DOCKET SECTION

UNITED STATES POSTAL SERVICE®

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

FINANCIAL & OPERATING STATEMENTS

Accounting Period 10, PFY 1999

May 22 - June 18, 1999

Finance

POSTAL RATE COMMISSION
DOCUMENT
JUL 22 1999
OFFICE OF THE SECRETARY

HIGHLIGHTS
(MILLIONS)

Accounting Period 10						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,467.3	[$ - 76.0]	[- 1.7]	$ 4,284.9	4.3	Total Revenue	$ 48,655.4	[$ - 422.2]	[- 0.9]	$ 46,639.9	4.3
4,570.5	- 251.4	- 5.2	4,461.9	2.4	Total Expense	47,681.3	- 229.2	- 0.5	45,391.4	5.0
$ - 103.2	$ 175.4	NM	$ - 177.0	NM	Income\(Loss)	$ 974.1	[$ - 193.0]	NM	$ 1,248.5	NM
$ 293.0	4.4	[1.5]	$ 393.1	- 25.5	Capital Commitments	$ 1,662.4	12.3	[0.7]	$ 1,612.3	3.1
119.4	- 0.4	- 0.3	119.4	- 0.1	Total Workhours	1,275.8	[10.3]	[0.8]	1,259.4	1.3
14,226.4	[- 59.3]	[- 0.4]	14,048.1	1.3	Mail Volume	156,458.2	[- 518.5]	[- 0.3]	152,044.7	2.9

[ ] = 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	27,906	27,830	27,878
Active Postal Owned Vehicles			
Administrative	5,466	5,375	5,094
Operations	197,297	197,260	198,603
Possible City Deliveries (000)	82,594	82,547	82,108
Rural Routes	64,163	63,940	61,653
Delivery Routes	168,065	167,878	167,406
Career Employees	801,857	802,970	781,154
Casual Employees	25,861	26,104	28,085
Transitional Employees	13,318	13,883	18,382

STATEMENT OF INCOME & EXPENSE
($ Millions)

Accounting Period 10						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,464.9	[$ - 75.9]	[- 1.7]	$ 4,281.5	4.3	Operating Revenue	$ 48,630.0	[$ - 422.5]	[- 0.9]	$ 46,607.8	4.3
4,434.7	- 254.5	- 5.4	4,330.2	2.4	Operating Expense	46,282.7	- 258.3	- 0.6	43,963.7	5.3
$ 30.2	$ 178.6	NM	$ - 48.7	NM	Income From Operations	$ 2,347.3	[$ - 164.2]	NM	$ 2,644.1	NM
2.4	[- 0.1]	[- 4.6]	3.4	- 29.0	Investment Income	25.4	0.3	1.3	32.1	- 20.9
- 13.9	[- 3.1]	[28.2]	- 12.0	15.8	Interest Expense	- 174.9	[- 29.1]	[19.9]	- 180.8	- 3.3
- 121.9	0.0	0.0	- 119.7	1.8	Interest on Deferred Ret. Liabilities	- 1,223.7	0.0	0.0	- 1,246.9	- 1.9
$ - 103.2	$ 175.4	NM	$ - 177.0	NM	Income\(Loss)	$ 974.1	[$ - 193.0]	NM	$ 1,248.5	NM

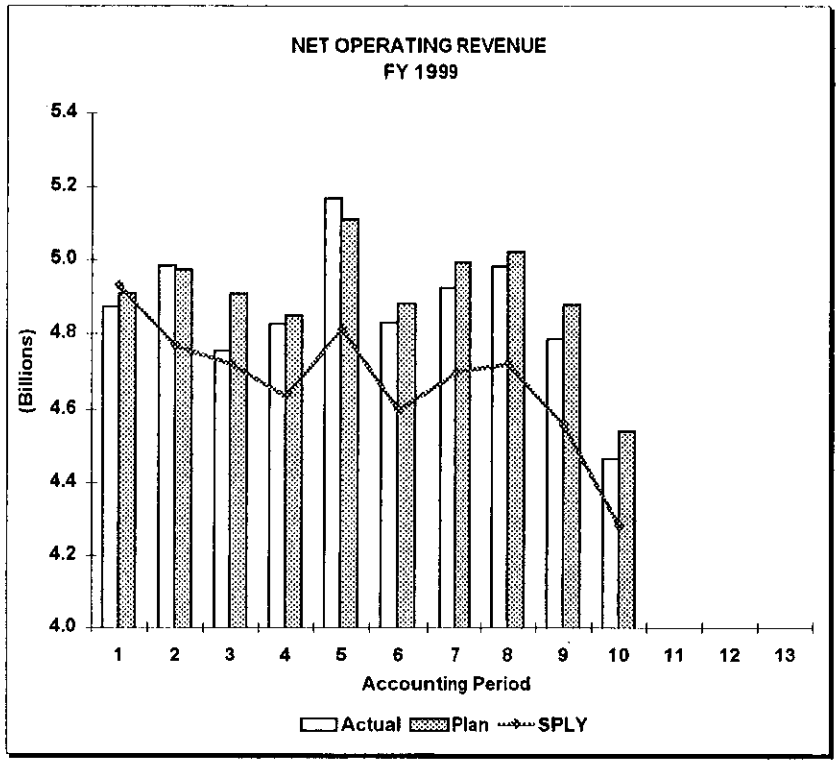
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

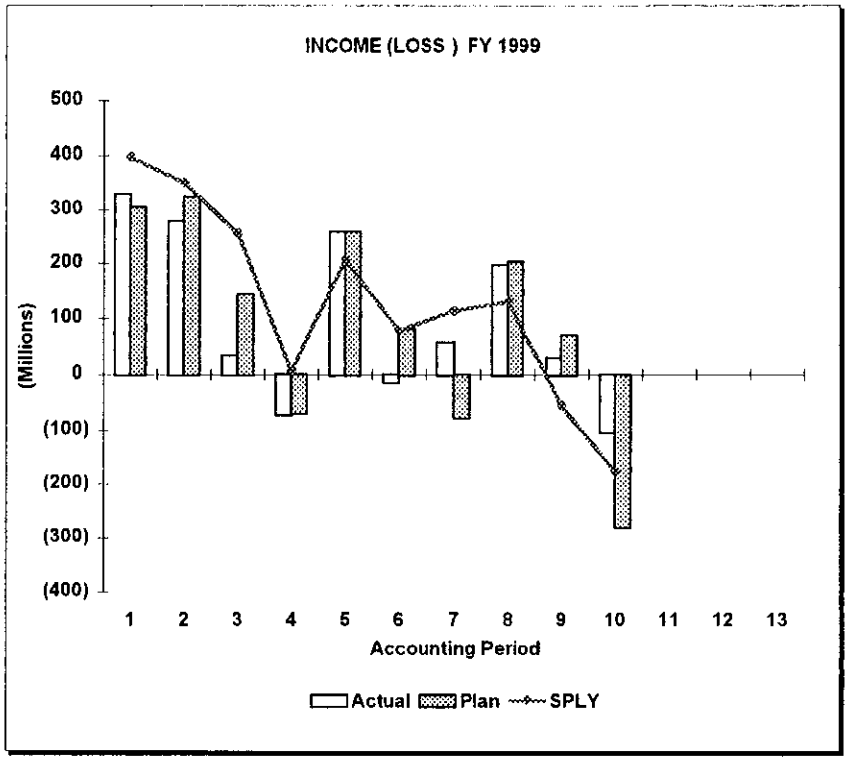
MAIL VOLUME - MAIL REVENUE
(Thousands)

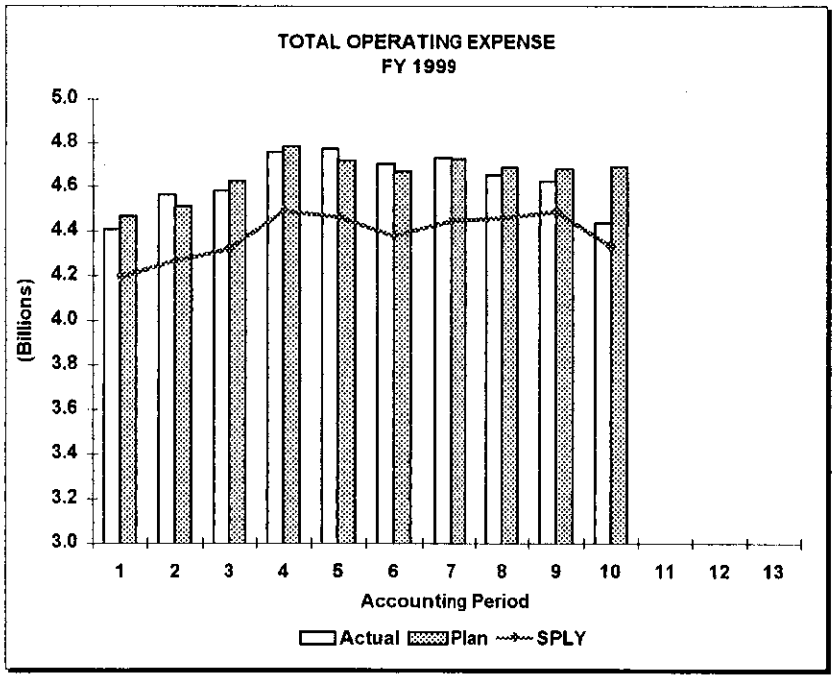
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 10 1999	A/P 10 1998	% CHANGE	A/P 10 1999	A/P 10 1998	% CHANGE
FIRST-CLASS						
VOLUME	7,306,764	7,333,836	- 0.4	79,296,036	77,847,160	1.9
REVENUE	$ 2,540,315	$ 2,450,794	3.7	$ 27,078,143	$ 26,257,537	3.1
REV/PC.	0.3477	0.3342	4.0	0.3415	0.3373	1.2
PRIORITY-MAIL						
VOLUME	83,455	80,137	4.1	948,063	914,691	3.6
REVENUE	$ 320,480	$ 281,338	13.9	$ 3,578,940	$ 3,273,220	9.3
REV/PC.	3.8402	3.5107	9.4	3.7750	3.5785	5.5
EXPEDITED MAIL						
VOLUME	5,261	5,126	2.6	52,959	51,077	3.7
REVENUE	$ 73,093	$ 65,683	11.3	$ 720,871	$ 660,799	9.1
REV/PC.	13.8934	12.8137	8.4	13.6119	12.9373	5.2
PERIODICALS						
VOLUME	746,455	706,817	5.6	7,995,852	7,956,614	0.5
REVENUE	$ 154,545	$ 141,991	8.8	$ 1,647,288	$ 1,606,273	2.6
REV/PC.	0.2070	0.2009	3.1	0.2060	0.2019	2.1
STANDARD (A) MAIL						
VOLUME	5,924,154	5,744,936	3.1	66,301,815	63,389,867	4.6
REVENUE	$ 1,002,867	$ 941,322	6.5	$ 11,148,581	$ 10,552,539	5.6
REV/PC.	0.1693	0.1639	3.3	0.1681	0.1665	1.0
STANDARD (B) MAIL						
VOLUME	66,454	76,249	- 12.8	805,723	791,208	1.8
REVENUE	$ 116,351	$ 120,778	- 3.7	$ 1,454,832	$ 1,382,896	5.2
REV/PC.	1.7509	1.5840	10.5	1.8056	1.7478	3.3
INTERNATIONAL						
VOLUME	65,762	67,936	- 3.2	714,871	754,361	- 5.2
REVENUE	$ 112,178	$ 106,055	5.8	$ 1,216,002	$ 1,300,480	- 6.5
REV/PC.	1.7058	1.5611	9.3	1.7010	1.7239	- 1.3
ALL OTHER_1/						
VOLUME	28,141	33,033	- 14.8	342,881	339,727	0.9
REVENUE	$ 137	$ 111	23.4	$ 1,351	$ 1,337	1.0
ALL MAIL						
VOLUME	14,226,445	14,048,070	1.3	156,458,200	152,044,705	2.9
REVENUE	$ 4,319,966	$ 4,108,073	5.2	$ 46,846,007	$ 45,035,081	4.0
REV/PC.	0.3037	0.2924	3.8	0.2994	0.2962	1.1

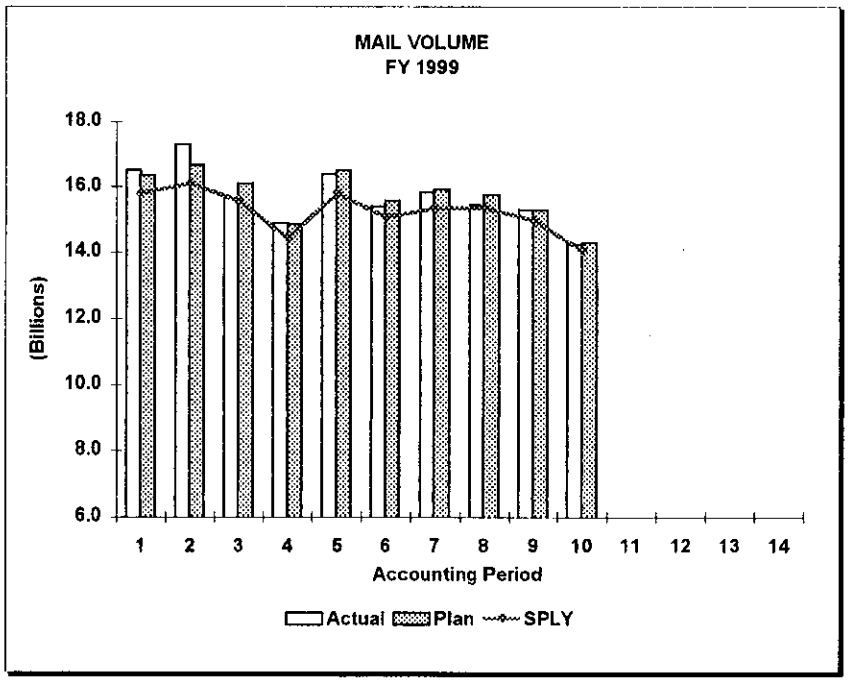
_1/ All other volume includes an increase of 2,058 pieces in Internal Mail and an increase of 951 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

-- 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)
(300)
(400)
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 14
Accounting Period
Actual Plan SPLY

Revenue by Source
Accounting Period 10, 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:			
$ 1,830.1	$ 1,807.2	1.3	Metered Postage	$ 19,477.0	$ 19,243.3	1.2
814.4	775.6	5.0	Stamps and Stamped Paper	9,056.7	8,760.8	3.4
925.4	1,008.6	- 8.2	Permit Imprint	11,293.0	11,426.0	- 1.2
154.0	144.9	6.3	Periodicals & Standard A	1,677.7	1,644.4	2.0
51.4	56.3	- 8.7	Official Mail	602.2	627.4	- 4.0
517.0	320.6	61.3	Presort First Class & Standard B/Permit Imprint	4,693.9	3,309.0	41.9
53.2	50.0	6.4	Box Rents	499.6	465.2	7.4
14.0	14.1	- 0.7	Money Order Fees	140.1	138.0	1.5
99.9	99.0	0.9	Other	1,135.2	942.1	20.5
$ 4,459.4	**$ 4,276.3**	**4.3**	**Subtotal**	**$ 48,575.4**	**$ 46,556.2**	**4.3**
			Government Appropriation:			
5.5	5.2	5.8	Revenue Forgone	54.6	51.6	5.8
$ 4,464.9	**$ 4,281.5**	**4.3**	**Total Operating Revenue**	**$ 48,630.0**	**$ 46,607.8**	**4.3**
2.4	3.4	- 29.0	Investment Income	25.4	32.1	- 20.9
$ 4,467.3	**$ 4,284.9**	**4.3**	**Total Revenue**	**$ 48,655.4**	**$ 46,639.9**	**4.3**

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 10, FY 1999
($Millions)

Current Period Actual	Current Period Budget	% Var		Year-To-Date Actual	Year-To-Date Budget	% Var
			Commercial Revenue			
$ 1,619.4	$ 1,633.8	[0.9]	Permit Revenue	$ 17,845.0	$ 17,735.6	0.6
1,682.9	1,729.4	[2.7]	Other Commercial Accounts Revenue	17,665.1	18,306.8	[3.5]
$ 3,302.3	**$ 3,363.2**	**[1.8]**	**Total Commercial Revenue**	**$ 35,510.1**	**$ 36,042.4**	**[1.5]**
			Retail Revenue			
935.0	929.2	0.6	Retail Postage Revenue	10,504.8	10,361.8	1.4
68.4	63.6	7.5	Retail Services Revenue	662.0	647.5	2.2
9.1	14.5	[37.2]	Retail Products Revenue	108.4	157.5	[31.2]
119.9	132.0	[9.1]	Other Retail Channels Revenue	1,355.7	1,442.4	[6.0]
$ 1,132.4	**$ 1,139.2**	**[0.6]**	**Total Retail Revenue**	**$ 12,630.9**	**$ 12,609.2**	**0.2**
$ 4,434.7	**$ 4,502.4**	**[1.5]**	**Total Commercial & Retail Revenue**	**$ 48,141.0**	**$ 48,651.6**	**[1.0]**
24.7	32.9	[24.9]	Other Income	434.4	346.3	25.4
5.5	5.5	0.0	Revenue Forgone	54.6	54.6	0.0
$ 4,464.9	**$ 4,540.8**	**[1.7]**	**Total Operating Revenue**	**$ 48,630.0**	**$ 49,052.5**	**[0.9]**
2.4	2.5	[4.6]	Investment Income	25.4	25.1	1.3
$ 4,467.3	**$ 4,543.3**	**[1.7]**	**Total Revenue**	**$ 48,655.4**	**$ 49,077.6**	**[0.9]**

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

Expense Analysis
Accounting Period 10, FY 1999
($Millions)

Accounting Period 10						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,480.7	- 46.9	- 1.3	$ 3,419.8	1.8	**Personnel Compensation**	$ 36,334.2	[$ 20.1]	[0.1]	$34,972.4	3.9
					Non-Personnel Expense:					
315.1	- 11.5	- 3.5	305.4	3.2	Transportation	3,402.6	- 69.4	- 2.0	3,239.6	5.0
262.0	- 180.6	- 40.8	250.5	4.6	Supplies & Services	2,831.7	- 163.0	- 5.4	2,148.3	31.8
376.9	- 15.5	- 4.0	354.5	6.3	Other	3,714.2	- 46.0	- 1.2	3,603.4	3.1
$ 954.0	$ - 207.6	- 17.9	$ 910.4	4.8	**Subtotal**	$ 9,948.5	$ - 278.4	- 2.7	$ 8,991.3	10.6
$ 4,434.7	$ - 254.5	- 5.4	$ 4,330.2	2.4	**Total Operating Expense**	$ 46,282.7	$ - 258.3	- 0.6	$ 43,963.7	5.3
13.9	[3.1]	[28.2]	12.0	15.8	Interest Expense	174.9	[29.1]	[19.9]	180.8	- 3.3
121.9	0.0	0.0	119.7	1.8	Interest on Deferred Ret. Liabilities	1,223.7	0.0	0.0	1,246.9	- 1.9
$ 4,570.5	$ - 251.4	- 5.2	$ 4,461.9	2.4	**Total Expense**	$ 47,681.3	$ - 229.2	- 0.5	$ 45,391.4	5.0

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 10						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	**Total Compensation**	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 25.3	- 2.0	- 7.4	$ 24.5	3.5	-Support	$ 259.8	- 6.0	- 2.2	$ 243.9	6.5
809.8	- 10.1	- 1.2	802.5	0.9	-Mail Processing	8,803.6	- 64.3	- 0.7	8,641.2	1.9
265.6	- 5.0	- 1.9	253.6	4.7	-Rural Delivery	2,669.4	- 21.2	- 0.8	2,557.2	4.4
962.1	- 16.0	- 1.6	958.4	0.4	-Other Delivery	10,098.0	[48.8]	[0.5]	9,837.2	2.7
71.6	[1.6]	[2.3]	68.9	3.9	-Vehicles Services	738.7	[13.7]	[1.9]	703.3	5.0
174.0	- 3.7	- 2.1	167.8	3.7	-Plant & Equip Maint	1,780.2	- 3.7	- 0.2	1,698.8	4.8
529.1	[1.0]	[0.2]	509.0	3.9	-Customer Services	5,578.6	[101.1]	[1.8]	5,265.1	6.0
22.5	- 1.8	- 7.3	22.5	- 0.0	Controller	228.6	- 12.9	- 5.3	220.3	3.8
23.4	- 2.7	- 10.2	23.7	- 0.9	Human Resources	244.5	- 12.1	- 4.7	237.4	3.0
36.1	- 1.3	- 3.5	34.6	4.4	Customer Service & Sales	370.8	- 5.5	- 1.5	346.7	6.9
151.6	- 3.4	- 2.2	150.3	0.9	Administration	1,536.4	- 4.0	- 0.3	1,509.1	1.8
126.3	- 1.4	- 1.1	110.3	14.5	Other Salaries & Benefits	1,244.5	[24.6]	[2.0]	1,088.8	14.3
$ 3,197.4	**$ - 44.7**	**- 1.4**	**$ 3,126.0**	**2.3**	**Total Salaries & Benefits**	**$ 33,553.0**	**[$ 58.7]**	**[0.2]**	**$ 32,349.0**	**3.7**
48.2	- 0.2	- 0.4	59.8	- 19.4	Workers' Compensation	482.7	- 1.3	- 0.3	591.2	- 18.3
6.3	[0.1]	[2.1]	5.5	14.5	Unemployment Compensation	60.8	[0.2]	[0.4]	64.5	- 5.7
95.7	0.0	0.0	90.4	5.9	Deferred Retirement Cost	950.6	0.0	0.0	892.0	6.6
46.8	0.0	0.0	44.8	4.5	CSRS Annuitant COLA	474.4	0.0	0.0	460.9	2.9
50.9	0.0	0.0	45.4	12.2	Annuitant Health Benefits	451.9	- 50.2	- 10.0	453.9	- 0.4
35.2	- 2.2	- 5.9	47.9	NM	Other Compensation	360.8	[12.7]	[3.6]	160.9	NM
$ 3,480.7	**$ - 46.9**	**- 1.3**	**$ 3,419.8**	**1.8**	**Total Personnel Compensation**	**$ 36,334.2**	**[$ 20.1]**	**[0.1]**	**$ 34,972.4**	**3.9**

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 10						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 315.1	- 11.5	- 3.5	$ 305.4	3.2	Transportation	$ 3,402.6	- 69.4	- 2.0	$ 3,239.6	5.0
262.0	- 180.6	- 40.8	250.5	4.6	Supplies & Services	2,831.7	- 163.0	- 5.4	2,148.3	31.8
139.5	- 0.6	- 0.4	124.5	12.0	Depreciation	1,332.7	[0.0]	[0.0]	1,251.2	6.5
62.5	- 3.1	- 4.8	62.5	- 0.0	Rent	584.3	- 4.0	- 0.7	541.7	7.9
29.9	- 2.1	- 6.6	30.1	- 0.6	Fuel & Utilities	311.1	- 22.8	- 6.8	301.3	3.3
25.5	- 1.2	- 4.6	25.0	2.0	Rural Carrier Equip Maint Allow	256.3	- 8.0	- 3.0	250.0	2.5
22.4	- 1.8	- 7.5	23.7	- 5.5	Vehicle Maintenance	243.0	- 8.6	- 3.4	243.8	- 0.3
17.0	- 4.0	- 19.1	15.9	6.5	Building Projects Expensed	183.2	[17.8]	[10.8]	162.7	12.6
4.6	- 0.1	- 1.2	4.5	3.1	Contract Job Cleaners	45.2	- 3.7	- 7.5	43.5	3.8
11.9	- 4.4	- 26.9	15.4	- 22.9	Travel & Relocation	135.9	- 23.6	- 14.8	128.1	6.1
21.3	[0.7]	[3.5]	21.2	0.3	Communications	187.7	[0.6]	[0.3]	149.8	25.3
5.2	[0.2]	[3.8]	5.4	- 3.4	Contract Stations	51.1	- 2.3	- 4.3	51.0	0.4
2.6	- 1.6	- 37.8	7.7	- 66.5	Printing	47.6	- 4.4	- 8.4	42.9	10.9
5.2	- 2.0	- 28.0	6.4	- 18.0	Training	57.5	- 10.9	- 15.9	53.0	8.6
2.7	- 1.7	- 39.1	3.8	- 30.1	Carfare & Tolls	48.0	[0.2]	[0.4]	45.0	6.9
2.9	[0.6]	[26.9]	2.2	34.0	Vehicle Hire	32.2	[6.3]	[24.5]	24.1	33.8
3.7	- 0.1	- 2.3	5.7	- 35.6	Accident Cost	37.9	[0.7]	[1.8]	40.4	- 6.1
- 4.6	- 0.7	- 18.3	- 3.0	- 53.6	Capitalized Interest	- 45.4	- 1.2	- 2.7	- 36.2	- 25.4
24.9	[6.5]	[35.3]	3.6	591.7	Miscellaneous	205.7	[17.6]	[9.4]	311.3	- 33.9
$ 954.0	- 207.6	- 17.9	$ 910.4	4.8	**Total Other Operating Expenses**	$ 9,948.5	- 278.4	- 2.7	$ 8,991.3	10.6

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

Statement of Financial Position
Accounting Period 10, FY 1999
($ Millions)

Assets	June 18, 1999	May 21, 1999	September 30, 1998 *
Current Assets:			
Cash and cash equivalents _1/	$ 0	$ 0	$ 387
U.S. Government securities, at amortized cost which approximates market	7	7	8
Receivables:			
Foreign countries	546	526	514
U.S. Government	157	276	154
Other	247	238	205
	950	1,040	873
Less allowances	123	122	88
	827	918	785
Supplies, advances and prepayments	315	303	348
Total Current Assets	**1,149**	**1,228**	**1,528**
Other assets _2/	381	382	379
Property and equipment, at cost:			
Buildings	16,081	16,039	15,123
Equipment	12,153	12,088	11,179
Land	2,357	2,356	2,286
	30,591	30,483	28,588
Less allowances for depreciation	11,344	11,234	10,362
	19,247	19,249	18,226
Construction in progress	2,601	2,423	2,073
Leasehold improvements, net	517	516	493
	22,365	22,188	20,792
Deferred Retirement Costs _3/	32,517	32,659	31,844
Total Assets	**$ 56,412**	**$ 56,457**	**$ 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 million as of May 21, 1999 and June 18, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 10, FY 1999
($ Millions)

Liabilities and Equities	June 18, 1999	May 21, 1999	September 30, 1998 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,400	$ 5,254	$ 5,290
Estimated prepaid postage	1,673	1,673	1,673
Payables and accrued expenses:			
Foreign countries	816	783	780
U.S. Government	146	148	148
Other	2,668	2,915	742
	3,630	3,846	1,670
Appropriation for free & reduced rate mail	21	26	-
Prepaid permit mail and box rentals	1,598	1,557	1,955
Outstanding postal money orders	849	852	692
Current portion of long-term debt	384	224	3,633
Total Current Liabilities	**13,555**	**13,432**	**14,913**
Long-term debt, less current portion	2,886	2,969	2,788
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,845	31,845	30,138
Workers' compensation claims	5,348	5,300	4,923
Employees' accumulated leave	1,981	2,034	1,959
Other	838	830	632
Total Other Liabilities	40,012	40,009	37,652
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,075	- 2,987	- 3,844
Net Capital Deficiency	- 41	47	- 810
Total Liabilities and Equity	**$ 56,412**	**$ 56,457**	**$ 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)

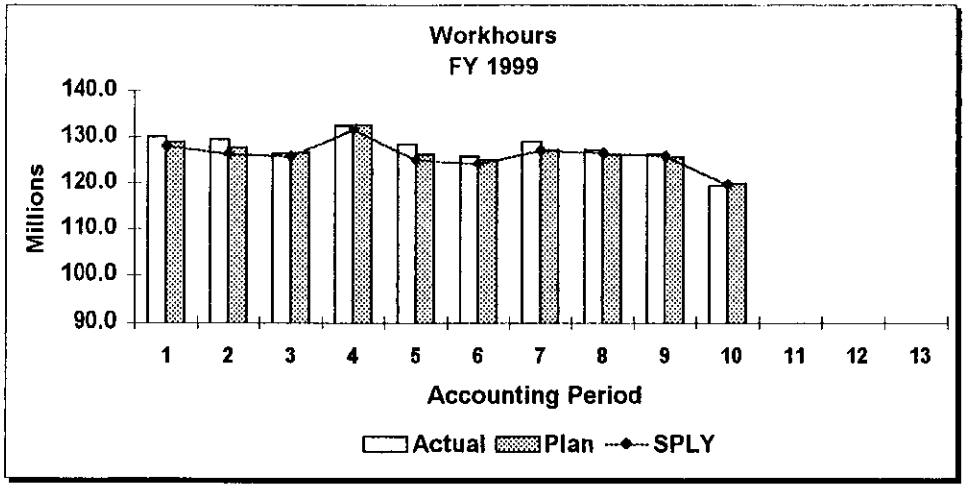
MAJOR CATEGORIES	COMMITMENTS A/P 10 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 10 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 414.7	$ 553.7	$ 519.9	$ 728.8	$ 761.3	$ 653.8
BUILDING IMPROVEMENTS	349.0	386.6	336.0	531.2	535.5	460.1
MAIL PROCESSING EQUIPMENT	528.3	248.4	420.2	636.1	628.7	540.1
VEHICLES	37.1	41.9	44.1	50.2	140.2	120.4
RETAIL EQUIPMENT	44.9	45.9	69.2	149.4	72.4	62.2
POSTAL SUPPORT EQUIPMENT	288.4	373.6	222.9	563.6	307.1	263.9
TOTAL COMMITMENTS/EXPENDITURES	$ 1,662.4	$ 1,650.1	$ 1,612.3	$ 2,659.3	$ 2,445.2	$ 2,100.5

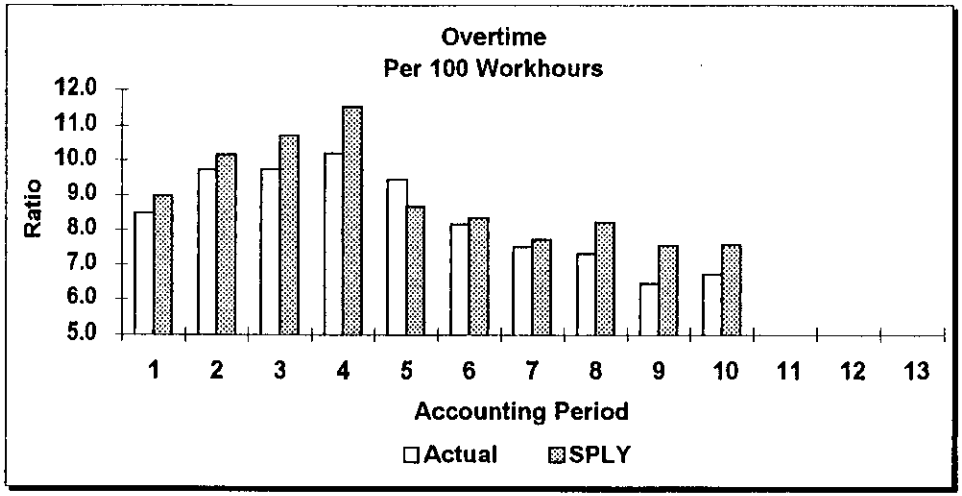
RESOURCES ON ORDER
($ MILLIONS)

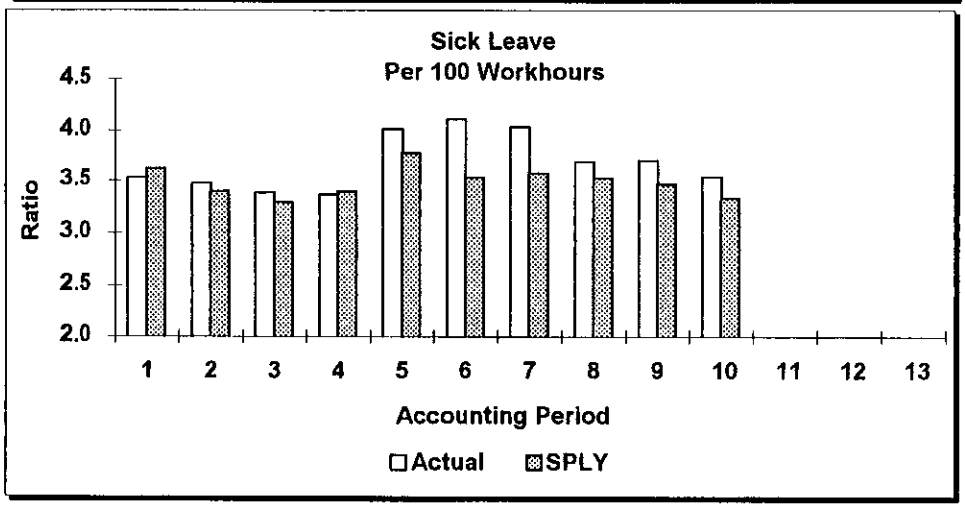
MAJOR CATEGORIES	June 18, 1999	Sept. 30, 1998
CONSTRUCTION AND BUILDING PURCHASE	$ 599.9	$ 932.7
BUILDING IMPROVEMENTS	332.5	527.6
MAIL PROCESSING EQUIPMENT	1,170.9	1,279.7
VEHICLES	266.8	279.8
RETAIL EQUIPMENT	72.2	177.8
POSTAL SUPPORT EQUIPMENT	204.5	479.8
INVENTORIES	184.8	201.3
RESEARCH AND DEVELOPMENT	51.4	51.9
MISCELLANEOUS EXPENSE COMMITMENTS	4,358.9	3,352.3
TOTAL RESOURCES ON ORDER	$ 7,241.9	$ 7,282.9

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through June 18, 1999		FY 1999
Cash flows from operating activities:		
Net income/(loss) (Government Fiscal Year Basis)	$	769
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization		1,349
Increase/(decrease) in other liabilities		206
Increase/(decrease) in employees' accumulated leave		22
Increase/(decrease) in non-current workers' compensation claims		425
Increase/(decrease) in retirement, net		1,034
Changes in current assets and liabilities:		
Increase/(decrease) in accrued compensation and benefits		110
Increase/(decrease) in deferred revenue		(336)
Increase/(decrease) in payables and accrued expenses		1,960
(Increase)/decrease in receivables		(42)
(Increase)/decrease in supplies, advances and prepayments		33
Increase/(decrease) in outstanding postal money orders		157
Net cash provided by operating activities		**5,687**
Cash flows from investing activities:		
Sale/(purchase) of U.S. Government securities, net		1
Purchase of property and equipment, net		(2,922)
Net cash used in investing activities		**(2,921)**
Cash flows from financing activities:		
Increase/(decrease) in debt		(3,151)
(Increase)/decrease in other non-current assets		(2)
Net cash used by financing activities		**(3,153)**
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
Millions
140.0
130.0
120.0
110.0
100.0
90.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


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


Sick Leave
Per 100 Workhours
Ratio
4.5
4.0
3.5
3.0
2.5
2.0
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 10						Year to date				
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
757	- 51	- 6.4	748	1.2	-Support	7,887	- 76	- 1.0	7,504	5.1
30,571	- 259	- 0.8	31,507	- 3.0	-Mail Processing	345,085	- 1,163	- 0.3	351,029	- 1.7
12,251	[24]	[0.2]	11,839	3.5	-Rural Delivery	123,965	[721]	[0.6]	119,325	3.9
36,099	- 211	- 0.6	36,215	- 0.3	-Other Delivery	381,146	[3,567]	[0.9]	376,562	1.2
2,481	[61]	[2.5]	2,441	1.6	-Vehicles Services	25,950	[480]	[1.9]	25,339	2.4
6,124	- 152	- 2.4	6,074	0.8	-Plant & Equip Maint	63,489	- 424	- 0.7	62,305	1.9
19,513	[33]	[0.2]	19,379	0.7	-Customer Services	210,012	[4,085]	[2.0]	203,953	3.0
735	- 67	- 8.4	763	- 3.7	Controller	7,589	- 460	- 5.7	7,510	1.1
721	- 69	- 8.7	750	- 3.9	Human Resources	7,657	- 214	- 2.7	7,543	1.5
1,214	- 61	- 4.8	1,203	0.9	Customer Service & Sales	12,663	- 316	- 2.4	12,215	3.7
5,107	- 28	- 0.5	5,150	- 0.8	Administration	52,661	[620]	[1.2]	52,440	0.4
3,785	[376]	[11.0]	3,377	12.1	Other	37,662	[3,491]	[10.2]	33,673	11.8
119,358	- 404	- 0.3	119,446	- 0.1	Total Workhours	1,275,766	[10,311]	[0.8]	1,259,398	1.3

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Workhours	8.4	7.5	8.9

Actual	Budget	SPLY
6.7	6.4	7.5

Sick Leave

	Actual		SPLY
Sick Leave Ratio Per 100 Workhours	3.7	--	3.5

Actual		SPLY
3.5	--	3.3

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.