates
Pound Rates	
DELIVERY UNIT	\$ 0.117
GENERAL	\$ 0.130
Piece Rates	
BASIC NON-AUTOMATION	\$ 0.090
BASIC AUTOMATION LETTERS	\$ 0.062
BASIC AUTOMATION FLATS	\$ 0.077
NONAUTOMATION 3-DIGIT	\$ 0.079
AUTOMATION 3-DIGIT LETTER	\$ 0.060
AUTOMATION 3-DIGIT FLAT	\$ 0.066
NONAUTOMATION 5-DIGIT	\$ 0.076
AUTOMATION 5-DIGIT LETTER	\$ 0.058
AUTOMATION 5-DIGIT FLAT	\$ 0.062
CARRIER ROUTE	\$ 0.044
HIGH DENSITY	\$ 0.040
SATURATION	\$ 0.038
DISCOUNT FOR DELIVERY OFFICE ENTRY	\$ (0.004)

1 cost study used is for Nonprofit mail. Also, mitigation of the rate shock is another
2 compelling reason in the choice of passthrough levels.

3 **2. Piece Rates**

4 The piece rate design follows a similar method to that adopted for the Regular
5 Rates subclass. The level of passthrough for the various cells is lower, because of the
6 nature of the cost study and the rate impact mitigation.

7 **VII. SUBSEQUENT COST REVISIONS**

8 The testimony in the preceding sections reflects the data available at the time
9 this proposal was filed. Some of these data changed pursuant to the filing of errata by
10 cost witnesses, as summarized in the revisions filed by witnesses Daniel and Seckar on
11 October 1, 1997. The following tables depict the passthroughs as proposed and
12 described earlier in this testimony, as well as implied passthroughs that result from
13 comparing the revised costs to the proposed rates.⁹ No rates are being revised,¹⁰ and
14 the implied passthroughs are consistent with the objectives of the rate design as
15 described throughout the testimony. All but one of the implicit passthroughs are within 3
16 percentage points of those filed. Using the implicit passthroughs, and thereby
17 maintaining the rates as proposed, would be consistent with the criteria of the Act.

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⁹ These are the passthroughs that, if entered in the rate design workpapers, along with the revised cost data filed on October 1, 1997, would generate the rates as proposed, without the need for the piece rate exogenous adjustment of \$0.001.

¹⁰ There is also no effect on total revenue produced by those rates.

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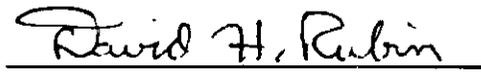
2 **Regular Rate Subclass - Passthroughs**

Category	As filed	Implicit
Automation Letters		
Basic	43%	44%
3-digit	48%	51%
5-digit	47%	50%
Non-Automation		
3-digit	76%	92%
5-digit	49%	49%
Automation Flats		
Basic	83%	84%
3-digit	88%	90%
5-digit	62%	64%
Carrier Route		
Basic	81%	83%
High Density	73%	74%
Saturation	78%	79%

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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