UNITED STATES
POSTAL SERVICE

January 12, 1999

Margaret P. Crenshaw
Secretary
Postal Rate Commission
1333 H. Street, NW Suite 300
Washington DC 20268-0001

Dear. Ms. Crenshaw:

This provides an update on a recent enhancement in the Revenue, Pieces, and Weight (RPW) reporting system. As you may recall, by letter to you dated June 18, 1997, the Postal Service informed the Commission about certain earlier changes to the RPW. These involved an expanded use of readily available mailing statement data obtained from bulk mail acceptance offices (the PERMIT system), as processed by the Bulk RPW system (previously called the Noncountable subsystem), in preparing estimates of the First-Class Mail and Standard Mail (A) mailstreams. The Postal Service is continuing with the types of RPW enhancements reported earlier, and is now prepared to present Standard Mail Parcel Post estimates based on PERMIT system data. In addition, to replace stamped and metered activity models for First-Class and Standard Mail (A) presort and automation categories in offices not in the PERMIT system, direct sampling of mailing statements in a panel of such offices will now be conducted and incorporated into the RPW estimates.

Estimates based on these changes are included in the attached PQ1 FY 99 RPW report. In order to provide a consistent basis for analysis, this report also includes SPLY estimates, which have been revised to reflect the improved data reporting procedures.

If the Commission has any questions regarding the improved methodology, please contact me, and I will arrange to provide more information.

Sincerely,

Daniel J. Foucheaux, Jr.

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Chief Counsel
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POSTAL RATE COMMISSION
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OFFICE OF THE SECRETARY

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REVENUE, PIECES, AND WEIGHT BY CLASSES OF MAIL AND SPECIAL SERVICES FOR POSTAL QUARTER 1
FISCAL YEAR 1999 (Sep. 12, 1998–Dec. 4, 1998) COMPARED WITH THE CORRESPONDING PERIOD OF FISCAL YEAR 1998
(Agency and Franked Mail Distributed – Data in Thousands)

Service Category	REVENUE				PIECES				WEIGHT			
	Postal Quarter 1		Change 1999 over 1998		Postal Quarter 1		Change 1999 over 1998		Postal Quarter 1		Change 1999 over 1998	
	1999	1998	Amount	Percent	1999	1998	Amount	Percent	1999	1998	Amount	Percent
First–Class Mail:												
Single–Piece Letters, Flats, and IPPs	4,986,397	5,067,346	(80,949)	(1.6)	12,338,116	12,613,478	(275,362)	(2.2)	597,890	602,399	(4,509)	(0.7)
Nonautom. Presort Letters, Flats, & IPPs	353,470	364,502	(11,032)	(3.0)	1,060,211	1,099,472	(39,261)	(3.6)	43,769	45,111	(1,342)	(3.0)
Automation Presort Letters and Flats	2,197,328	2,021,707	175,621	8.7	8,438,896	7,771,939	666,957	8.6	314,949	289,401	25,548	8.8
Automation Carrier Route Presort Letters	73,685	73,689	(4)	(0.0)	306,645	310,052	(3,407)	(1.1)	11,185	11,330	(145)	(1.3)
Single–Piece Cards	146,843	159,698	(12,855)	(8.0)	714,120	777,290	(63,170)	(8.1)	4,466	4,860	(394)	(8.1)
Nonautomation Presort Cards	25,814	24,550	1,265	5.2	143,414	136,387	7,027	5.2	863	1,175	(313)	(26.6)
Automation Presort Cards	66,716	59,230	7,486	12.6	430,115	381,550	48,565	12.7	3,499	3,267	232	7.1
Automation Carrier Route Presort Cards	3,544	3,805	(261)	(6.9)	25,315	27,181	(1,866)	(6.9)	175	192	(17)	(8.8)
Domestic Mail Fees	31,834	34,819	(2,985)	(8.6)	–	–	–	–	–	–	–	–
Total First–Class Mail	7,885,633	7,809,346	76,286	1.0	23,456,831	23,117,348	339,483	1.5	976,795	957,734	19,061	2.0
Priority Mail	1,033,526	976,462	57,064	5.8	289,409	274,592	14,817	5.4	488,467	462,702	25,765	5.6
Domestic Mail Fees	244	217	27	12.6	–	–	–	–	–	–	–	–
Total Priority Mail	1,033,770	976,679	57,091	5.8	289,409	274,592	14,817	5.4	488,467	462,702	25,765	5.6
Express Mail	193,901	184,102	9,798	5.3	15,051	14,322	729	5.1	17,735	16,447	1,288	7.8
Mailgrams	414	424	(10)	(2.4)	1,107	1,001	106	10.6	–	–	–	–
Periodicals:												
In–County	18,395	18,959	(564)	(3.0)	207,046	216,937	(9,892)	(4.6)	61,185	62,434	(1,249)	(2.0)
Regular	389,541	388,096	1,445	0.4	1,638,711	1,637,006	1,706	0.1	872,229	860,596	11,633	1.4
Special Nonprofit	78,611	79,305	(694)	(0.9)	526,750	530,409	(3,659)	(0.7)	147,515	151,772	(4,257)	(2.8)
Classroom	3,061	2,855	206	7.2	13,268	12,922	345	2.7	8,646	8,693	(46)	(0.5)
Domestic Mail Fees	4,206	4,906	(700)	(14.3)	–	–	–	–	–	–	–	–
Total Periodical Mail	493,814	494,121	(307)	(0.1)	2,385,775	2,397,275	(11,500)	(0.5)	1,089,574	1,083,494	6,080	0.6
Standard Mail (A):												
Single–Piece	31,132	34,939	(3,807)	(10.9)	39,012	40,988	(1,976)	(4.8)	6,581	7,939	(1,358)	(17.1)
Regular – Nonautomation Presort	463,224	498,080	(34,857)	(7.0)	1,678,783	1,815,194	(136,411)	(7.5)	286,065	303,783	(17,719)	(5.8)
– Automation Presort	1,396,741	1,254,217	142,524	11.4	7,407,982	6,648,390	759,593	11.4	934,733	845,356	89,377	10.6
Enhanced Carrier Route	1,390,139	1,305,089	85,050	6.5	9,303,551	8,736,262	567,289	6.5	1,408,049	1,363,797	44,251	3.2
Nonprofit – Nonautomation Presort	124,831	124,370	461	0.4	941,460	955,624	(14,164)	(1.5)	61,269	62,705	(1,436)	(2.3)
– Automation Presort	200,158	171,695	28,463	16.6	2,040,148	1,787,073	253,075	14.2	137,531	121,043	16,489	13.6
Nonprofit Enhanced Carrier Route	83,385	58,708	24,677	42.0	983,285	736,453	246,832	33.5	62,811	51,932	10,879	20.9
Domestic Mail Fees	15,997	15,182	815	5.4	–	–	–	–	–	–	–	–
Total Standard Mail (A)	3,705,607	3,462,280	243,327	7.0	22,394,221	20,719,983	1,674,238	8.1	2,897,039	2,756,556	140,483	5.1
Standard Mail (B): 1/												
Parcel Post	278,781	254,365	24,417	9.6	94,886	86,642	8,244	9.5	551,458	500,675	50,784	10.1
Bound Printed Matter	100,194	104,051	(3,857)	(3.7)	112,836	116,691	(3,855)	(3.3)	268,160	262,212	5,948	2.3
Special Standard Mail	81,493	85,964	(4,471)	(5.2)	48,796	49,636	(840)	(1.7)	72,325	78,911	(6,586)	(8.3)
Library Mail	11,102	11,572	(470)	(4.1)	6,720	6,871	(151)	(2.2)	13,127	13,801	(675)	(4.9)
Domestic Mail Fees	670	554	116	20.9	–	–	–	–	–	–	–	–
Total Standard Mail (B)	472,240	456,505	15,735	3.4	263,238	259,840	3,398	1.3	905,070	855,599	49,471	5.8

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(Agency and Franked Mail Distributed – Data in Thousands)

Service Category	REVENUE Postal Quarter 1 1999	REVENUE Postal Quarter 1 1998	REVENUE Change 1999 over 1998 Amount	REVENUE Change 1999 over 1998 Percent	PIECES Postal Quarter 1 1999	PIECES Postal Quarter 1 1998	PIECES Change 1999 over 1998 Amount	PIECES Change 1999 over 1998 Percent	WEIGHT Postal Quarter 1 1999	WEIGHT Postal Quarter 1 1998	WEIGHT Change 1999 over 1998 Amount	WEIGHT Change 1999 over 1998 Percent
U.S. Postal Service Mail	–	–	–	–	98,345	88,979	9,366	10.5	25,362	21,930	3,432	15.7
Free Mail for the Blind and Handicapped	–	–	–	–	12,205	13,532	(1,328)	(9.8)	6,321	7,076	(755)	(10.7)
Total Domestic Mail	13,785,378	13,383,457	401,921	3.0	48,916,183	46,886,872	2,029,311	4.3	6,406,364	6,161,538	244,826	4.0
International Mail:												
Surface – Other Articles	11,757	13,496	(1,739)	(12.9)	6,547	6,666	(119)	(1.8)	6,596	7,680	(1,084)	(14.1)
– Parcel Post	15,423	16,438	(1,014)	(6.2)	640	627	14	2.2	6,523	6,801	(278)	(4.1)
– Periodicals	14,400	16,840	(2,439)	(14.5)	13,543	15,561	(2,018)	(13.0)	7,998	9,310	(1,311)	(14.1)
Total Surface Mail	41,581	46,774	(5,193)	(11.1)	20,730	22,854	(2,123)	(9.3)	21,118	23,791	(2,673)	(11.2)
Airmail – Letters and Cards	115,314	110,629	4,685	4.2	124,564	121,469	3,095	2.5	8,414	7,172	1,243	17.3
– Other Articles	44,151	47,110	(2,959)	(6.3)	9,939	10,371	(432)	(4.2)	6,964	7,317	(352)	(4.8)
– Parcel Post	33,623	32,049	1,574	4.9	1,182	1,037	145	14.0	7,878	7,456	422	5.7
Total Airmail	193,088	189,788	3,300	1.7	135,685	132,877	2,808	2.1	23,257	21,944	1,313	6.0
International Express Mail	29,228	35,716	(6,488)	(18.2)	1,107	1,468	(361)	(24.6)	2,675	3,745	(1,070)	(28.6)
International Surface Airlift Mail	24,319	33,294	(8,975)	(27.0)	36,023	45,759	(9,735)	(21.3)	7,415	11,079	(3,664)	(33.1)
International Priority Airmail	9,043	9,272	(229)	(2.5)	11,740	12,523	(782)	(6.2)	1,036	1,034	2	0.2
International Mail Subtotal	297,259	314,843	(17,584)	(5.6)	205,286	215,480	(10,194)	(4.7)	55,501	61,593	(6,092)	(9.9)
Foreign Postal Transactions	52,852	60,246	(7,394)	(12.3)	–	–	–	–	–	–	–	–
International Mail Fees	2,197	9,625	(7,428)	(77.2)	–	–	–	–	–	–	–	–
Total International Mail	352,309	384,714	(32,406)	(8.4)	205,286	215,480	(10,194)	(4.7)	55,501	61,593	(6,092)	(9.9)
Total All Mail	14,137,687	13,768,172	369,515	2.7	49,121,470	47,102,353	2,019,117	4.3	6,461,865	6,223,131	238,734	3.8
Special and Other Services:												
Registered	20,688	21,512	(824)	(3.8)	3,502	3,631	(129)	(3.6)				
Insurance	18,838	14,550	4,288	29.5	10,419	7,824	2,594	33.2				
Collect on Delivery	5,366	4,714	652	13.8	1,168	1,034	135	13.0				
Certified	88,209	94,979	(6,770)	(7.1)	63,591	68,968	(5,377)	(7.8)				
Return Receipts	61,334	60,713	621	1.0	55,628	55,194	435	0.8				
Special Delivery	1	0	1	–	1	0	1	–				
Money Orders	42,768	41,620	1,148	2.8	49,125	47,462	1,663	3.5				
Total Special Services	237,204	238,088	(884)	(0.4)	183,434	184,113	(679)	(0.4)				
Outstanding MO Taken into Revenue	0	0	0	–								
Stamped Envelopes	6,157	4,040	2,117	52.4								
Box Rents	142,213	136,798	5,415	4.0								
Total Special and Other Services	385,574	378,927	6,648	1.8								
Total Mail and Services	14,523,262	14,147,099	376,163	2.7								
Other Revenue	95,125	80,881	14,244	17.6								
Total Revenue	14,618,387	14,227,980	390,407	2.7								

Special Service Transactions
U.S. Postal Service Mail
Postal Quarter 1, FY 1999 2/

Registered	2,936
Certified	71
Return Receipts	148
Special Delivery	0
Special Handling	3
Total	3,158

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RPW SUMMARY REPORT FOOTNOTES

1/ Starting Quarter 1 FY 1999, permit imprint Standard Mail (B) parcel post RPW data were estimated using PERMIT System data.
FY 1998 Same Period Last Year (SPLY) data was reestimated using the same methodology.
2/ Not included elsewhere on this table.

-- Totals may not sum due to rounding.