UNITED STATES POSTAL SERVICE®

DOCKET SECTION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

FINANCIAL & OPERATING STATEMENTS

Accounting Period 11, PFY 1999

June 19 - July 16, 1999

Finance

POSTAL RATE COMMISSION
DOCKETED
AUG 1 6 1999
OFFICE OF THE SECRETARY

HIGHLIGHTS
(MILLIONS)

Accounting Period 11						Year-to-Date					
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,465.8	[$ - 118.8]	[- 2.6]	$ 4,320.0	3.4	Total Revenue	$ 53,119.1	[$ - 543.1]	[- 1.0]	$ 50,960.6	4.2
4,618.7	- 198.0	- 4.1	4,466.8	3.4	Total Expense	52,297.6	- 429.8	- 0.8	49,868.8	4.9
$ - 152.9	$ 79.2	NM	$ - 146.8	NM	Income\(Loss)	$ 821.5	[$ - 113.3]	NM	$ 1,091.8	NM
$ 266.7	- 24.7	- 8.5	$ 242.8	9.8	Capital Commitments	$ 1,929.1	- 12.4	- 0.6	$ 1,855.1	4.0
117.6	- 1.2	- 1.0	118.6	- 0.8	Total Workhours	1,393.6	[9.2]	[0.7]	1,378.0	1.1
14,172.7	[- 141.6]	[- 1.0]	14,164.8	0.1	Mail Volume	170,630.9	[- 660.1]	[- 0.4]	166,209.5	2.7

[ ] = 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	27,906	27,873
Active Postal Owned Vehicles			
Administrative	5,543	5,466	5,187
Operations	197,287	197,297	198,409
Possible City Deliveries (000)	82,632	82,594	82,139
Rural Routes	64,458	64,163	61,874
Delivery Routes	168,296	168,065	167,448
Career Employees	800,352	801,857	782,957
Casual Employees	26,904	25,861	31,151
Transitional Employees	12,881	13,318	17,846

STATEMENT OF INCOME & EXPENSE
($ Millions)

Accounting Period 11						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,463.5	[$ - 118.6]	[- 2.6]	$ 4,315.9	3.4	Operating Revenue	$ 53,091.4	[$ - 543.2]	[- 1.0]	$ 50,924.4	4.3
4,482.9	- 201.5	- 4.3	4,335.2	3.4	Operating Expense	50,763.2	- 462.4	- 0.9	48,309.1	5.1
$ - 19.4	$ 82.9	NM	$ - 19.3	NM	Income From Operations	$ 2,328.2	[$ - 80.8]	NM	$ 2,615.3	NM
2.3	[- 0.2]	[- 8.2]	4.1	- 43.9	Investment Income	27.7	0.1	0.4	36.2	- 23.5
- 13.9	[- 3.5]	[33.8]	- 11.9	16.8	Interest Expense	- 188.8	[- 32.6]	[20.9]	- 193.3	- 2.3
- 121.9	0.0	0.0	- 119.7	1.8	Interest on Deferred Ret. Liabilities	- 1,345.6	0.0	0.0	- 1,366.4	- 1.5
$ - 152.9	$ 79.2	NM	$ - 146.8	NM	Income\(Loss)	$ 821.5	[$ - 113.3]	NM	$ 1,091.8	NM

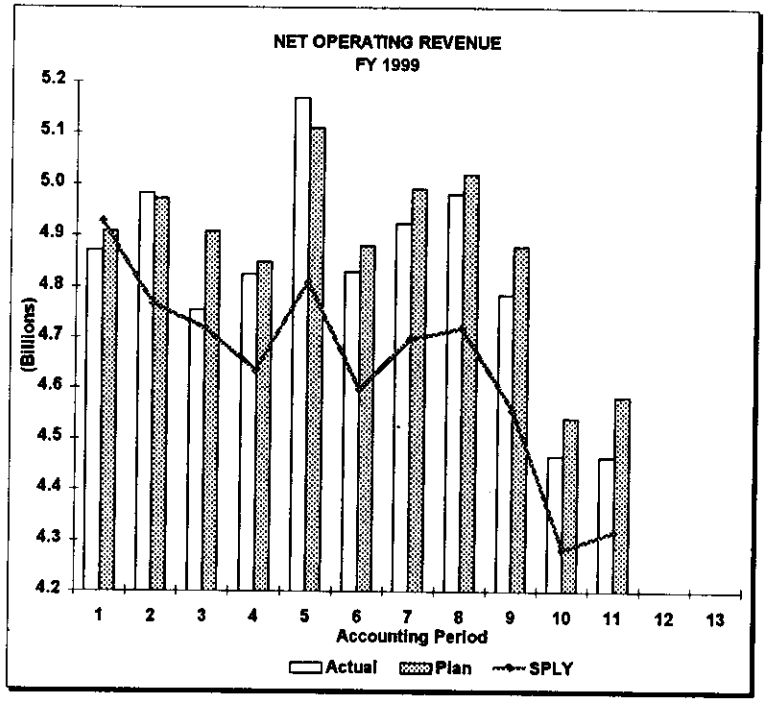
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

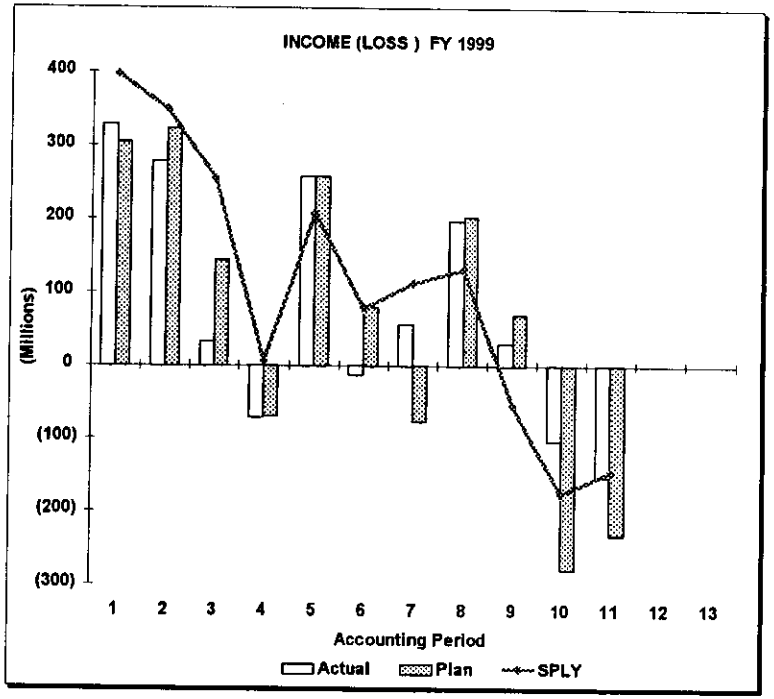
MAIL VOLUME - MAIL REVENUE
(Thousands)

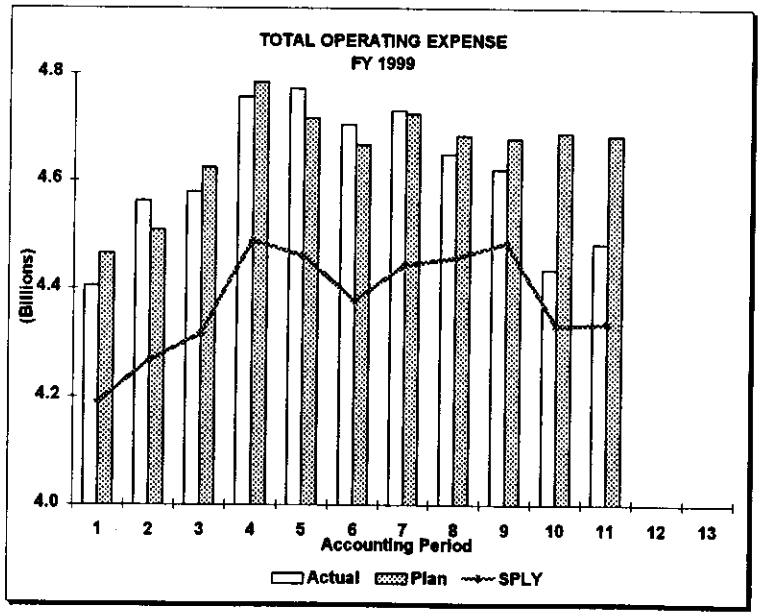
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 11 1999	A/P 11 1998	% CHANGE	A/P 11 1999	A/P 11 1998	% CHANGE
FIRST-CLASS						
VOLUME	7,512,731	7,388,118	1.7	86,808,767	85,235,278	1.8
REVENUE	$ 2,568,225	$ 2,476,115	3.7	$ 29,646,368	$ 28,733,652	3.2
REV/PC.	0.3418	0.3351	2.0	0.3415	0.3371	1.3
PRIORITY-MAIL						
VOLUME	81,386	83,027	- 2.0	1,029,450	997,718	3.2
REVENUE	$ 313,528	$ 292,527	7.2	$ 3,892,467	$ 3,565,747	9.2
REV/PC.	3.8524	3.5233	9.3	3.7811	3.5739	5.8
EXPEDITED MAIL						
VOLUME	5,184	5,103	1.6	58,144	56,181	3.5
REVENUE	$ 71,579	$ 65,630	9.1	$ 792,450	$ 726,429	9.1
REV/PC.	13.8077	12.8611	7.4	13.6291	12.9302	5.4
PERIODICALS						
VOLUME	770,157	817,768	- 5.8	8,766,009	8,774,382	- 0.1
REVENUE	$ 155,376	$ 159,645	- 2.7	$ 1,802,663	$ 1,765,918	2.1
REV/PC.	0.2017	0.1952	3.3	0.2056	0.2013	2.2
STANDARD (A) MAIL						
VOLUME	5,638,745	5,708,886	- 1.2	71,940,559	69,098,753	4.1
REVENUE	$ 952,011	$ 934,594	1.9	$ 12,100,592	$ 11,487,133	5.3
REV/PC.	0.1688	0.1637	3.1	0.1682	0.1662	1.2
STANDARD (B) MAIL						
VOLUME	69,007	69,173	- 0.2	874,730	860,381	1.7
REVENUE	$ 117,612	$ 114,938	2.3	$ 1,572,444	$ 1,497,834	5.0
REV/PC.	1.7043	1.6616	2.6	1.7976	1.7409	3.3
INTERNATIONAL						
VOLUME	64,403	60,108	7.1	779,273	814,469	- 4.3
REVENUE	$ 111,765	$ 104,359	7.1	$ 1,327,767	$ 1,404,838	- 5.5
REV/PC.	1.7354	1.7362	- 0.0	1.7039	1.7249	- 1.2
ALL OTHER_1/						
VOLUME	31,134	32,582	- 4.4	374,016	372,309	0.5
REVENUE	$ 137	$ 111	23.4	$ 1,488	$ 1,449	2.7
ALL MAIL						
VOLUME	14,172,747	14,164,765	0.1	170,630,948	166,209,470	2.7
REVENUE	$ 4,290,232	$ 4,147,920	3.4	$ 51,136,239	$ 49,183,000	4.0
REV/PC.	0.3027	0.2928	3.4	0.2997	0.2959	1.3

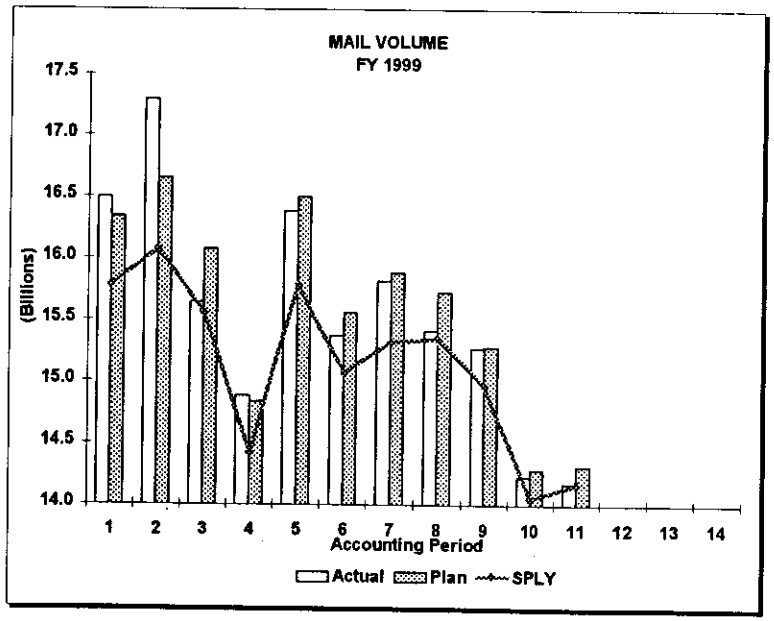
_1/ All other volume includes an increase of 493 pieces in Internal Mail and an increase of 1,027 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

-- 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)
5.2
5.1
5.0
4.9
4.8
4.7
4.6
4.5
4.4
4.3
4.2
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


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


TOTAL OPERATING EXPENSE
FY 1999
(Billions)
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


MAIL VOLUME
FY 1999
(Billions)
17.5
17.0
16.5
16.0
15.5
15.0
14.5
14.0
1 2 3 4 5 6 7 8 9 10 11 12 13 14
Accounting Period
Actual
Plan
SPLY

Revenue by Source
Accounting Period 11, 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:			
$ 1,859.2	$ 1,841.5	1.0	Metered Postage	$ 21,336.2	$ 21,084.7	1.2
792.3	763.1	3.8	Stamps and Stamped Paper	9,848.8	9,523.4	3.4
883.4	1,007.2	- 12.3	Permit Imprint	12,176.4	12,433.3	- 2.1
153.9	163.4	- 5.8	Periodicals & Standard A	1,831.6	1,807.8	1.3
48.9	51.5	- 5.0	Official Mail	653.0	681.0	- 4.1
533.6	331.0	61.2	Presort First Class & Standard B/Permit Imprint	5,227.5	3,640.0	43.6
53.2	50.0	6.4	Box Rents	552.9	515.2	7.3
13.8	13.5	2.2	Money Order Fees	153.9	151.6	1.5
119.7	89.5	33.8	Other	1,251.0	1,030.6	21.4
$ 4,458.0	**$ 4,310.7**	**3.4**	**Subtotal**	**$ 53,031.3**	**$ 50,867.6**	**4.3**
			Government Appropriation:			
5.5	5.2	5.8	Revenue Forgone	60.1	56.8	5.8
$ 4,463.5	**$ 4,315.9**	**3.4**	**Total Operating Revenue**	**$ 53,091.4**	**$ 50,924.4**	**4.3**
2.3	4.1	- 43.9	Investment Income	27.7	36.2	- 23.5
$ 4,465.8	**$ 4,320.0**	**3.4**	**Total Revenue**	**$ 53,119.1**	**$ 50,960.6**	**4.2**

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 11, FY 1999
($Millions)

Current Period Actual	Current Period Budget	% Var		Year-To-Date Actual	Year-To-Date Budget	% Var
			Commercial Revenue			
$ 1,594.6	$ 1,632.0	[2.3]	Permit Revenue	$ 19,439.7	$ 19,367.5	0.4
1,718.6	1,777.7	[3.3]	Other Commercial Accounts Revenue	19,385.7	20,084.8	[3.5]
$ 3,313.2	**$ 3,409.7**	**[2.8]**	**Total Commercial Revenue**	**$ 38,825.4**	**$ 39,452.3**	**[1.6]**
			Retail Revenue			
904.8	910.2	[0.6]	Retail Postage Revenue	11,409.5	11,271.7	1.2
80.1	70.5	13.6	Retail Services Revenue	742.1	717.9	3.4
9.0	14.1	[35.8]	Retail Products Revenue	117.4	171.6	[31.6]
116.5	136.7	[14.8]	Other Retail Channels Revenue	1,472.1	1,579.1	[6.8]
$ 1,110.4	**$ 1,131.5**	**[1.8]**	**Total Retail Revenue**	**$ 13,741.1**	**$ 13,740.3**	**0.0**
$ 4,423.6	**$ 4,541.2**	**[2.6]**	**Total Commercial & Retail Revenue**	**$ 52,566.5**	**$ 53,192.6**	**[1.2]**
34.4	35.4	[2.8]	Other Income	464.8	381.9	21.7
5.5	5.5	0.0	Revenue Forgone	60.1	60.1	0.0
$ 4,463.5	**$ 4,582.1**	**[2.6]**	**Total Operating Revenue**	**$ 53,091.4**	**$ 53,634.6**	**[1.0]**
2.3	2.5	[8.2]	Investment Income	27.7	27.6	0.4
$ 4,465.8	**$ 4,584.6**	**[2.6]**	**Total Revenue**	**$ 53,119.1**	**$ 53,662.2**	**[1.0]**

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Expense Analysis
Accounting Period 11, FY 1999
($Millions)

Accounting Period 11						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,459.5	- 57.5	- 1.6	$ 3,403.2	1.7	**Personnel Compensation**	$ 39,801.6	$ - 24.8	- 0.1	$38,376.3	3.7
					Non-Personnel Expense:					
308.9	- 15.9	- 4.9	304.3	1.5	Transportation	3,702.1	- 95.0	- 2.5	3,530.9	4.8
281.6	- 144.9	- 34.0	288.3	- 2.3	Supplies & Services	3,108.3	- 319.3	- 9.3	2,435.9	27.6
432.9	[16.8]	[4.0]	339.4	27.5	Other	4,151.2	- 23.3	- 0.6	3,966.0	4.7
$ 1,023.4	$ - 144.0	- 12.3	$ 932.0	9.8	**Subtotal**	$ 10,961.6	$ - 437.6	- 3.8	$ 9,932.8	10.4
$ 4,482.9	$ - 201.5	- 4.3	$ 4,335.2	3.4	**Total Operating Expense**	$ 50,763.2	$ - 462.4	- 0.9	$ 48,309.1	5.1
13.9	[3.5]	[33.8]	11.9	16.8	Interest Expense	188.8	[32.6]	[20.9]	193.3	- 2.3
121.9	0.0	0.0	119.7	1.8	Interest on Deferred Ret. Liabilities	1,345.6	0.0	0.0	1,366.4	- 1.5
$ 4,618.7	$ - 198.0	- 4.1	$ 4,466.8	3.4	**Total Expense**	$ 52,297.6	$ - 429.8	- 0.8	$ 49,868.8	4.9

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 11						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	Total Compensation	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 24.6	- 2.3	- 8.7	$ 24.0	2.3	-Support	$ 284.4	- 8.3	- 2.8	$ 267.9	6.2
801.5	- 11.6	- 1.4	794.0	0.9	-Mail Processing	9,607.7	- 74.2	- 0.8	9,435.3	1.8
267.2	- 6.4	- 2.3	252.9	5.6	-Rural Delivery	2,937.0	- 27.4	- 0.9	2,810.1	4.5
963.2	- 15.8	- 1.6	959.1	0.4	-Other Delivery	11,063.0	[33.4]	[0.3]	10,796.5	2.5
70.9	[1.3]	[1.8]	68.4	3.7	-Vehicles Services	809.8	[15.2]	[1.9]	771.7	4.9
171.1	- 5.6	- 3.2	164.5	4.0	-Plant & Equip Maint	1,951.8	- 10.1	- 0.5	1,863.4	4.7
524.9	- 4.6	- 0.9	510.1	2.9	-Customer Services	6,103.6	[96.7]	[1.6]	5,775.4	5.7
22.2	- 1.9	- 7.8	21.8	1.5	Controller	250.7	- 14.8	- 5.6	242.1	3.6
23.0	- 2.7	- 10.4	22.9	0.2	Human Resources	267.7	- 14.6	- 5.2	260.3	2.9
35.4	- 1.8	- 4.8	33.9	4.5	Customer Service & Sales	406.2	- 7.3	- 1.8	380.6	6.7
150.0	- 3.7	- 2.4	149.8	0.2	Administration	1,686.5	- 8.0	- 0.5	1,658.9	1.7
122.2	- 1.3	- 1.0	108.4	12.7	Other Salaries & Benefits	1,368.5	[34.4]	[2.6]	1,197.3	14.3
$ 3,176.1	**$ - 56.4**	**- 1.7**	**$ 3,109.9**	**2.1**	**Total Salaries & Benefits**	**$ 36,737.0**	**[$ 14.9]**	**[0.0]**	**$ 35,459.5**	**3.6**
48.4	- 0.0	- 0.1	59.8	- 19.1	Workers' Compensation	531.1	- 1.3	- 0.3	651.0	- 18.4
6.3	[0.1]	[1.1]	5.5	13.5	Unemployment Compensation	67.1	[0.3]	[0.5]	70.0	- 4.2
95.7	0.0	0.0	90.4	5.9	Deferred Retirement Cost	1,046.3	0.0	0.0	982.5	6.5
46.8	0.0	0.0	44.8	4.5	CSRS Annuitant COLA	521.3	0.0	0.0	505.7	3.1
50.9	0.0	0.0	45.4	12.2	Annuitant Health Benefits	502.8	- 50.2	- 9.1	499.3	0.7
35.2	- 1.2	- 3.3	47.3	NM	Other Compensation	396.0	[11.5]	[3.0]	208.3	NM
$ 3,459.5	**$ - 57.5**	**- 1.6**	**$ 3,403.2**	**1.7**	**Total Personnel Compensation**	**$ 39,801.6**	**$ - 24.8**	**- 0.1**	**$ 38,376.3**	**3.7**

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 11						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 308.9	- 15.9	- 4.9	$ 304.3	1.5	Transportation	$ 3,702.1	- 95.0	- 2.5	$ 3,530.9	4.8
281.6	- 144.9	- 34.0	288.3	- 2.3	Supplies & Services	3,108.3	- 319.3	- 9.3	2,435.9	27.6
164.6	[0.8]	[0.5]	125.2	31.4	Depreciation	1,497.2	- 1.5	- 0.1	1,376.4	8.8
62.7	- 2.7	- 4.1	60.0	4.6	Rent	647.3	- 6.4	- 1.0	601.7	7.6
34.6	[0.2]	[0.6]	33.6	3.0	Fuel & Utilities	345.7	- 22.6	- 6.1	334.8	3.3
25.7	- 0.3	- 1.0	24.9	3.3	Rural Carrier Equip Maint Allow	282.1	- 7.6	- 2.6	274.9	2.6
30.1	[6.3]	[26.4]	23.6	27.5	Vehicle Maintenance	273.9	- 1.5	- 0.6	267.4	2.4
18.5	[2.2]	[13.8]	20.8	- 11.1	Building Projects Expensed	197.5	[17.1]	[9.5]	183.5	7.6
4.7	[0.0]	[0.9]	4.5	4.1	Contract Job Cleaners	49.9	- 3.0	- 5.7	48.0	3.9
11.3	- 4.8	- 29.9	14.5	- 21.8	Travel & Relocation	147.4	- 28.4	- 16.1	142.5	3.4
21.4	- 1.0	- 4.4	18.7	14.9	Communications	210.2	[0.5]	[0.2]	168.5	24.8
5.2	- 0.4	- 7.5	5.5	- 6.2	Contract Stations	56.8	- 2.2	- 3.8	56.6	0.4
5.0	- 1.7	- 25.9	10.0	- 50.2	Printing	52.6	- 5.4	- 9.2	52.9	- 0.6
4.5	- 2.5	- 35.7	7.1	- 36.1	Training	62.0	- 12.5	- 16.8	60.0	3.3
5.6	[1.0]	[21.2]	4.8	14.9	Carfare & Tolls	53.8	[1.4]	[2.6]	49.8	8.1
3.1	[1.0]	[44.7]	2.3	35.6	Vehicle Hire	35.7	[7.7]	[27.4]	26.4	35.4
3.6	[0.5]	[14.7]	2.7	32.0	Accident Cost	41.5	[0.8]	[1.9]	43.1	- 3.8
- 5.0	- 1.1	- 28.1	- 4.9	- 2.2	Capitalized Interest	- 50.4	- 2.3	- 4.8	- 41.1	- 22.6
37.4	[19.3]	[106.6]	- 13.8	371.0	Miscellaneous	248.1	[42.6]	[20.7]	320.6	- 22.6
$ 1,023.4	- 144.0	- 12.3	$ 932.0	9.8	**Total Other Operating Expenses**	$ 10,961.6	- 437.6	- 3.8	$ 9,932.8	10.4

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

Statement of Financial Position
Accounting Period 11, FY 1999
($ Millions)

Assets	July 16, 1999	June 18, 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	422	546	514
U.S. Government	146	157	154
Other	246	247	205
	814	950	873
Less allowances	125	123	88
	689	827	785
Supplies, advances and prepayments	344	315	348
Total Current Assets	**1,040**	**1,149**	**1,528**
Other assets _2/	381	381	379
Property and equipment, at cost:			
Buildings	16,147	16,081	15,123
Equipment	12,184	12,153	11,179
Land	2,360	2,357	2,286
	30,691	30,591	28,588
Less allowances for depreciation	11,418	11,344	10,362
	19,273	19,247	18,226
Construction in progress	2,722	2,601	2,073
Leasehold improvements, net	515	517	493
	22,510	22,365	20,792
Deferred Retirement Costs _3/	32,374	32,517	31,844
Total Assets	**$ 56,305**	**$ 56,412**	**$ 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 June 18, 1999 and July 16, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 11, FY 1999
($ Millions)

Liabilities and Equities	July 16, 1999	June 18, 1999	September 30, 1998 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,534	$ 5,400	$ 5,290
Estimated prepaid postage	1,673	1,673	1,673
Payables and accrued expenses:			
Foreign countries	649	816	780
U.S. Government	158	146	148
Other	2,628	2,668	742
	3,435	3,630	1,670
Appropriation for free & reduced rate mail	16	21	-
Prepaid permit mail and box rentals	1,606	1,598	1,955
Outstanding postal money orders	887	849	692
Current portion of long-term debt	451	384	3,633
Total Current Liabilities	**13,602**	**13,555**	**14,913**
Long-term debt, less current portion	2,886	2,886	2,788
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,845	31,845	30,138
Workers' compensation claims	5,397	5,348	4,923
Employees' accumulated leave	1,880	1,981	1,959
Other	889	838	632
Total Other Liabilities	40,011	40,012	37,652
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,228	- 3,075	- 3,844
Net Capital Deficiency	- 194	- 41	- 810
Total Liabilities and Equity	**$ 56,305**	**$ 56,412**	**$ 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 11 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 11 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 470.4	$ 653.4	$ 610.3	$ 808.2	$ 833.4	$ 715.7
BUILDING IMPROVEMENTS	405.1	434.0	368.9	581.6	581.2	499.4
MAIL PROCESSING EQUIPMENT	584.9	328.1	475.3	719.6	689.1	592.0
VEHICLES	37.1	42.3	44.4	56.8	143.8	123.5
RETAIL EQUIPMENT	105.4	47.1	70.8	168.8	85.4	73.4
POSTAL SUPPORT EQUIPMENT	326.2	436.6	285.4	606.1	380.9	327.3
TOTAL COMMITMENTS/EXPENDITURES	$ 1,929.1	$ 1,941.5	$ 1,855.1	$ 2,941.1	$ 2,713.8	$ 2,331.3

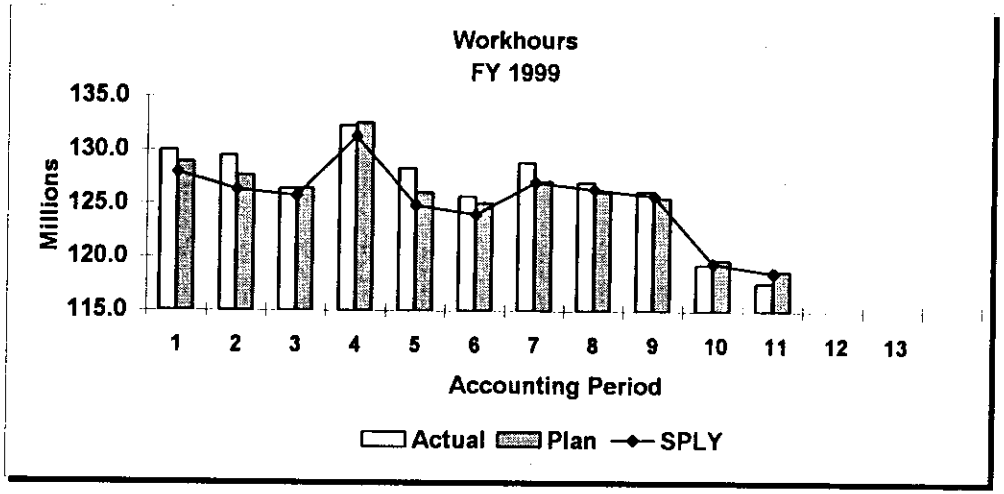
RESOURCES ON ORDER

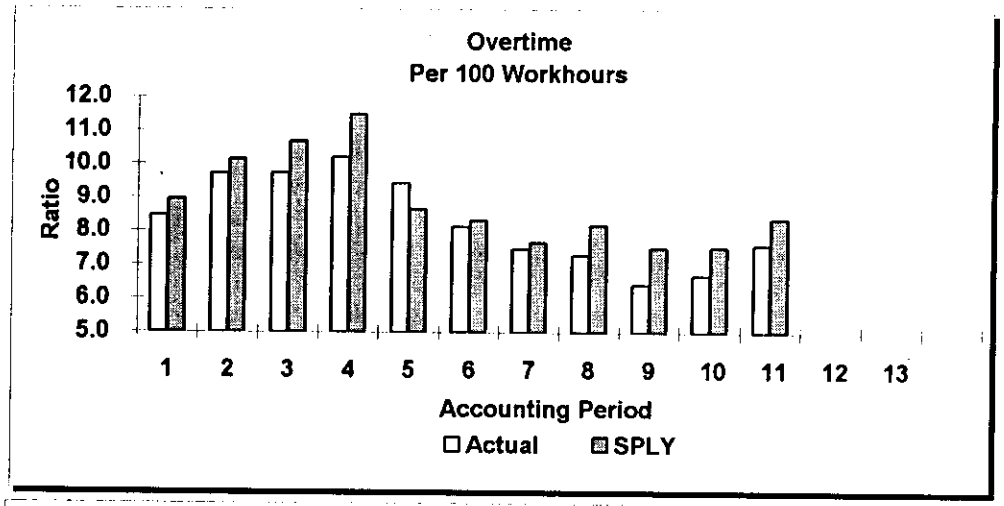
($ MILLIONS)

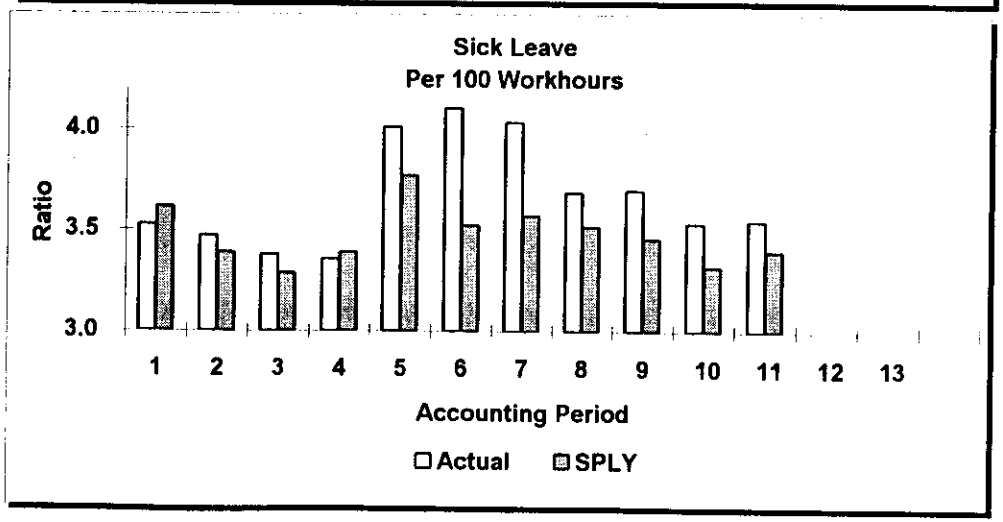
MAJOR CATEGORIES	July 16, 1999	Sept. 30, 1998
CONSTRUCTION AND BUILDING PURCHASE	$ 583.4	$ 932.7
BUILDING IMPROVEMENTS	350.7	527.6
MAIL PROCESSING EQUIPMENT	1,144.4	1,279.7
VEHICLES	260.2	279.8
RETAIL EQUIPMENT	113.3	177.8
POSTAL SUPPORT EQUIPMENT	199.9	479.8
INVENTORIES	187.5	201.3
RESEARCH AND DEVELOPMENT	56.6	51.9
MISCELLANEOUS EXPENSE COMMITMENTS	4,230.1	3,352.3
TOTAL RESOURCES ON ORDER	$ 7,126.1	$ 7,282.9

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through July 16, 1999	FY 1999
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	$ 616
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	0
Increase/(decrease) in other liabilities	257
Increase/(decrease) in employees' accumulated leave	(79)
Increase/(decrease) in non-current workers' compensation claims	474
Increase/(decrease) in retirement, net	1,177
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	244
Increase/(decrease) in deferred revenue	(333)
Increase/(decrease) in payables and accrued expenses	1,765
(Increase)/decrease in receivables	96
(Increase)/decrease in supplies, advances and prepayments	4
Increase/(decrease) in outstanding postal money orders	195
Net cash provided by operating activities	**4,416**
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	1
Purchase of property and equipment, net	0
Net cash used in investing activities	**1**
Cash flows from financing activities:	
Increase/(decrease) in debt	(3,084)
(Increase)/decrease in other non-current assets	(2)
Net cash used by financing activities	**(3,086)**
Net (decrease)/increase in cash and cash equivalents	1,331
Cash and cash equivalents at beginning of period	**387**
Cash and cash equivalents at end of period	**$ 1,718**


Workhours
FY 1999
135.0
130.0
125.0
120.0
115.0
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
4.0
3.5
3.0
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 11						Year to date				
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
726	- 64	- 8.1	732	- 0.8	-Support	8,614	- 139	- 1.6	8,236	4.6
29,958	- 389	- 1.3	31,111	- 3.7	-Mail Processing	375,084	- 1,511	- 0.4	382,142	- 1.8
12,245	[3]	[0.0]	11,880	3.1	-Rural Delivery	136,222	[728]	[0.5]	131,205	3.8
35,843	- 342	- 0.9	36,057	- 0.6	-Other Delivery	417,014	[3,239]	[0.8]	412,621	1.1
2,434	[57]	[2.4]	2,408	1.1	-Vehicles Services	28,389	[542]	[1.9]	27,748	2.3
5,960	- 209	- 3.4	5,915	0.8	-Plant & Equip Maint	69,456	- 669	- 1.0	68,222	1.8
19,192	- 191	- 1.0	19,355	- 0.8	-Customer Services	229,184	[3,875]	[1.7]	223,310	2.6
721	- 67	- 8.5	734	- 1.7	Controller	8,308	- 529	- 6.0	8,242	0.8
699	- 69	- 9.0	724	- 3.5	Human Resources	8,361	- 278	- 3.2	8,267	1.1
1,181	- 74	- 5.8	1,171	0.8	Customer Service & Sales	13,844	- 390	- 2.7	13,386	3.4
5,069	- 64	- 1.2	5,216	- 2.8	Administration	57,730	[550]	[1.0]	57,656	0.1
3,620	[217]	[6.4]	3,308	9.4	Other	41,347	[3,736]	[9.9]	36,980	11.8
117,648	- 1,192	- 1.0	118,611	- 0.8	Total Workhours	1,393,553	[9,154]	[0.7]	1,378,015	1.1

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Workhours	8.3	7.4	8.9

Actual	Budget	SPLY
7.6	7.0	8.4

Sick Leave

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

Actual		SPLY
3.6	--	3.3

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.