UNITED STATES POSTAL SERVICE

DOCKET SECTION

FINANCIAL & OPERATING STATEMENTS

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Accounting Period 7, PFY 2001

February 24 - March 23, 2001

Prepared by:
Financial Analysis

HIGHLIGHTS
Accounting Period 7, FY 2001
(Millions)

Accounting Period 7 Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY		Year-to-Date Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY
$ 5,279.5	$ 5,482.1	[$ - 202.6]	[- 3.7]	$ 5,148.3	2.5	Total Revenue (1)	$ 36,394.3	$ 36,932.5	[$ - 538.2]	[- 1.5]	$ 35,698.8	1.9
5,318.1	5,391.1	- 73.0	- 1.4	5,047.4	5.4	Total Expense (2)	36,685.3	36,641.4	[43.9]	[0.1]	34,650.2	5.9
$ - 38.6	$ 91.0	[$ - 129.6]	-	$ 100.9	-	Income/(Loss)	$ - 291.0	$ 291.1	[$ - 582.1]	-	$ 1,048.6	-
$ 81.5	$ 90.4	$ - 8.9	- 9.8	$ 132.9	- 38.7	Capital Commitments (3)	$ 518.7	$ 555.8	$ - 37.1	- 6.7	$ 675.7	- 23.2
125.9	127.8	- 1.9	- 1.5	128.5	- 2.0	Total Work Hours	886.0	882.1	[3.9]	[0.4]	893.3	- 0.8
16,504.9	16,511.3	[- 6.4]	[- 0.0]	16,573.0	- 0.4	Mail Volume	116,198.7	114,684.6	1,514.1	1.3	114,244.7	1.7

[ ] = Unfavorable variance to budget
Note: Totals may not sum due to rounding.
Note: Mail Volume numbers are preliminary numbers and are subject to change.
(1) The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.
(2) Please see explanation on page 6 referencing transportation expense.
(3) The capital plan was reduced from $3.6 billion to $2.6 billion.

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,873	27,873	27,882
Active Postal Owned Vehicles			
Administrative	5,627	5,617	5,544
Operations	202,059	201,495	197,080
Possible City Deliveries (000)	83,570	83,534	83,048
City Delivery Routes	168,289	168,274	168,189
Rural Routes	66,087	67,894	66,083
Career Employees (Excludes Inspector General)	782,867	782,966	791,640
Casual Employees	34,099	34,898	26,608
Transitional Employees	13,790	13,851	13,173

STATEMENT OF INCOME & EXPENSE
Accounting Period 7, FY 2001
($ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY		Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY
$ 5,276.9	$ 5,480.1	[$ - 203.2]	[- 3.7]	$ 5,145.9	2.5	Operating Revenue *	$ 36,374.6	$ 36,917.5	[$ - 542.9]	[- 1.5]	$ 35,678.6	2.0
5,166.7	5,232.0	- 65.3	- 1.2	4,905.7	5.3	Operating Expense	35,600.6	35,621.2	[79.4]	[0.2]	33,644.5	5.8
$ 110.2	$ 248.1	[$ - 137.9]	-	$ 240.2	-	Income From Operations	$ 774.0	$ 1,396.3	[$ - 622.3]	-	$ 2,034.1	-
2.6	2.0	0.6	28.9	2.4	7.0	Investment Income	19.7	15.0	4.7	31.3	20.2	- 0.3
- 27.5	- 35.2	7.7	- 21.9	- 20.1	37.0	Interest Expense	- 217.2	- 252.7	35.5	- 14.1	- 154.2	40.9
- 123.9	- 123.9	0.0	0.0	- 121.6	1.9	Interest on Deferred Ret. Liabilities	- 867.5	- 867.5	0.0	0.0	- 851.5	1.9
$ - 38.6	$ - 91.0	[$ - 129.6]	-	$ 100.9	-	Income/(Loss)	$ - 291.0	$ - 291.1	[$ - 582.1]	-	$ 1,048.6	-

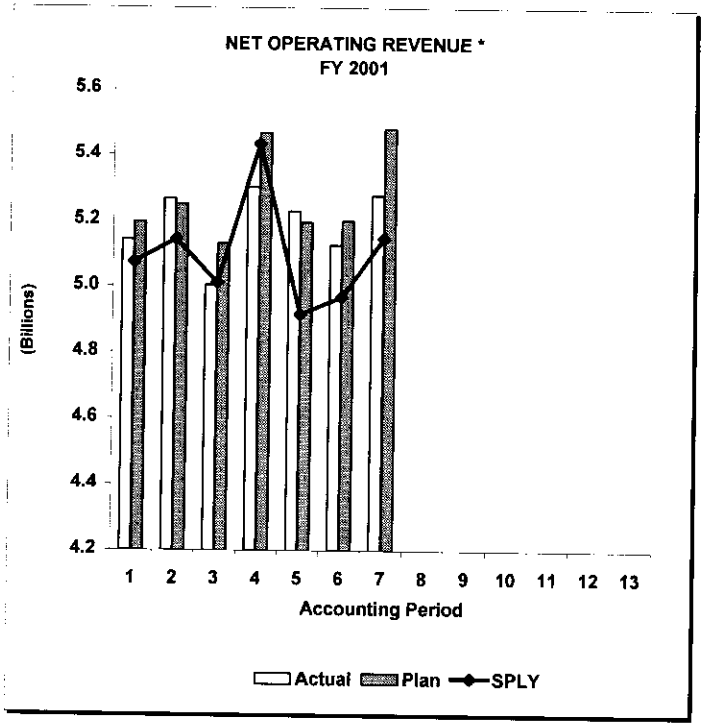
[ ]=Unfavorable variance to budget
Note: Totals may not sum due to rounding.
* The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.

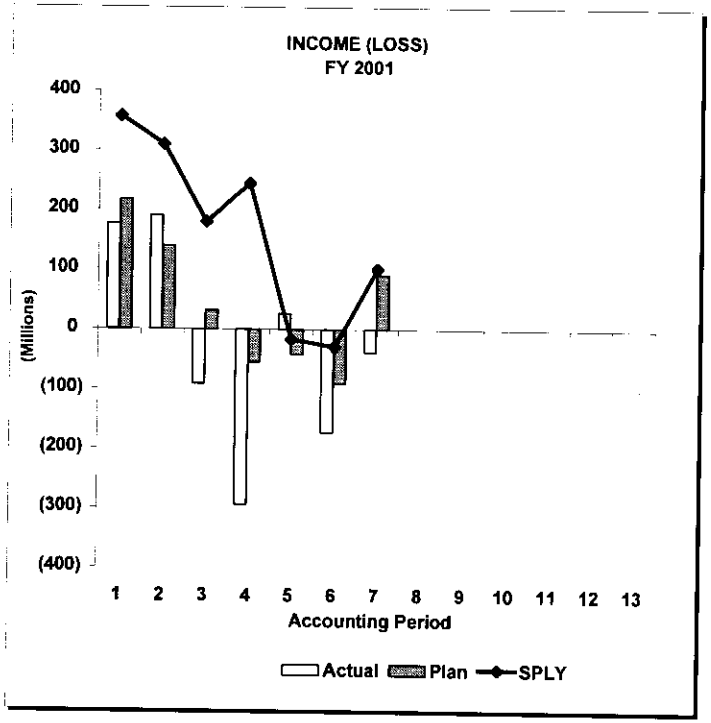
MAIL VOLUME - MAIL REVENUE
(Data in Thousands)

	CURRENT PERIOD AP 7 2001	AP 7 2000	% CHANGE
FIRST-CLASS			
VOLUME	8,035,048	8,280,355	- 3.0
REVENUE	$ 2,796,726	$ 2,870,004	- 2.6
REV/PC.	0.3481	0.3466	0.4
PRIORITY-MAIL			
VOLUME	90,626	93,909	- 3.5
REVENUE	$ 401,251	$ 366,773	9.4
REV/PC.	4.4275	3.9066	13.4
EXPRESS MAIL			
VOLUME	5,630	5,678	- 0.8
REVENUE	$ 80,181	$ 79,079	1.4
REV/PC.	14.2417	13.9273	2.3
PERIODICALS			
VOLUME	866,631	844,937	2.4
REVENUE	$ 192,650	$ 177,436	8.6
REV/PC.	0.2226	0.2100	6.0
STANDARD MAIL			
VOLUME	7,299,813	7,152,970	2.1
REVENUE	$ 1,308,030	$ 1,214,516	7.7
REV/PC.	0.1792	0.1698	5.5
PACKAGE SERVICES			
VOLUME	84,999	87,899	- 3.3
REVENUE	$ 155,987	$ 151,976	2.6
REV/PC.	1.8352	1.7290	6.1
INTERNATIONAL			
VOLUME	87,229	73,142	19.3
REVENUE	$ 139,806	$ 124,405	12.4
REV/PC.	1.6027	1.7009	- 5.8
ALL OTHER			
VOLUME	35,961	34,120	5.4
REVENUE	$ 116	$ 124	- 7.1
ALL MAIL _1/			
VOLUME	16,604,939	16,573,009	- 0.4
REVENUE	$ 5,074,746	$ 4,984,314	1.8
REV/PC.	0.3075	0.3007	2.2

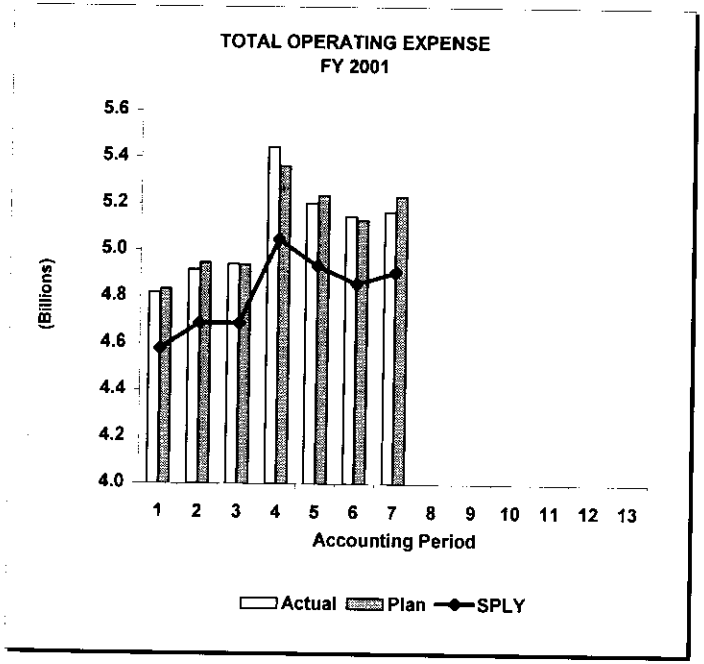
_ 1/ Totals may not sum due to rounding.

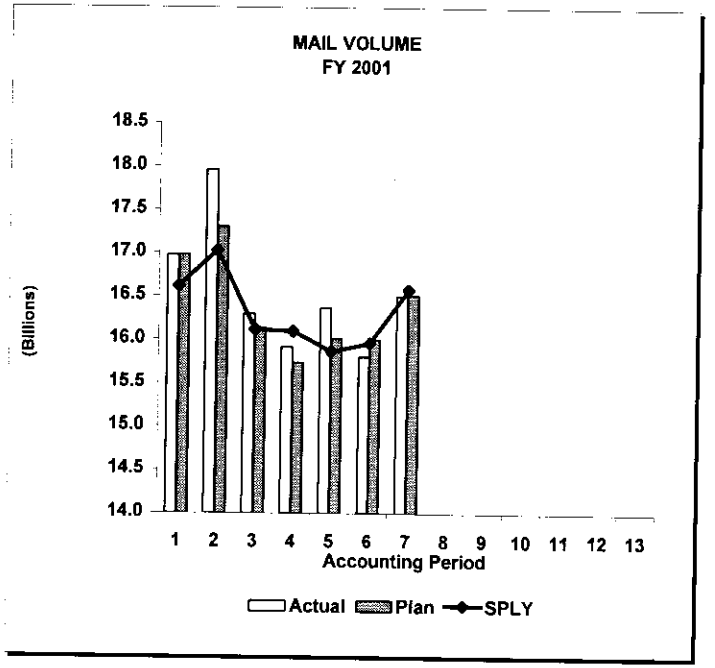
_2/ Numbers are preliminary numbers and are subject to change.





* The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.





REVENUE BY SOURCE
Accounting Period 7, FY 2001
($ Millions)

Current Period				Year-to-Date		
Actual	SPLY	% Diff		Actual	SPLY	% Diff
			Operating Revenue:			
$ 1,999.9	$ 1,951.6	2.5	Metered Postage	$ 13,801.1	$ 13,797.1	0.0
920.6	871.9	5.6	Stamps and Stamped Paper	6,535.3	6,478.5	0.9
1,216.6	1,133.7	7.3	Permit Imprint	8,170.4	7,776.0	5.1
191.2	176.9	8.1	Periodicals & Standard	1,186.0	1,163.8	1.9
59.3	162.9	- 63.6	Official Mail	439.3	567.4	- 22.6
680.2	648.5	4.9	Presort First-Class & Package Svc./Permit Imprint	4,807.9	4,520.6	6.4
52.8	53.2	- 0.8	Box Rents	369.7	365.4	1.2
15.3	15.9	- 3.8	Money Order Fees	103.0	100.6	2.4
136.1	126.3	7.8	Other	926.2	874.2	5.9
$ 5,272.0	**$ 5,140.9**	**2.6**	**Subtotal**	**$ 36,338.9**	**$ 35,643.6**	**2.0**
			Government Appropriation:			
4.9	5.0	- 2.0	Revenue Forgone	35.7	35.0	2.0
$ 5,276.9	**$ 5,145.9**	**2.6**	**Total Operating Revenue**	**$ 36,374.6**	**$ 35,678.6**	**2.0**
2.6	2.4	7.0	Investment Income	19.7	20.2	- 0.3
$ 5,279.5	**$ 5,148.3**	**2.5**	**Total Revenue**	**$ 36,394.3**	**$ 35,698.8**	**1.9**

Note: Totals may not sum due to rounding.

REVENUE BY CATEGORY
Accounting Period 7, FY 2001
($ Millions)

Current Period				Year-to-Date		
Actual	Budget	% Diff		Actual	Budget	% Diff
			Commercial Revenue			
$ 2,140.0	$ 2,454.1	[12.8]	Permit Revenue	$ 14,558.1	$ 15,538.7	[6.3]
1,788.9	1,696.2	5.5	Other Commercial Accounts Revenue	12,283.2	11,700.5	5.0
$ 3,928.9	$ 4,150.3	[5.3]	**Total Commercial Revenue**	$ 26,841.3	$ 27,239.2	[1.4]
			Retail Revenue			
1,098.8	1,055.1	4.1	Retail Postage Revenue	7,738.9	7,723.3	0.2
74.7	74.8	[0.2]	Retail Services Revenue	502.4	517.4	[2.9]
9.2	12.2	[25.1]	Retail Products Revenue	76.5	89.5	[14.6]
127.8	139.9	[8.7]	Other Retail Channels Revenue	956.2	1,005.6	[4.9]
$ 1,310.5	$ 1,282.0	2.2	**Total Retail Revenue**	$ 9,274.0	$ 9,336.8	[0.6]
$ 5,239.4	$ 5,432.3	[3.6]	**Total Commercial & Retail Revenue**	$ 36,115.3	$ 36,575.0	[1.3]
32.6	42.7	[23.7]	Other Income	223.6	306.6	[27.1]
4.9	5.1	[4.0]	Revenue Forgone	35.7	35.9	[0.6]
$ 5,276.9	$ 5,480.1	[3.7]	**Total Operating Revenue**	$ 36,374.6	$ 36,917.5	[1.5]
2.6	2.0	28.9	Investment Income	19.7	15.0	31.3
$ 5,279.5	$ 5,482.1	[3.7]	**Total Revenue ***	$ 36,394.3	$ 36,932.5	[1.5]

[ ]=Unfavorable variance to budget
Note: Totals may not sum due to rounding.
*** The revenue plan reflects rates as requested in the R2000-1 Omnibus Rate Case.**

EXPENSE ANALYSIS
Accounting Period 7, FY 2001
($ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var to Budget	%Bdgt	SPLY	%SPLY		Actual	Budget	Var to Budget	%Bdgt	SPLY	%SPLY
$ 4,053.6	$ 4,112.6	$ - 58.9	- 1.4	$ 3,862.0	5.2	**Personnel Compensation**	$ 28,083.6	$ 27,976.0	[$ 107.6]	[0.4]	$26,669.0	5.7
						Non-Personnel Expense:						
398.0	369.8	[28.2]	[7.6]	370.8	7.3	Transportation	2,847.7	2,639.3	[208.4]	[7.9]	2,578.3	10.4
* 233.8	256.1	- 22.3	- 8.7	252.8	- 7.5	Supplies & Services	1,610.0	1,728.5	- 118.5	- 6.9	1,640.5	- 1.9
481.3	493.6	- 12.3	- 2.5	430.1	11.9	Other	3,059.3	3,177.4	- 118.1	- 3.7	2,856.7	7.1
$ 1,113.1	$ 1,119.6	$ - 6.4	- 0.6	$ 1,053.7	5.6	**Subtotal**	$ 7,517.0	$ 7,545.2	$ - 28.2	- 0.4	$ 7,075.5	6.2
$ 5,166.7	$ 5,232.0	$ - 65.3	- 1.2	$ 4,905.7	5.3	**Total Operating Expense**	$ 35,600.6	$ 35,521.2	[$ 79.4]	[0.2]	$ 33,644.6	5.8
27.5	35.2	- 7.7	- 21.9	20.1	37.0	Interest Expense	217.2	252.7	- 35.5	- 14.1	154.2	40.9
123.9	123.9	0.0	0.0	121.6	1.9	Interest on Deferred Ret. Liabilities	867.5	867.5	0.0	0.0	851.5	1.9
$ 6,318.1	$ 6,391.1	$ - 73.0	- 1.1	$ 6,047.4	4.4	**Total Expense**	$ 36,685.3	$ 36,641.4	[$ 43.9]	[0.1]	$ 34,650.2	5.9

[ ]=Unfavorable variance to budget
Note: Totals may not sum due to rounding.

* In Fiscal Year (FY) 2001, the Postal Service began accruing for the cost of holiday transportation when incurred, rather than recognizing the expense when paid. The impact of this change in accounting policy is to increase the reported growth in AP 4 transportation expenses by $137 million, relative to the same period last year (SPLY). Future accounting periods in FY 2001 will also be less comparable to the prior year, as the reported growth will be slightly lower than it otherwise would have been, compared to SPLY.

ANALYSIS OF OPERATING EXPENSES
Accounting Period 7, FY 2001
Personnel Compensation
($ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var to Budget	%Bdgt	SPLY*	%SPLY	Total Compensation	Actual	Budget	Var to Budget	%Bdgt	SPLY*	%SPLY
						Operations:						
$ 28.3	$ 29.3	$ - 1.0	- 3.2	$ 28.5	- 0.6	-Support	$ 186.3	$ 194.3	$ - 8.0	- 4.1	$ 184.3	1.0
875.8	905.4	- 29.6	- 3.3	889.1	- 1.5	-Mail Processing	6,341.3	6,374.0	- 32.7	- 0.5	6,335.6	0.1
321.2	318.1	[3.1]	[1.0]	303.0	6.0	-Rural Delivery	2,178.3	2,142.4	[35.8]	[1.7]	2,014.5	8.1
1,135.3	1,133.9	[1.4]	[0.1]	1,083.2	4.8	-Other Delivery	7,866.6	7,766.1	[100.5]	[1.3]	7,397.6	6.3
80.6	81.0	- 0.4	- 0.5	78.5	2.6	-Vehicles Services	560.5	561.4	- 0.9	- 0.2	540.6	3.7
199.4	205.5	- 6.0	- 2.9	192.9	3.4	-Plant & Equip Maint	1,369.3	1,395.4	- 26.1	- 1.9	1,307.7	4.7
583.3	587.4	- 4.1	- 0.7	583.3	- 0.0	-Customer Services	4,127.9	4,120.8	[7.1]	[0.2]	4,032.8	2.4
23.5	26.2	- 2.8	- 10.6	24.0	- 2.3	Controller	160.9	178.2	- 17.2	- 9.7	162.3	- 0.9
26.1	28.5	- 2.4	- 8.4	25.9	0.7	Human Resources	173.1	188.0	- 14.9	- 7.9	171.6	0.9
33.1	35.4	- 2.3	- 6.5	34.9	- 5.0	Customer Service & Sales	226.6	241.1	- 14.5	- 6.0	261.0	- 13.2
167.5	166.5	[1.0]	[0.6]	163.4	2.5	Administration	1,115.4	1,105.6	[9.8]	[0.9]	1,088.6	2.5
159.6	185.1	- 25.6	- 13.8	139.2	14.6	Other Salaries & Benefits	1,048.4	1,022.5	[25.8]	[2.5]	888.0	18.1
$ 3,633.7	$ 3,702.3	$ 68.6	1.9	$ 3,546.1	2.5	**Total Salaries & Benefits**	$ 25,364.3	$ 25,289.8	[$ 64.5]	[0.3]	$ 24,384.5	4.0
78.6	78.7	- 0.1	- 0.2	69.9	12.4	Workers' Compensation	553.3	523.8	[29.5]	[5.6]	489.6	13.0
5.6	5.6	0.0	0.0	3.0	86.5	Unemployment Compensation	39.4	39.4	0.0	0.0	21.2	85.9
107.4	107.4	0.0	0.0	99.2	8.2	Deferred Retirement Cost	751.5	751.5	0.0	0.0	694.2	8.3
61.3	61.3	0.0	0.0	52.0	17.9	CSRS Annuitant COLA	428.8	428.8	0.0	0.0	363.7	17.9
66.0	66.0	0.0	0.0	57.0	15.7	Annuitant Health Benefits	462.0	462.0	0.0	0.0	399.2	15.7
101.0	91.1	[9.8]	[10.8]	24.8	307.3	Other Compensation	494.4	480.7	[13.6]	[2.8]	216.5	128.3
$ 4,053.6	$ 4,112.6	$ 58.9	1.4	$ 3,852.0	5.2	**Total Personnel Compensation**	$ 28,083.6	$ 27,976.0	[$ 107.6]	[0.4]	$ 26,669.0	5.3

[ ]=Unfavorable variance to budget
* Recasted Data
Note: Totals may not sum due to rounding.

ANALYSIS OF NON-PERSONNEL EXPENSES
Accounting Period 7, FY 2001
($ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	%Bdgt	SPLY*	%SPLY	Description	Actual	Budget	Var. to Budget	%Bdgt	SPLY*	%SPLY
$ 398.0	$ 369.8	[$ 28.2]	[7.6]	$ 370.8	7.3	Transportation	$ 2,847.7	$ 2,639.3	[$ 208.4]	[7.9]	$ 2,578.3	10.4
233.8	256.1	- 22.2	- 8.7	252.8	- 7.5	Supplies & Services	1,610.0	1,728.5	- 118.6	- 6.9	1,640.5	- 1.9
168.9	175.8	- 6.9	- 3.9	154.0	9.6	Depreciation	1,166.4	1,177.2	- 10.8	- 0.9	1,092.9	6.7
75.9	82.7	- 6.8	- 8.2	70.6	7.6	Rent	445.2	467.5	- 22.3	- 4.8	421.9	5.5
54.7	41.8	[12.9]	[30.8]	39.5	38.6	Fuel & Utilities	269.9	257.8	[12.1]	[4.7]	227.5	18.7
31.1	30.8	[0.3]	[1.1]	27.7	12.2	Rural Carrier Equip Maint Allowance	207.1	204.3	[2.7]	[1.3]	185.9	11.4
34.8	33.4	[1.4]	[4.1]	32.7	6.3	Vehicle Maintenance	234.7	209.2	[25.6]	[12.2]	192.5	21.9
23.1	28.3	- 5.1	- 18.1	18.9	22.4	Information Technology	143.5	198.6	- 55.1	- 27.8	159.3	- 9.9
12.8	16.6	- 3.8	- 23.0	13.7	- 6.8	Building Projects Expensed	79.3	102.7	- 23.4	- 22.8	93.7	- 15.4
6.3	5.4	[0.9]	[16.6]	5.1	24.7	Contract Job Cleaners	36.9	37.5	- 0.7	- 1.7	34.7	6.3
12.5	14.6	- 2.1	- 14.4	13.0	- 4.2	Travel & Relocation	70.9	91.3	- 20.4	- 22.3	74.2	- 4.4
15.3	18.8	- 3.5	- 18.8	24.4	- 37.5	Communications	107.0	124.2	- 17.2	- 13.9	137.4	- 22.1
5.9	6.0	- 0.0	- 0.3	5.7	3.7	Contract Stations	35.6	36.7	- 1.1	- 3.0	36.0	- 1.0
3.7	3.2	[0.5]	[16.3]	6.2	- 40.4	Printing	17.0	21.9	- 4.9	- 22.3	21.4	- 20.6
6.0	7.9	- 1.9	- 24.4	4.2	41.3	Training	34.5	45.7	- 11.3	- 24.7	26.0	32.6
5.5	5.3	[0.2]	[4.4]	5.2	5.6	Carfare & Tolls	30.5	35.8	- 5.3	- 14.8	32.5	- 6.2
3.5	3.7	- 0.2	- 6.2	4.4	- 21.6	Vehicle Hire	26.8	24.5	[2.3]	[9.2]	24.6	8.9
4.3	3.7	[0.6]	[16.1]	4.4	- 2.9	Accident Cost	27.9	27.0	[0.9]	[3.3]	21.9	27.2
- 4.0	- 5.0	[1.0]	[19.5]	- 3.9	- 3.5	Capitalized Interest	- 31.0	- 35.0	[4.0]	[11.5]	- 28.7	- 7.9
21.0	20.7	[0.3]	[1.4]	4.1	-	Miscellaneous	157.2	150.6	[6.6]	[4.4]	103.0	-
$ 1,113.1	$ 1,119.5	$ - 6.4	- 0.6	$ 1,053.7	5.6	**Total Other Operating Expenses**	$ 7,617.0	$ 7,645.2	$ - 28.2	- 0.4	$ 7,075.6	6.2

[ ]=Unfavorable variance to budget
* Recasted Data
Note: Totals may not sum due to rounding.

STATEMENT OF FINANCIAL POSITION
Accounting Period 7, FY 2001
($ Millions)

Assets	March 23, 2001	February 23, 2001	September 30, 2000 *
Current Assets:			
Cash and cash equivalents _1/	$ 77	$ 99	$ 677
U.S. Government securities, at amortized cost which approximates market	6	6	6
Receivables:			
Foreign countries	381	364	349
U.S. Government	132	143	134
Other	226	225	213
	739	732	696
Less allowances	114	114	107
	625	618	589
Supplies, advances and prepayments	373	370	383
Total Current Assets	**1,081**	**1,093**	**1,655**
Other assets _2/	375	375	375
Property and equipment, at cost:			
Buildings	18,406	18,327	17,685
Equipment	14,443	14,398	13,973
Land	2,635	2,626	2,534
	35,484	35,351	34,192
Less allowances for depreciation	13,946	13,831	13,143
	21,538	21,520	21,049
Construction in progress	2,527	2,462	2,389
Leasehold improvements, net	670	664	632
	24,735	24,646	24,070
Deferred Retirement Costs _3/	33,372	33,541	32,183
Total Assets	**$ 59,563**	**$ 59,655**	**$ 58,283**

_1/ Includes securities with maturities of 90 days or less in accordance with Statement of Financial Accounting Standards (SFAS) No. 95.

_2/ Includes $373 million as of September 30, 2000, February 23, 2001, and March 23, 2001 for appropriation receivable for revenue forgone.

_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

* Audited year-end data

STATEMENT OF FINANCIAL POSITION
Accounting Period 7, FY 2001
($ Millions)

Liabilities and Equities	**March 23, 2001**	**February 23, 2001**	**September 30, 2000 ***
Current Liabilities:			
Compensation and employees' benefits	$ 6,045	$ 5,773	$ 5,295
Estimated prepaid postage	1,634	1,659	1,594
Payables and accrued expenses:			
Foreign countries	451	437	439
U.S. Government	163	178	150
Other	2,407	2,436	1,300
	3,021	3,051	1,889
Appropriation for free & reduced rate mail	35	40	0
Prepaid permit mail and box rentals	1,547	1,525	1,969
Outstanding postal money orders	865	885	716
Current portion of debt	2,238	3,503	6,814
Total Current Liabilities	**15,385**	**16,436**	**18,277**
Long-term debt, less current portion	4,552	3,751	2,502
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,275	32,275	30,212
Workers' compensation claims	5,506	5,427	5,029
Employees' accumulated leave	1,932	1,835	2,090
Other	1,101	1,083	819
Total Other Liabilities	40,814	40,620	38,150
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 4,222	- 4,186	- 3,680
Equity/Capital Deficiency	- 1,188	- 1,152	- 646
Total Liabilities and Equity	**$ 59,563**	**$ 59,655**	**$ 58,283**

_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

* Audited year-end data

CAPITAL INVESTMENTS
FY 2001

($ Millions)

MAJOR CATEGORIES	COMMITMENTS A/P 07 Year-to-Date ACTUAL	COMMITMENTS A/P 07 Year-to-Date PLAN	COMMITMENTS A/P 07 Year-to-Date SPLY	EXPENDITURES A/P 07 Year-to-Date ACTUAL	EXPENDITURES A/P 07 Year-to-Date PLAN	EXPENDITURES A/P 07 Year-to-Date SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 81.0	$ 96.5	$ 153.1	$ 367.5	$ 492.1	$ 437.0
BUILDING IMPROVEMENTS	116.2	114.7	222.1	295.9	373.2	374.4
MAIL PROCESSING EQUIPMENT	171.7	181.8	130.3	482.1	426.5	490.9
VEHICLES	31.3	23.2	29.6	154.8	117.9	23.9
RETAIL EQUIPMENT	28.0	39.0	31.4	137.2	113.3	119.0
POSTAL SUPPORT EQUIPMENT	90.4	100.6	109.2	194.6	305.9	177.4
TOTAL COMMITMENTS/EXPENDITURES *	**$ 518.7**	**$ 555.8**	**$ 675.7**	**$ 1,632.1**	**$ 1,829.0**	**$ 1,622.6**

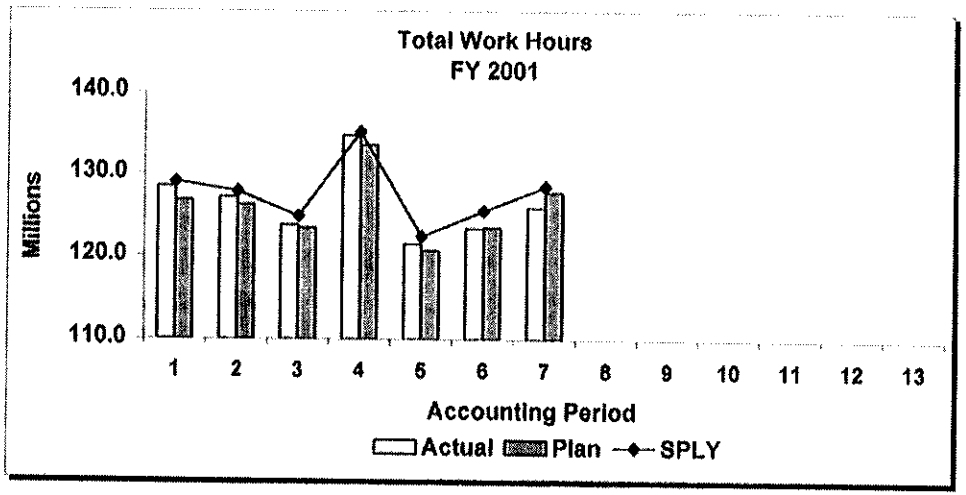
Note: Totals may not sum due to rounding.
*** The capital plan was reduced from $3.6 billion to $2.6 billion.**

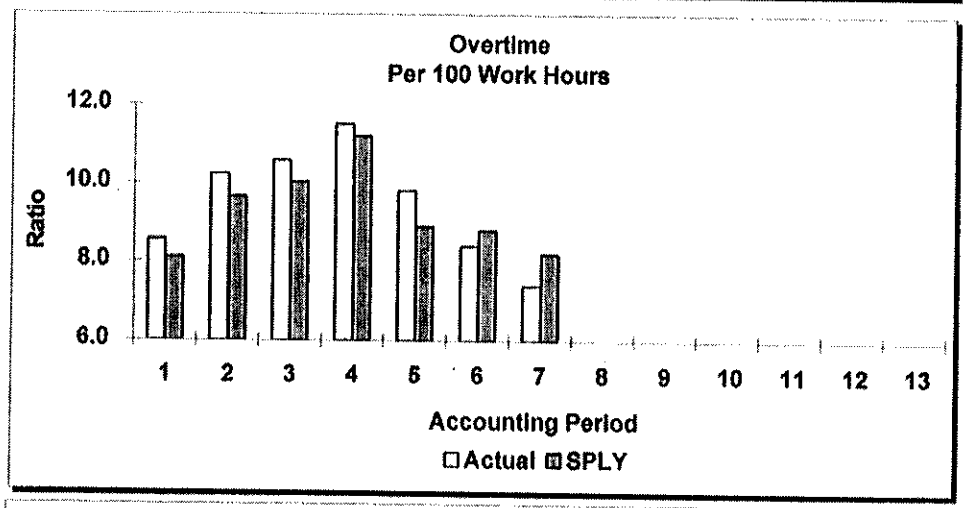
RESOURCES ON ORDER
($ Millions)

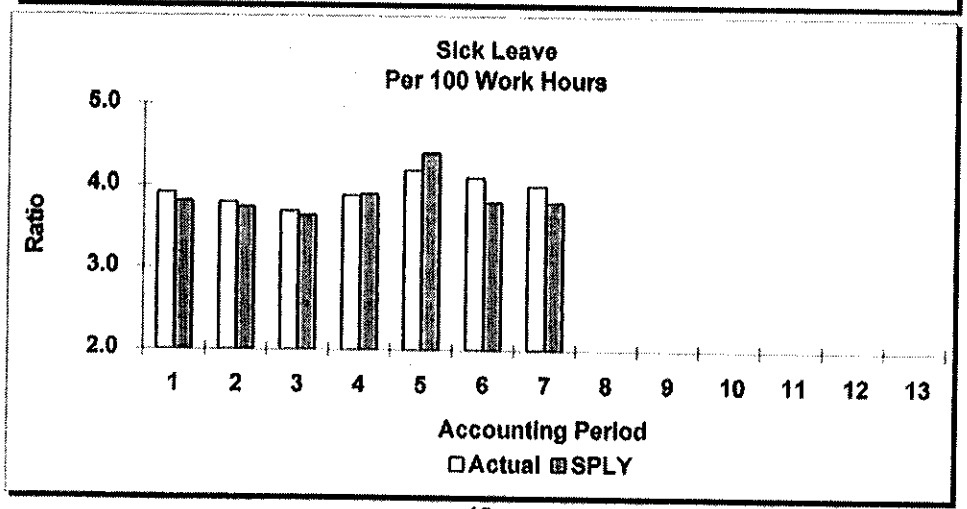
MAJOR CATEGORIES	March 23, 2001	September 30, 2000
CONSTRUCTION AND BUILDING PURCHASE	$ 402.1	$ 693.2
BUILDING IMPROVEMENTS	262.1	458.1
MAIL PROCESSING EQUIPMENT	1,286.5	1,617.0
VEHICLES	251.1	375.2
RETAIL EQUIPMENT	119.4	228.7
POSTAL SUPPORT EQUIPMENT	159.8	269.2
INVENTORIES	186.3	230.2
RESEARCH AND DEVELOPMENT	47.0	38.9
MISCELLANEOUS EXPENSE COMMITMENTS	3,627.9	3,463.1
TOTAL RESOURCES ON ORDER	**$ 6,342.2**	**$ 7,373.6**

STATEMENT OF CASH FLOWS
($ Millions)

For the Year through March 23, 2001		FY 2001
Cash flows from operating activities:		
Net income/(loss) (Government Fiscal Year Basis)	$	(542)
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization		1,058
Increase/(decrease) in other liabilities		282
Increase/(decrease) in employees' accumulated leave		(158)
Increase/(decrease) in non-current workers' compensation claims		477
Increase/(decrease) in retirement, net		874
Changes in current assets and liabilities:		
Increase/(decrease) in accrued compensation and benefits		750
Increase/(decrease) in deferred revenue		(347)
Increase/(decrease) in payables and accrued expenses		1,132
(Increase)/decrease in receivables		(36)
(Increase)/decrease in supplies, advances and prepayments		10
Increase/(decrease) in outstanding postal money orders		149
Net cash provided by operating activities		**3,649**
Cash flows from investing activities:		
Sale/(purchase) of U.S. Government securities, net		0
Purchase of property and equipment, net		(1,723)
Net cash used in investing activities		**(1,723)**
Cash flows from financing activities:		
Increase/(decrease) in debt		(2,526)
(Increase)/decrease in other non-current assets		0
Net cash used by financing activities		**(2,526)**
Net (decrease)/increase in cash and cash equivalents		**(600)**
Cash and cash equivalents at beginning of period		**677**
Cash and cash equivalents at end of period	**$**	**77**


Total Work Hours
FY 2001
Millions
140.0
130.0
120.0
110.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


Overtime
Per 100 Work Hours
Ratio
12.0
10.0
8.0
6.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual SPLY


Sick Leave
Per 100 Work Hours
Ratio
5.0
4.0
3.0
2.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual SPLY

WORK HOURS & OVERTIME/SICK LEAVE RATIOS
Accounting Period 7, FY 2001
(Data in Thousands)

Current Period						Total Work Hours	Year-to-Date				
Actual	Var. to Budget		%Bdgt	SPLY*	%SPLY		Actual	Var. to Budget	%Bdgt	SPLY*	%SPLY
						Operations:					
801	- 26		- 3.1	846	- 5.3	-Support	5,258	- 203	- 3.7	5,423	- 3.0
31,449	- 1,279		- 3.9	32,693	- 3.8	-Mail Processing	231,657	[866]	[0.4]	239,188	- 3.1
13,617	- 108		- 0.8	13,368	1.9	-Rural Delivery	92,496	[193]	[0.2]	89,670	3.2
38,192	[17]	[0.0]		38,854	- 1.7	-Other Delivery	266,486	[3,073]	[1.2]	266,574	- 0.0
2,646	- 14		- 0.5	2,656	- 0.4	-Vehicles Services	18,304	- 76	- 0.4	18,357	- 0.3
6,636	- 226		- 3.3	6,615	0.3	-Plant & Equip Maint	45,228	- 1,096	- 2.4	44,890	0.8
20,362	- 291		- 1.4	21,086	- 3.4	-Customer Services	143,995	- 211	- 0.1	146,311	- 1.6
728	- 87		- 10.7	771	- 5.6	Controller	4,977	- 519	- 9.4	5,213	- 4.5
763	- 52		- 6.3	783	- 2.5	Human Resources	5,060	- 343	- 6.3	5,197	- 2.6
1,084	- 76		- 6.6	1,167	- 7.1	Customer Service & Sales	7,374	- 453	- 5.8	8,641	- 14.7
5,365	[38]	[0.7]		5,431	- 1.2	Administration	36,041	[182]	[0.5]	36,484	- 1.2
4,289	[209]	[5.1]		4,239	1.2	Other	29,168	[2,487]	[9.3]	27,398	6.5
125,932	- 1,895		- 1.5	128,499	- 2.0	Total Work Hours	886,044	[3,901]	[0.4]	893,346	- 0.8

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Work Hours	7.4%	7.6%	8.2%

	Actual	Budget	SPLY
Overtime Ratio Per 100 Work Hours	9.5%	8.7%	9.3%

Sick Leave

	Actual	SPLY
Sick Leave Ratio Per 100 Work Hours	4.0%	3.8%

	Actual	Budget	SPLY
Sick Leave Ratio Per 100 Work Hours	4.0%	--	3.9%

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.