DOCKET SECTION

UNITED STATES POSTAL SERVICE®

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MAY 3 2 18 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

DOCKET SECTION

FINANCIAL & OPERATING STATEMENTS

Accounting Period 7, PFY 1999

February 27 - March 26, 1999

Finance

POSTAL RATE COMMISSION
DOCKETED
MAY 3 1999
OFFICE OF THE SECRETARY

HIGHLIGHTS
(MILLIONS)

Accounting Period 7						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,925.2	[$ - 67.7]	[- 1.4]	$ 4,698.9	4.8	Total Revenue	$ 34,392.8	[$ - 239.4]	[- 0.7]	$ 33,025.1	4.1
4,868.7	[8.8]	[0.2]	4,586.1	6.2	Total Expense	33,554.6	[95.6]	[0.3]	31,668.1	6.0
$ 56.5	[$ - 76.5]	NM	$ 112.8	NM	Income\(Loss)	$ 838.2	[$ - 334.9]	NM	$ 1,357.0	NM
$ 177.7	69.7	[64.5]	$ 179.4	- 0.9	Capital Commitments	$ 866.9	- 85.6	- 9.0	$ 812.4	6.7
128.9	[1.8]	[1.4]	127.0	1.5	Total Workhours	902.7	[8.7]	[1.0]	887.8	1.7
15,816.9	[- 68.3]	[- 0.4]	15,316.0	3.3	Mail Volume	111,588.1	[- 241.6]	[- 0.2]	107,684.7	3.6

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

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,830	27,836	27,927
Active Postal Owned Vehicles			
Administrative	5,209	5,203	4,896
Operations	197,182	197,445	198,893
Possible City Deliveries (000)	82,486	82,442	82,014
Rural Routes	63,334	63,020	60,731
Delivery Routes	167,866	168,164	167,267
Career Employees	801,772	800,975	774,554
Casual Employees	28,235	28,580	30,018
Transitional Employees	15,218	16,391	20,678

STATEMENT OF INCOME & EXPENSE
($ Millions)

Accounting Period 7						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,923.1	[$ - 67.3]	[- 1.3]	$ 4,696.7	4.8	Operating Revenue	$ 34,374.9	[$ - 239.6]	[- 0.7]	$ 33,002.8	4.2
4,730.1	[5.5]	[0.1]	4,444.2	6.4	Operating Expense	32,565.4	[76.4]	[0.2]	30,639.3	6.3
$ 193.0	[$ - 72.8]	NM	$ 252.5	NM	Income From Operations	$ 1,809.5	[$ - 316.0]	NM	$ 2,363.5	NM
2.1	[- 0.4]	[16.0]	2.2	- 4.5	Investment Income	17.9	0.3	1.7	22.3	- 19.7
- 16.7	[- 3.3]	[24.6]	- 15.0	11.3	Interest Expense	- 131.3	[- 19.2]	[17.1]	- 140.8	- 6.7
- 121.9	0.0	0.0	- 126.9	- 3.9	Interest on Deferred Ret. Liabilities	- 857.9	0.0	0.0	- 888.0	- 3.4
$ 56.5	[$ - 76.5]	NM	$ 112.8	NM	Income\(Loss)	$ 838.2	[$ - 334.9]	NM	$ 1,357.0	NM

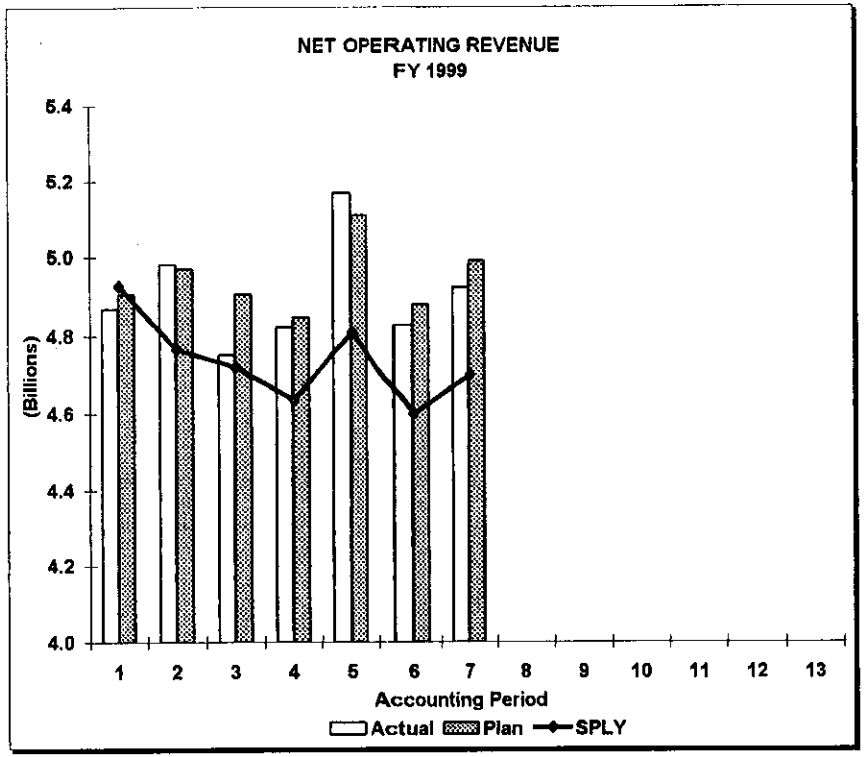
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

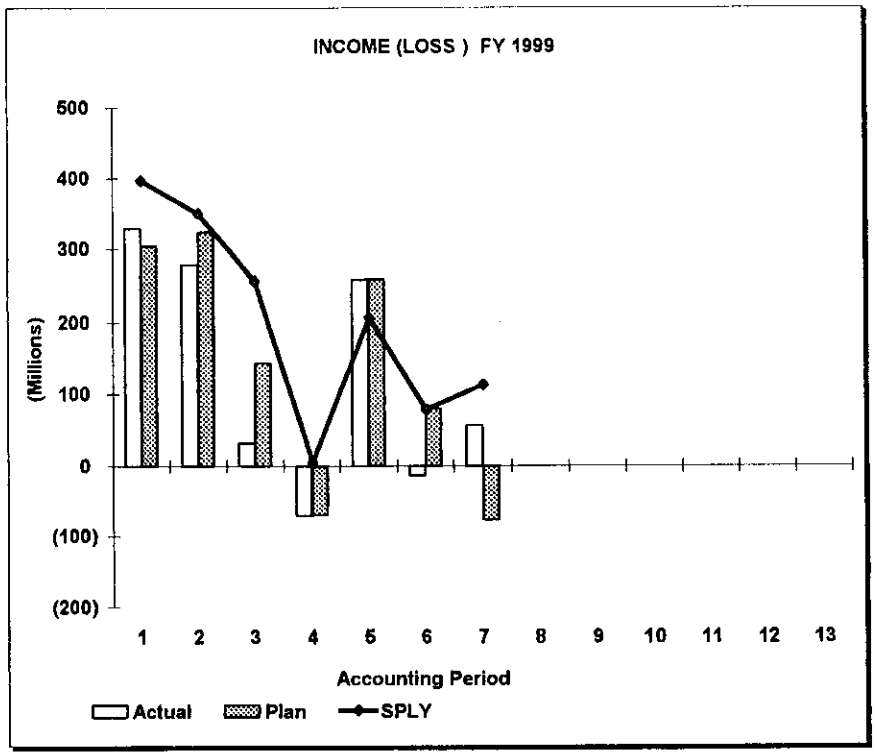
MAIL VOLUME - MAIL REVENUE
(Thousands)

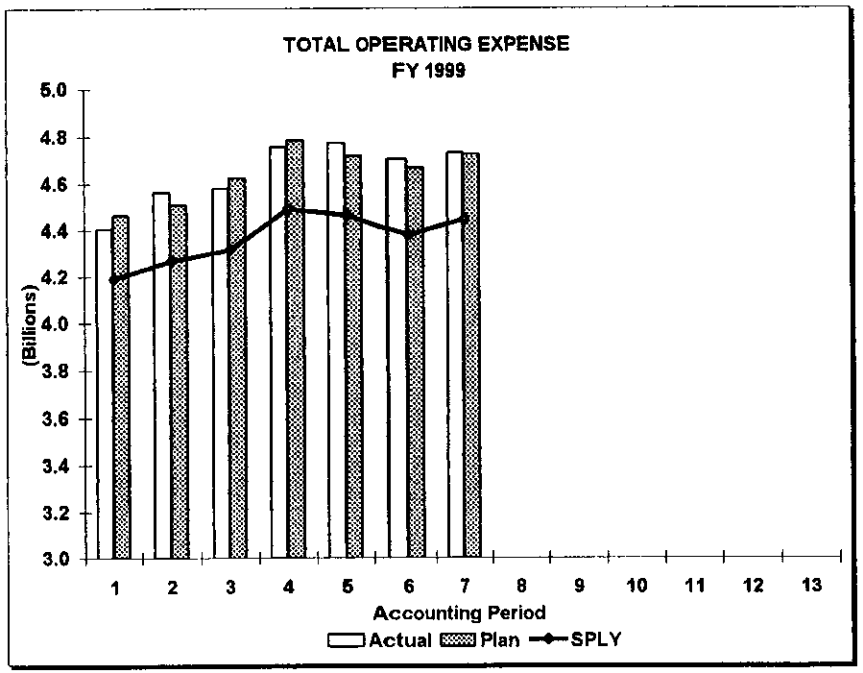
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 7 1999	A/P 7 1998	% CHANGE	A/P 7 1999	A/P 7 1998	% CHANGE
FIRST-CLASS						
VOLUME	7,931,318	7,744,316	2.4	56,325,592	55,076,618	2.3
REVENUE	$ 2,744,835	$ 2,646,183	3.7	$ 19,090,651	$ 18,556,886	2.9
REV/PC.	0.3461	0.3417	1.3	0.3389	0.3369	0.6
PRIORITY-MAIL						
VOLUME	92,595	94,111	- 1.6	683,787	652,901	4.7
REVENUE	$ 352,294	$ 329,734	6.8	$ 2,561,740	$ 2,353,668	8.8
REV/PC.	3.8047	3.5037	8.6	3.7464	3.6049	3.9
EXPEDITED MAIL						
VOLUME	5,360	5,186	3.4	36,501	35,075	4.1
REVENUE	$ 74,773	$ 66,592	12.3	$ 491,038	$ 455,086	7.9
REV/PC.	13.9502	12.8407	8.6	13.4527	12.9747	3.7
PERIODICALS						
VOLUME	850,190	880,157	- 3.4	5,604,568	5,618,533	- 0.2
REVENUE	$ 171,695	$ 177,629	- 3.3	$ 1,148,913	$ 1,135,280	1.2
REV/PC.	0.2019	0.2018	0.1	0.2050	0.2021	1.5
STANDARD (A) MAIL						
VOLUME	6,755,478	6,413,579	5.3	47,579,298	44,935,862	5.9
REVENUE	$ 1,156,543	$ 1,078,659	7.2	$ 7,959,838	$ 7,500,108	6.1
REV/PC.	0.1712	0.1682	1.8	0.1673	0.1669	0.2
STANDARD (B) MAIL						
VOLUME	76,083	72,375	5.1	597,022	577,006	3.5
REVENUE	$ 137,518	$ 130,337	5.5	$ 1,075,114	$ 1,011,368	6.3
REV/PC.	1.8075	1.8009	0.4	1.8008	1.7528	2.7
INTERNATIONAL						
VOLUME	73,276	72,211	1.5	520,780	554,987	- 6.2
REVENUE	$ 126,580	$ 127,681	- 0.9	$ 868,298	$ 916,570	- 5.3
REV/PC.	1.7274	1.7682	- 2.3	1.6673	1.6515	1.0
ALL OTHER_1/						
VOLUME	32,572	34,095	- 4.5	240,576	233,757	2.9
REVENUE	$ 130	$ 123	5.7	$ 934	$ 980	- 4.7
ALL MAIL						
VOLUME	15,816,872	15,316,028	3.3	111,588,123	107,684,739	3.6
REVENUE	$ 4,764,368	$ 4,556,937	4.6	$ 33,196,527	$ 31,929,946	4.0
REV/PC.	0.3012	0.2975	1.2	0.2975	0.2965	0.3

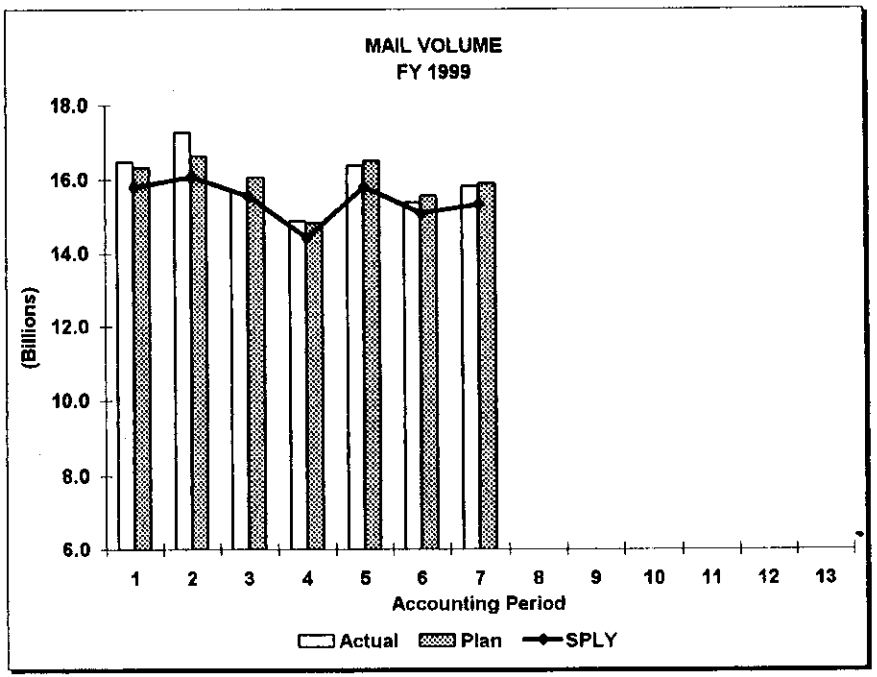
_1/ All other volume includes an increase of 5,800 pieces in Internal Mail and an increase of 989 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

-- Data reflects preliminary estimates for the accounting period.
These estimates are recast quarterly and at the end of the year.


NET OPERATING REVENUE
FY 1999
(Billions)
5.4
5.2
5.0
4.8
4.6
4.4
4.2
4.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


INCOME (LOSS) FY 1999
(Millions)
500
400
300
200
100
0
(100)
(200)
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


TOTAL OPERATING EXPENSE
FY 1999
(Billions)
5.0
4.8
4.6
4.4
4.2
4.0
3.8
3.6
3.4
3.2
3.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


MAIL VOLUME
FY 1999
(Billions)
18.0
16.0
14.0
12.0
10.0
8.0
6.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY

Revenue by Source
Accounting Period 7, FY 1999
($Millions)

Current Period Actual	Current Period SPLY	Current Period % Diff		Year-To-Date Actual	Year-To-Date SPLY	Year-To-Date % Diff
			Operating Revenue:			
$ 1,977.0	$ 1,955.0	1.1	Metered Postage	$ 13,702.5	$ 13,560.0	1.1
874.2	852.7	2.5	Stamps and Stamped Paper	6,504.4	6,312.1	3.0
1,074.0	1,159.0	- 7.3	Permit Imprint	8,334.0	8,125.6	2.6
177.7	181.5	- 2.1	Periodicals & Standard A	1,173.4	1,162.4	0.9
53.7	57.1	- 6.0	Official Mail	438.5	448.7	- 2.3
579.7	333.0	74.1	Presort First Class & Standard B/Permit Imprint	3,025.0	2,306.9	31.1
50.7	45.6	11.2	Box Rents	345.0	319.2	8.1
15.1	14.6	3.4	Money Order Fees	97.6	95.3	2.4
115.5	93.0	24.2	Other	716.3	636.5	12.5
$ 4,917.6	$ 4,691.5	4.8	**Subtotal**	$ 34,336.7	$ 32,966.7	4.2
			Government Appropriation:			
5.5	5.2	5.8	Revenue Forgone	38.2	36.1	5.8
$ 4,923.1	$ 4,696.7	4.8	**Total Operating Revenue**	$ 34,374.9	$ 33,002.8	4.2
2.1	2.2	- 4.5	Investment Income	17.9	22.3	- 19.7
$ 4,925.2	$ 4,698.9	4.8	**Total Revenue**	$ 34,392.8	$ 33,025.1	4.1

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 7, FY 1999
($Millions)

Current Period Actual	Current Period Budget	Current Period % Var		Year-To-Date Actual	Year-To-Date Budget	Year-To-Date % Var
			Commercial Revenue			
$ 1,855.8	$ 1,828.9	1.5	Permit Revenue	$ 12,657.4	$ 12,511.3	1.2
1,813.4	1,878.7	[3.5]	Other Commercial Accounts Revenue	12,402.5	12,843.1	[3.4]
$ 3,669.2	**$ 3,707.6**	**[1.0]**	**Total Commercial Revenue**	**$ 25,059.9**	**$ 25,354.5**	**[1.2]**
			Retail Revenue			
1,004.2	1,019.7	[1.5]	Retail Postage Revenue	7,525.7	7,418.6	1.4
74.6	71.9	3.8	Retail Services Revenue	463.0	452.5	2.3
9.2	16.2	[43.2]	Retail Products Revenue	80.3	111.9	[28.2]
131.4	136.4	[3.7]	Other Retail Channels Revenue	979.5	1,011.4	[3.2]
$ 1,219.4	$ 1,244.2	[2.0]	**Total Retail Revenue**	$ 9,048.5	$ 8,994.4	0.6
$ 4,888.6	**$ 4,951.8**	**[1.3]**	**Total Commercial & Retail Revenue**	**$ 34,108.4**	**$ 34,348.8**	**[0.7]**
29.0	33.1	[12.4]	Other Income	228.3	227.5	0.4
5.5	5.5	0.0	Revenue Forgone	38.2	38.2	0.0
$ 4,923.1	$ 4,990.4	[1.3]	**Total Operating Revenue**	$ 34,374.9	$ 34,614.5	[0.7]
2.1	2.5	[16.0]	Investment Income	17.9	17.6	1.7
$ 4,925.2	$ 4,992.9	[1.4]	**Total Revenue**	$ 34,392.8	$ 34,632.1	[0.7]

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

Expense Analysis
Accounting Period 7, FY 1999
($Millions)

Accounting Period 7						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$3,667.2	- 10.6	- 0.3	$3,521.5	4.1	**Personnel Compensation**	$25,810.1	[96.1]	[0.4]	$24,490.4	4.8
					Non-Personnel Expense:					
339.0	[5.5]	[1.7]	311.4	8.9	Transportation	2,414.2	- 46.3	- 1.9	2,305.7	4.7
335.7	[23.6]	[7.6]	235.8	42.3	Supplies & Services	1,958.5	[32.4]	[1.7]	1,369.8	43.0
388.2	- 13.0	- 3.2	375.4	3.4	Other	2,582.6	- 5.8	- 0.2	2,473.5	4.4
$ 1,062.9	[$ 16.1]	[1.5]	$ 922.7	15.2	**Subtotal**	$ 6,955.1	$ - 19.7	- 0.3	$ 6,148.9	13.1
$ 4,730.1	[$ 5.5]	[0.1]	$ 4,444.2	6.4	**Total Operating Expense**	$ 32,565.4	[$ 76.4]	[0.2]	$ 30,639.3	6.3
16.7	[3.3]	[24.6]	15.0	11.3	Interest Expense	131.3	[19.2]	[17.1]	140.8	- 6.7
121.9	0.0	0.0	126.9	- 3.9	Interest on Deferred Ret. Liabilities	857.9	0.0	0.0	888.0	- 3.4
$ 4,868.7	[$ 8.8]	[0.2]	$ 4,586.1	6.2	**Total Expense**	$ 33,554.6	[$ 95.6]	[0.3]	$ 31,668.1	6.0

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 7						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	**Total Compensation**	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 27.4	- 0.0	- 0.1	$ 25.8	6.3	-Support	$ 180.2	- 2.1	- 1.2	$ 168.0	7.3
873.5	[16.1]	[1.9]	853.2	2.4	-Mail Processing	6,244.4	- 52.4	- 0.8	6,147.0	1.6
274.3	- 2.8	- 1.0	263.7	4.0	-Rural Delivery	1,856.6	- 7.2	- 0.4	1,776.8	4.5
1,022.4	- 1.5	- 0.1	994.5	2.8	-Other Delivery	7,118.5	[65.9]	[0.9]	6,892.0	3.3
75.4	[1.3]	[1.8]	71.4	5.6	-Vehicles Services	515.5	[8.2]	[1.6]	492.3	4.7
182.7	- 0.1	- 0.1	173.7	5.2	-Plant & Equip Maint	1,238.3	[3.2]	[0.3]	1,185.4	4.5
568.3	[16.4]	[3.0]	532.3	6.7	-Customer Services	3,913.9	[90.0]	[2.4]	3,693.8	6.0
23.8	- 1.2	- 4.9	22.8	4.2	Controller	159.3	- 7.5	- 4.5	152.4	4.6
25.6	- 1.2	- 4.4	24.9	2.7	Human Resources	171.0	- 6.1	- 3.5	164.2	4.1
39.0	[1.3]	[3.6]	36.2	7.8	Customer Service & Sales	257.0	[3.4]	[1.3]	240.0	7.1
160.1	- 0.6	- 0.4	156.6	2.3	Administration	1,069.1	- 0.7	- 0.1	1,046.0	2.2
130.2	- 20.4	- 13.5	113.8	14.5	Other Salaries & Benefits	849.6	[2.1]	[0.2]	751.2	13.1
$ 3,402.6	[$ 7.2]	[0.2]	$ 3,298.8	4.1	**Total Salaries & Benefits**	$ 23,673.4	[$ 96.7]	[0.4]	$ 22,709.0	3.8
47.4	- 0.6	- 1.3	58.8	- 19.4	Workers' Compensation	337.8	[1.6]	[0.5]	411.8	- 18.0
6.3	- 0.0	- 0.2	6.6	- 4.5	Unemployment Compensation	42.0	[0.0]	[0.1]	45.8	- 8.5
95.7	0.0	0.0	88.7	7.9	Deferred Retirement Cost	663.4	0.0	0.0	620.8	6.9
46.8	0.0	0.0	46.6	0.5	CSRS Annuitant COLA	333.9	0.0	0.0	326.4	2.3
34.1	- 16.8	- 33.0	45.4	- 24.8	Annuitant Health Benefits	332.4	- 16.8	- 4.8	317.7	4.6
34.2	- 0.3	- 0.9	6.6	NM	Other Compensation	327.2	[14.6]	[4.7]	58.8	NM
$ 3,667.2	$ - 10.6	- 0.3	$ 3,521.5	4.1	**Total Personnel Compensation**	$ 25,810.1	[$ 96.2]	[0.4]	$ 24,480.4	4.8

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 7						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 339.0	[5.5]	[1.7]	$ 311.4	8.9	Transportation	$ 2,414.2	- 46.3	- 1.9	$ 2,305.7	4.7
335.7	[23.6]	[7.6]	235.8	42.3	Supplies & Services	1,958.5	[32.4]	[1.7]	1,369.8	43.0
129.6	- 8.4	- 6.1	125.7	3.1	Depreciation	926.1	- 10.1	- 1.1	868.9	6.6
65.0	[1.7]	[2.7]	58.3	11.5	Rent	391.3	[4.0]	[1.0]	357.0	9.6
34.4	- 1.6	- 4.5	34.4	- 0.0	Fuel & Utilities	219.0	- 16.1	- 6.9	209.4	4.6
26.4	- 0.7	- 2.6	25.8	2.2	Rural Carrier Equip Maint Allow	177.6	- 5.7	- 3.1	173.1	2.6
26.2	[1.7]	[6.9]	26.1	0.6	Vehicle Maintenance	168.5	- 7.4	- 4.2	169.6	- 0.7
22.2	[3.4]	[18.1]	18.1	22.4	Building Projects Expensed	134.4	[27.5]	[25.8]	107.8	24.7
4.3	- 0.5	- 11.3	4.4	- 2.2	Contract Job Cleaners	31.3	- 3.9	- 11.1	30.1	4.0
15.7	- 1.7	- 9.7	13.6	15.8	Travel & Relocation	96.0	- 14.0	- 12.7	81.3	18.2
20.1	- 1.8	- 8.2	21.0	- 4.2	Communications	116.1	- 6.9	- 5.6	97.6	18.9
5.4	- 0.4	- 6.2	5.5	- 3.1	Contract Stations	36.4	- 2.3	- 6.1	37.1	- 1.9
6.5	- 3.4	- 34.6	3.9	67.6	Printing	30.9	- 5.6	- 15.3	24.6	25.7
7.7	0.0	0.0	6.1	26.2	Training	41.1	- 3.5	- 7.9	31.9	28.8
5.2	[0.1]	[2.1]	5.1	3.4	Carfare & Tolls	34.5	[1.3]	[3.9]	30.7	12.5
3.0	[0.3]	[11.7]	2.4	25.1	Vehicle Hire	22.1	[3.1]	[16.5]	17.2	28.2
4.3	[0.8]	[22.1]	3.7	17.8	Accident Cost	25.9	[1.4]	[5.9]	25.2	2.7
- 4.3	- 0.4	- 8.9	- 4.2	1.6	Capitalized Interest	- 32.6	- 0.2	- 0.5	- 24.3	34.6
16.4	- 2.1	- 11.4	25.6	- 35.9	Miscellaneous	163.8	[32.5]	[24.8]	236.2	- 30.7
$ 1,062.9	[16.1]	[1.5]	$ 922.7	15.2	**Total Other Operating Expenses**	$ 6,955.3	- 19.7	- 0.3	$ 6,148.9	13.1

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

Statement of Financial Position
Accounting Period 7, FY 1999
($ Millions)

Assets	March 26, 1999	February 26, 1999	September 30, 1998 *
Current Assets:			
Cash and cash equivalents _1/	$ 0	$ 20	$ 387
U.S. Government securities, at amortized cost which approximates market	7	7	8
Receivables:			
Foreign countries	478	462	514
U.S. Government	275	258	154
Other	243	235	205
	996	955	873
Less allowances	114	110	88
	882	845	785
Supplies, advances and prepayments	304	311	348
Total Current Assets	**1,193**	**1,183**	**1,528**
Other assets _2/	382	382	379
Property and equipment, at cost:			
Buildings	15,866	15,796	15,123
Equipment	11,880	11,733	11,179
Land	2,333	2,328	2,286
	30,079	29,857	28,588
Less allowances for depreciation	11,009	10,903	10,362
	19,070	18,954	18,226
Construction in progress	2,281	2,257	2,073
Leasehold improvements, net	511	513	493
	21,862	21,724	20,792
Deferred Retirement Costs _3/	32,944	33,087	31,844
Total Assets	**$ 56,381**	**$ 56,376**	**$ 54,543**

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

_2/ Includes $378 million as of September 30, 1998, and $380 as of February 26, 1999 and March 26, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 7, FY 1999
($ Millions)

Liabilities and Equities	March 26, 1999	February 26, 1999	September 30, 1998 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,104	$ 4,995	$ 5,290
Estimated prepaid postage	1,673	1,673	1,673
Payables and accrued expenses:			
Foreign countries	696	644	780
U.S. Government	166	146	148
Other	2,810	2,553	742
	3,672	3,343	1,670
Appropriation for free & reduced rate mail	37	43	-
Prepaid permit mail and box rentals	1,570	1,594	1,955
Outstanding postal money orders	814	855	692
Current portion of long-term debt	1,042	1,628	3,633
Total Current Liabilities	**13,912**	**14,131**	**14,913**
Long-term debt, less current portion	2,887	2,887	2,788
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,845	31,845	30,138
Workers' compensation claims	5,203	5,154	4,923
Employees' accumulated leave	1,884	1,783	1,959
Other	826	832	632
Total Other Liabilities	39,758	39,614	37,652
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,210	- 3,290	- 3,844
Net Capital Deficiency	- 176	- 256	- 810
Total Liabilities and Equity	**$ 56,381**	**$ 56,376**	**$ 54,543**

_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
1999
($ MILLIONS)

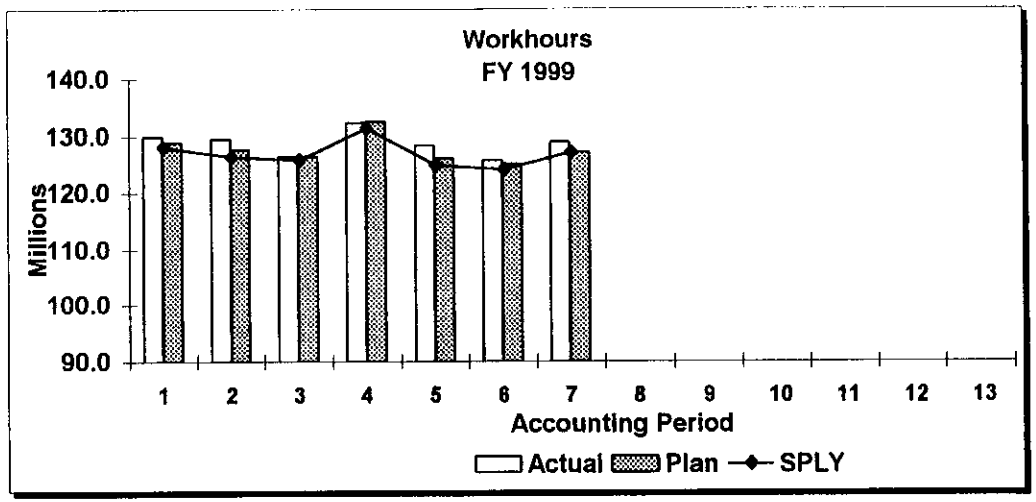
MAJOR CATEGORIES	COMMITMENTS A/P 7 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 7 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 227.8	$ 321.6	$ 316.6	$ 487.9	$ 508.6	$ 436.8
BUILDING IMPROVEMENTS	218.1	211.8	178.0	362.1	371.2	318.9
MAIL PROCESSING EQUIPMENT	209.4	147.2	119.8	407.0	497.3	427.2
VEHICLES	37.5	39.4	43.0	31.0	108.8	93.5
RETAIL EQUIPMENT	36.8	30.4	40.3	101.5	45.4	39.0
POSTAL SUPPORT EQUIPMENT	137.3	202.1	114.7	424.8	221.0	189.9
TOTAL COMMITMENTS/EXPENDITURES	$ 866.9	$ 952.5	$ 812.4	$ 1,814.3	$ 1,752.3	$ 1,505.3

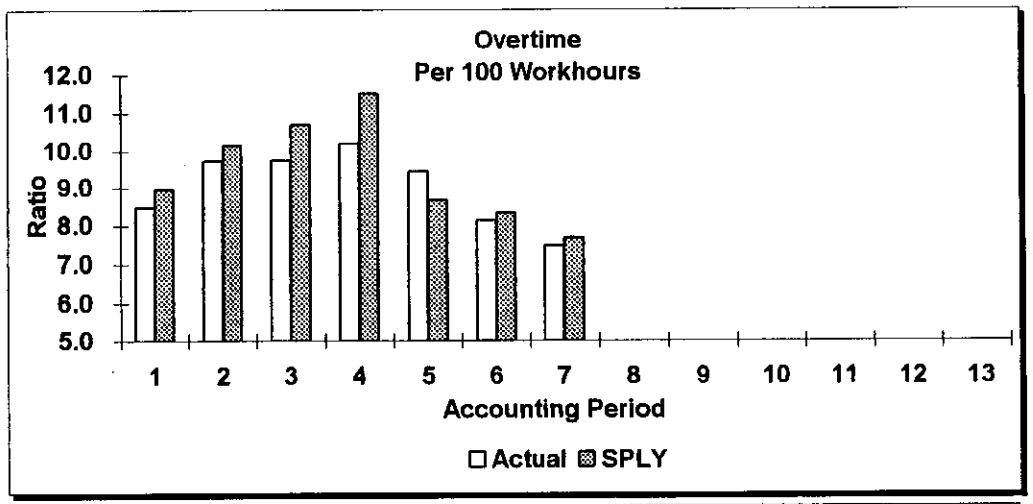
RESOURCES ON ORDER
($ MILLIONS)

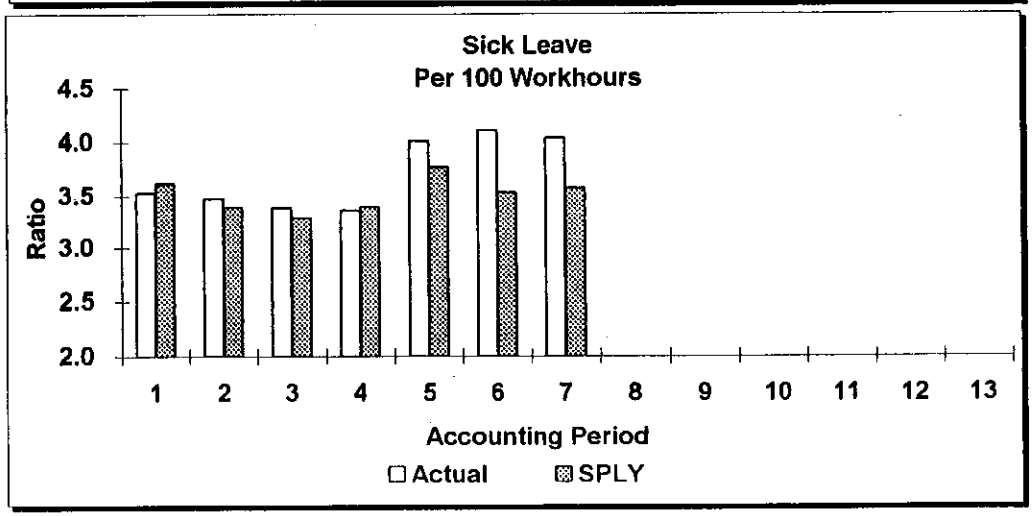
MAJOR CATEGORIES	Mar. 26, 1999	Sept. 30, 1998
CONSTRUCTION AND BUILDING PURCHASE	$ 651.8	$ 932.7
BUILDING IMPROVEMENTS	360.6	527.6
MAIL PROCESSING EQUIPMENT	1,081.3	1,279.7
VEHICLES	286.3	279.8
RETAIL EQUIPMENT	112.1	177.8
POSTAL SUPPORT EQUIPMENT	192.2	479.8
INVENTORIES	173.9	201.3
RESEARCH AND DEVELOPMENT	59.9	51.9
MISCELLANEOUS EXPENSE COMMITMENTS	4,526.6	3,352.3
TOTAL RESOURCES ON ORDER	$ 7,444.7	$ 7,282.9

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through March 26, 1999		FY 1999
Cash flows from operating activities:		
Net income/(loss) (Government Fiscal Year Basis)	$	634
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization		931
Increase/(decrease) in other liabilities		194
Increase/(decrease) in employees' accumulated leave		(75)
Increase/(decrease) in non-current workers' compensation claims		280
Increase/(decrease) in retirement, net		607
Changes in current assets and liabilities:		
Increase/(decrease) in accrued compensation and benefits		(186)
Increase/(decrease) in deferred revenue		(348)
Increase/(decrease) in payables and accrued expenses		2,002
(Increase)/decrease in receivables		(97)
(Increase)/decrease in supplies, advances and prepayments		44
Increase/(decrease) in outstanding postal money orders		122
Net cash provided by operating activities		**4,108**
Cash flows from investing activities:		
Sale/(purchase) of U.S. Government securities, net		1
Purchase of property and equipment, net		(2,001)
Net cash used in investing activities		**(2,000)**
Cash flows from financing activities:		
Increase/(decrease) in debt		(2,492)
(Increase)/decrease in other non-current assets		(3)
Net cash used by financing activities		**(2,495)**
Net (decrease)/increase in cash and cash equivalents		(387)
Cash and cash equivalents at beginning of period		**387**
Cash and cash equivalents at end of period	**$**	**-**


Workhours
FY 1999
140.0
130.0
120.0
110.0
100.0
90.0
Millions
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


Overtime
Per 100 Workhours
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
Ratio
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY


Sick Leave
Per 100 Workhours
4.5
4.0
3.5
3.0
2.5
2.0
Ratio
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY

WORKHOURS & OVERTIME/SICK LEAVE RATIOS
(Thousands)

Accounting Period 7						Year to date				
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
838	[9]	[1.0]	800	4.8	-Support	5,485	[10]	[0.2]	5,165	6.2
33,562	[759]	[2.3]	34,066	- 1.5	-Mail Processing	249,013	- 1,327	- 0.5	252,392	- 1.3
12,783	[15]	[0.1]	12,320	3.8	-Rural Delivery	86,154	[714]	[0.8]	82,784	4.1
38,838	[29]	[0.1]	38,296	1.4	-Other Delivery	268,482	[3,392]	[1.3]	264,049	1.7
2,651	[42]	[1.6]	2,583	2.7	-Vehicles Services	18,237	[279]	[1.6]	17,781	2.6
6,521	- 52	- 0.8	6,410	1.7	-Plant & Equip Maint	44,499	- 98	- 0.2	43,542	2.2
21,363	[592]	[2.8]	20,675	3.3	-Customer Services	148,864	[3,675]	[2.5]	143,549	3.7
793	- 42	- 5.0	781	1.5	Controller	5,324	- 262	- 4.7	5,194	2.5
803	- 23	- 2.8	796	1.0	Human Resources	5,375	- 65	- 1.2	5,202	3.3
1,340	[2]	[0.1]	1,286	4.2	Customer Service & Sales	8,827	- 182	- 2.0	8,468	4.2
5,503	[66]	[1.2]	5,464	0.7	Administration	36,753	[618]	[1.7]	36,392	1.0
3,894	[374]	[10.6]	3,535	10.2	Other	25,720	[1,970]	[8.3]	23,266	10.5
128,889	[1,771]	[1.4]	127,012	1.5	Total Workhours	902,733	[8,724]	[1.0]	887,784	1.7

Overtime

	Actual	Budget	SPLY		Actual	Budget	SPLY
	7.5	6.6	7.7	Overtime Ratio Per 100 Workhours	9.1	7.9	9.4

Sick Leave

Actual		SPLY		Actual		SPLY
4.0	--	3.6	Sick Leave Ratio Per 100 Workhours	3.8	--	3.6

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.