DOCKET SECTION

UNITED STATES POSTAL SERVICE®

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

FINANCIAL & OPERATING STATEMENTS

Accounting Period 12, PFY 1999

July 17 - August 13, 1999

Finance

POSTAL RATE COMMISSION
DOCKETED
SEP 13 1999
OFFICE OF THE SECRETARY

HIGHLIGHTS
(MILLIONS)

Accounting Period 12						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,556.2	[$ - 59.1]	[- 1.3]	$ 4,342.1	4.9	Total Revenue	$ 57,674.6	[$ - 602.9]	[- 1.0]	$ 55,307.6	4.3
4,810.9	- 110.1	- 2.2	4,559.0	5.5	Total Expense	57,098.1	- 550.1	- 1.0	54,442.3	4.9
$ - 254.7	$ 51.0	NM	$ - 216.9	NM	Income\(Loss)	$ 576.5	[$ - 52.8]	NM	$ 865.3	NM
$ 255.3	- 217.9	- 46.0	$ 312.3	- 18.3	Capital Commitments	$ 2,184.4	- 230.3	- 9.5	$ 2,167.4	0.8
122.4	- 1.2	- 1.0	122.9	- 0.4	Total Workhours	1,516.2	[8.6]	[0.6]	1,500.9	1.0
14,675.0	316.4	2.2	14,267.7	2.9	Mail Volume	185,306.0	[- 343.6]	[- 0.2]	180,477.2	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	* 27,900	27,906	27,869
Active Postal Owned Vehicles			
Administrative	5,505	5,543	5,228
Operations	197,078	197,287	198,068
Possible City Deliveries (000)	82,683	82,632	82,172
Rural Routes	64,614	64,458	62,138
Delivery Routes	168,247	168,296	167,311
Career Employees	799,205	800,352	785,479
Casual Employees	24,883	26,904	27,899
Transitional Employees	12,493	12,881	17,319

* Beginning in AP 10, the number of Post Offices is being obtained from the Address Management System, which provides the most comprehensive source data available. The actual difference between the number of Post Office's in AMS and the previously used source is approximately 80 units.

STATEMENT OF INCOME & EXPENSE
($ Millions)

Accounting Period 12						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,553.8	[$ - 59.0]	[- 1.3]	$ 4,337.4	5.0	Operating Revenue	$ 57,644.5	[$ - 602.9]	[- 1.0]	$ 55,266.7	4.3
4,675.0	- 113.7	- 2.4	4,426.6	5.6	Operating Expense	55,427.7	- 586.3	- 1.0	52,750.5	5.1
$ - 121.2	$ 54.7	NM	$ - 89.2	NM	Income From Operations	$ 2,216.8	[$ - 16.6]	NM	$ 2,516.2	NM
2.4	[- 0.1]	[- 3.0]	4.7	- 48.3	Investment Income	30.1	0.0	0.0	40.9	- 26.3
- 14.0	[- 3.6]	[34.6]	- 12.7	10.2	Interest Expense	- 202.8	[- 36.2]	[21.7]	- 205.7	- 1.4
- 121.9	0.0	0.0	- 119.7	1.8	Interest on Deferred Ret. Liabilities	- 1,467.6	0.0	0.0	- 1,486.1	- 1.2
$ - 254.7	$ 51.0	NM	$ - 216.9	NM	Income\(Loss)	$ 576.5	[$ - 52.8]	NM	$ 865.3	NM

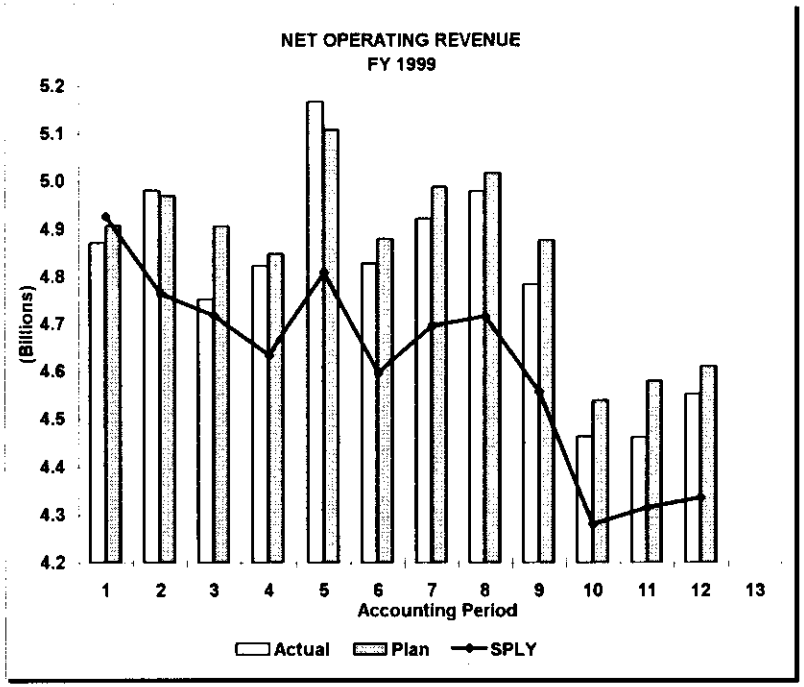
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

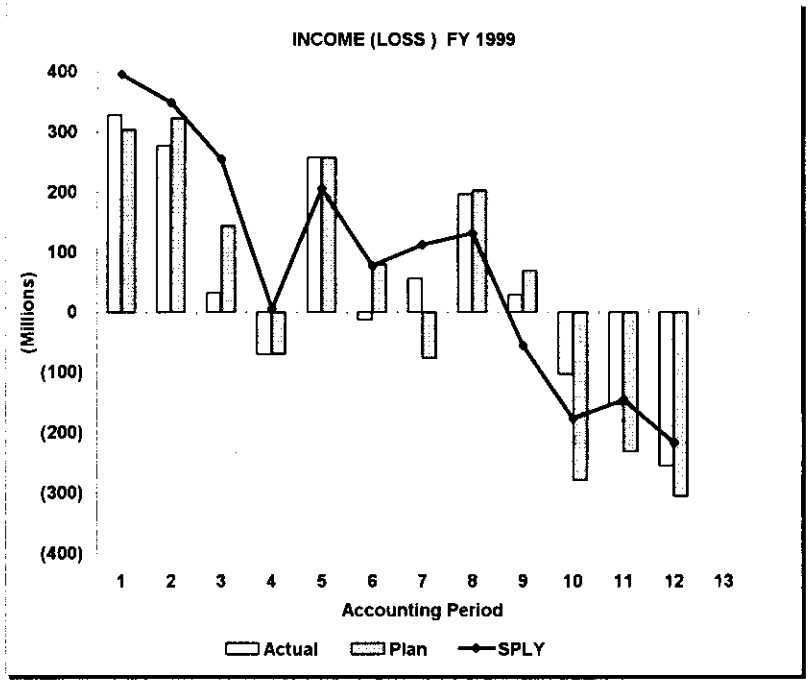
MAIL VOLUME - MAIL REVENUE
(Thousands)

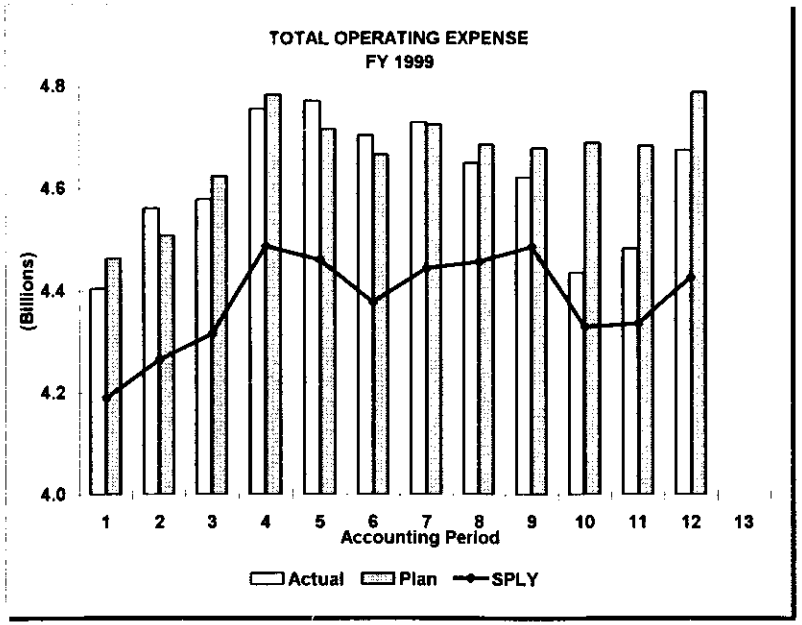
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 12 1999	A/P 12 1998	% CHANGE	A/P 12 1999	A/P 12 1998	% CHANGE
FIRST-CLASS						
VOLUME	7,453,009	7,293,263	2.2	94,261,775	92,528,541	1.9
REVENUE	$ 2,560,574	$ 2,450,605	4.5	$ 32,206,942	$ 31,184,257	3.3
REV/PC.	0.3436	0.3360	2.2	0.3417	0.3370	1.4
PRIORITY-MAIL						
VOLUME	84,493	83,321	1.4	1,113,943	1,081,040	3.0
REVENUE	$ 322,694	$ 294,785	9.5	$ 4,215,162	$ 3,860,532	9.2
REV/PC.	3.8192	3.5379	7.9	3.7840	3.5711	6.0
EXPEDITED MAIL						
VOLUME	5,206	5,149	1.1	63,349	61,330	3.3
REVENUE	$ 72,060	$ 65,802	9.5	$ 864,510	$ 792,230	9.1
REV/PC.	13.8417	12.7796	8.3	13.6468	12.9175	5.6
PERIODICALS						
VOLUME	729,608	699,987	4.2	9,495,618	9,474,369	0.2
REVENUE	$ 151,409	$ 141,118	7.3	$ 1,954,072	$ 1,907,037	2.5
REV/PC.	0.2075	0.2016	2.9	0.2058	0.2013	2.2
STANDARD (A) MAIL						
VOLUME	6,221,966	6,006,298	3.6	78,162,525	75,105,051	4.1
REVENUE	$ 1,044,776	$ 984,506	6.1	$ 13,145,368	$ 12,471,639	5.4
REV/PC.	0.1679	0.1639	2.4	0.1682	0.1661	1.3
STANDARD (B) MAIL						
VOLUME	81,072	82,493	- 1.7	955,803	942,874	1.4
REVENUE	$ 130,127	$ 132,998	- 2.2	$ 1,702,571	$ 1,630,832	4.4
REV/PC.	1.6051	1.6122	- 0.4	1.7813	1.7296	3.0
INTERNATIONAL						
VOLUME	64,212	66,502	- 3.4	843,485	880,970	- 4.3
REVENUE	$ 111,969	$ 111,898	0.1	$ 1,439,735	$ 1,516,737	- 5.1
REV/PC.	1.7437	1.6826	3.6	1.7069	1.7217	- 0.9
ALL OTHER_1/						
VOLUME	35,464	30,712	15.5	409,480	403,021	1.6
REVENUE	$ 137	$ 111	23.4	$ 1,624	$ 1,560	4.1
ALL MAIL						
VOLUME	14,675,030	14,267,725	2.9	185,305,978	180,477,196	2.7
REVENUE	$ 4,393,746	$ 4,181,824	5.1	$ 55,529,985	$ 53,364,825	4.1
REV/PC.	0.2994	0.2931	2.2	0.2997	0.2957	1.3

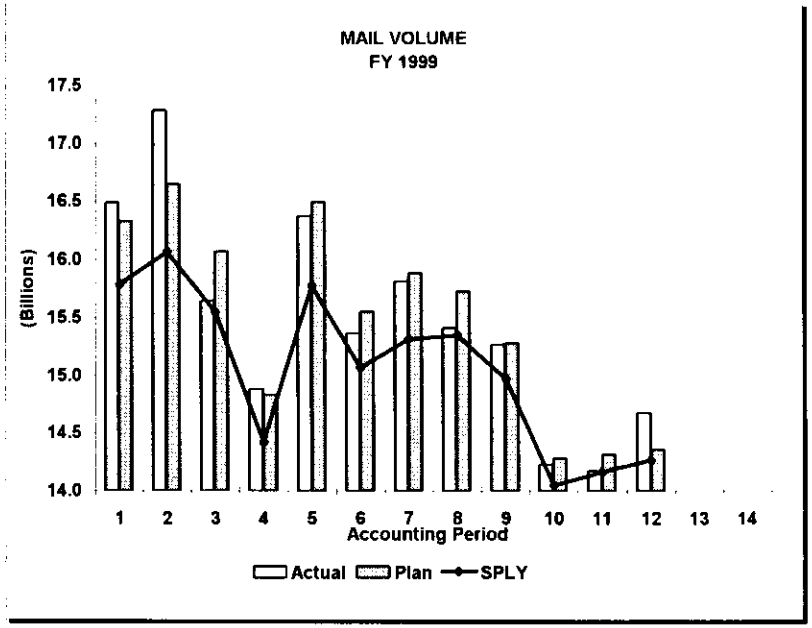
_1/ All other volume includes an increase of 6,544 pieces in Internal Mail and a decrease of 313 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

-- 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)
(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)
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 12, 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:			
$ 1,859.7	$ 1,827.7	1.8	Metered Postage	$ 23,195.9	$ 22,912.4	1.2
807.2	771.8	4.6	Stamps and Stamped Paper	10,655.8	10,294.6	3.5
984.5	1,064.4	- 7.5	Permit Imprint	13,160.9	13,497.7	- 2.5
149.8	144.6	3.6	Periodicals & Standard A	1,981.4	1,952.4	1.5
47.5	53.7	- 11.5	Official Mail	702.5	737.3	- 4.7
525.5	317.8	65.4	Presort First Class & Standard B/Permit Imprint	5,753.0	3,957.8	45.4
53.2	50.0	6.4	Box Rents	606.1	565.2	7.2
14.1	13.7	2.9	Money Order Fees	168.0	165.3	1.6
106.8	88.5	20.6	Other	1,355.4	1,122.1	20.8
$ 4,548.3	**$ 4,332.2**	**5.0**	**Subtotal**	**$ 57,579.0**	**$ 55,204.8**	**4.3**
			Government Appropriation:			
5.5	5.2	5.8	Revenue Forgone	65.5	61.9	5.8
$ 4,553.8	**$ 4,337.4**	**5.0**	**Total Operating Revenue**	**$ 57,644.5**	**$ 55,266.7**	**4.3**
2.4	4.7	- 48.3	Investment Income	30.1	40.9	- 26.3
$ 4,556.2	**$ 4,342.1**	**4.9**	**Total Revenue**	**$ 57,674.6**	**$ 55,307.6**	**4.3**

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 12, 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			
$ 1,682.2	$ 1,631.9	3.1	Permit Revenue	$ 21,121.9	$ 20,999.4	0.6
1,714.1	1,786.0	[4.0]	Other Commercial Accounts Revenue	21,101.8	21,870.9	[3.5]
$ 3,396.3	**$ 3,417.9**	**[0.6]**	**Total Commercial Revenue**	**$ 42,223.7**	**$ 42,870.3**	**[1.5]**
			Retail Revenue			
927.1	948.4	[2.3]	Retail Postage Revenue	12,336.1	12,220.0	0.9
67.5	62.3	8.3	Retail Services Revenue	809.6	780.3	3.8
7.9	13.6	[42.1]	Retail Products Revenue	125.3	185.2	[32.3]
118.9	131.1	[9.3]	Other Retail Channels Revenue	1,591.5	1,710.2	[6.9]
$ 1,121.4	**$ 1,155.4**	**[2.9]**	**Total Retail Revenue**	**$ 14,862.5**	**$ 14,895.7**	**[0.2]**
$ 4,517.7	**$ 4,573.3**	**[1.2]**	**Total Commercial & Retail Revenue**	**$ 57,086.2**	**$ 57,766.0**	**[1.2]**
30.6	34.0	[9.9]	Other Income	492.8	415.9	18.5
5.5	5.5	0.0	Revenue Forgone	65.5	65.5	0.0
$ 4,553.8	**$ 4,612.8**	**[1.3]**	**Total Operating Revenue**	**$ 57,644.5**	**$ 58,247.4**	**[1.0]**
2.4	2.5	[3.0]	Investment Income	30.1	30.1	0.0
$ 4,556.2	**$ 4,615.3**	**[1.3]**	**Total Revenue**	**$ 57,674.6**	**$ 58,277.5**	**[1.0]**

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Expense Analysis
Accounting Period 12, FY 1999
($Millions)

Accounting Period 12						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,614.3	[2.3]	[0.1]	$ 3,483.7	3.7	**Personnel Compensation**	$ 43,410.1	$ - 18.5	- 0.0	$41,860.8	3.7
					Non-Personnel Expense:					
316.9	[0.1]	[0.0]	302.9	4.6	Transportation	4,006.7	- 108.8	- 2.6	3,822.6	4.8
290.6	- 146.1	- 33.4	284.1	2.3	Supplies & Services	3,401.1	- 467.4	- 12.1	2,720.1	25.0
453.2	[29.9]	[7.1]	355.9	27.3	Other	4,609.8	[8.4]	[0.2]	4,347.0	6.0
$ 1,060.7	$ - 116.0	- 9.9	$ 942.9	12.5	**Subtotal**	$ 12,017.6	$ - 567.8	- 4.5	$ 10,889.7	10.4
$ 4,675.0	$ - 113.7	- 2.4	$ 4,426.6	5.6	**Total Operating Expense**	$ 55,427.7	$ - 586.3	- 1.0	$ 52,750.5	5.1
14.0	[3.6]	[34.6]	12.7	10.2	Interest Expense	202.8	[36.2]	[21.7]	205.7	- 1.4
121.9	0.0	0.0	119.7	1.8	Interest on Deferred Ret. Liabilities	1,467.6	0.0	0.0	1,486.1	- 1.2
$ 4,810.9	$ - 110.1	- 2.2	$ 4,559.0	5.5	**Total Expense**	$ 57,098.1	$ - 550.1	- 1.0	$ 54,442.3	4.9

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 12						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	Total Compensation	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 25.6	- 2.8	- 9.9	$ 24.8	3.0	-Support	$ 309.8	- 11.3	- 3.5	$ 292.7	5.8
822.2	- 8.3	- 1.0	811.7	1.3	-Mail Processing	10,429.8	- 67.8	- 0.6	10,247.4	1.8
277.1	- 6.0	- 2.1	261.9	5.8	-Rural Delivery	3,214.2	- 33.3	- 1.0	3,072.0	4.6
991.9	- 13.4	- 1.3	978.3	1.4	-Other Delivery	12,059.9	[21.8]	[0.2]	11,774.8	2.4
72.9	[0.4]	[0.6]	69.9	4.4	-Vehicles Services	882.5	[15.4]	[1.8]	841.6	4.9
177.3	- 5.1	- 2.8	170.2	4.2	-Plant & Equip Maint	2,128.9	- 14.3	- 0.7	2,033.7	4.7
539.5	- 6.0	- 1.1	523.6	3.0	-Customer Services	6,633.8	[78.9]	[1.2]	6,299.1	5.3
22.8	- 2.2	- 8.8	22.3	2.0	Controller	273.3	- 17.2	- 5.9	264.4	3.3
24.0	- 2.4	- 9.2	23.9	0.2	Human Resources	291.5	- 17.2	- 5.6	284.2	2.6
36.9	- 2.1	- 5.3	35.4	4.1	Customer Service & Sales	442.7	- 10.0	- 2.2	416.0	6.4
155.4	- 4.6	- 2.9	153.8	1.1	Administration	1,840.9	- 13.8	- 0.7	1,812.7	1.6
127.0	- 2.4	- 1.9	114.8	10.6	Other Salaries & Benefits	1,496.3	[32.7]	[2.2]	1,312.2	14.0
$ 3,272.6	**$ - 54.8**	**- 1.6**	**$ 3,190.6**	**2.6**	**Total Salaries & Benefits**	**$ 40,003.6**	**$ - 36.1**	**- 0.1**	**$ 38,650.9**	**3.5**
51.4	[3.0]	[6.1]	59.8	- 14.1	Workers' Compensation	582.5	[1.7]	[0.3]	710.7	- 18.0
1.3	- 4.9	- 79.5	5.6	- 77.1	Unemployment Compensation	68.4	- 4.6	- 6.3	75.6	- 9.5
95.7	0.0	0.0	90.4	5.9	Deferred Retirement Cost	1,142.0	0.0	0.0	1,072.9	6.4
46.8	0.0	0.0	44.8	4.5	CSRS Annuitant COLA	568.1	0.0	0.0	550.6	3.2
50.9	0.0	0.0	45.4	12.2	Annuitant Health Benefits	553.8	- 50.2	- 8.3	544.7	1.7
95.6	[59.1]	[161.9]	47.1	NM	Other Compensation	491.7	[70.8]	[16.8]	255.4	NM
$ 3,614.3	**[$ 2.3]**	**[0.1]**	**$ 3,483.7**	**3.7**	**Total Personnel Compensation**	**$ 43,410.1**	**$ - 18.5**	**- 0.0**	**$ 41,860.8**	**3.7**

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 12						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 316.9	[0.1]	[0.0]	$ 302.9	4.6	Transportation	$ 4,006.7	- 108.8	- 2.6	$ 3,822.6	4.8
290.6	- 146.1	- 33.4	284.1	2.3	Supplies & Services	3,401.1	- 467.4	- 12.1	2,720.1	25.0
160.9	- 1.3	- 0.8	124.0	29.8	Depreciation	1,657.3	- 4.5	- 0.3	1,500.5	10.5
65.2	- 3.1	- 4.5	61.9	5.4	Rent	710.4	- 12.1	- 1.7	663.6	7.1
40.1	[2.1]	[5.5]	39.0	2.6	Fuel & Utilities	385.8	- 20.7	- 5.1	373.9	3.2
27.1	[0.3]	[1.3]	25.8	4.8	Rural Carrier Equip Maint Allow	309.2	- 6.9	- 2.2	300.7	2.8
25.7	[1.8]	[7.3]	22.7	13.2	Vehicle Maintenance	300.2	- 0.3	- 0.1	290.2	3.5
18.1	[0.3]	[1.6]	19.5	- 7.3	Building Projects Expensed	213.3	[15.6]	[7.9]	203.0	5.1
4.7	[0.1]	[2.8]	4.6	4.1	Contract Job Cleaners	54.7	- 2.9	- 5.0	52.6	4.0
11.8	- 4.4	- 27.2	15.8	- 25.4	Travel & Relocation	165.1	- 26.5	- 13.8	158.3	4.3
27.5	[4.5]	[19.7]	22.9	20.0	Communications	238.1	[5.8]	[2.5]	191.4	24.4
5.2	- 0.7	- 11.9	5.5	- 5.2	Contract Stations	62.4	- 2.5	- 3.8	62.0	0.6
3.9	[0.0]	[1.2]	4.9	- 19.6	Printing	56.5	- 5.4	- 8.7	57.8	- 2.2
4.8	- 2.3	- 32.5	6.2	- 23.1	Training	66.1	- 15.6	- 19.1	66.3	- 0.2
5.9	[1.2]	[25.3]	5.1	16.4	Carfare & Tolls	59.9	[2.7]	[4.8]	54.9	9.1
3.4	[0.6]	[23.5]	2.7	24.7	Vehicle Hire	39.5	[6.3]	[19.1]	29.1	35.7
3.5	- 0.6	- 14.5	5.2	- 33.8	Accident Cost	44.9	[0.2]	[0.3]	48.3	- 7.1
- 5.3	- 1.4	- 35.1	- 0.1	NM	Capitalized Interest	- 55.7	- 3.7	- 7.0	- 41.3	- 35.0
50.7	[32.6]	NM	- 9.9	NM	Miscellaneous	302.0	[78.9]	[35.4]	335.7	- 10.0
$ 1,060.7	**- 116.0**	**- 9.9**	**$ 942.9**	**12.5**	**Total Other Operating Expenses**	**$ 12,017.6**	**- 567.8**	**- 4.5**	**$ 10,889.7**	**10.4**

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

Statement of Financial Position
Accounting Period 12, FY 1999
($ Millions)

Assets	August 13, 1999	July 16, 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	399	422	514
U.S. Government	153	146	154
Other	242	246	205
	794	814	873
Less allowances	127	125	88
	667	689	785
Supplies, advances and prepayments	360	344	348
Total Current Assets	**1,034**	**1,040**	**1,528**
Other assets _2/	381	381	379
Property and equipment, at cost:			
Buildings	16,224	16,147	15,123
Equipment	12,236	12,184	11,179
Land	2,364	2,360	2,286
	30,824	30,691	28,588
Less allowances for depreciation	11,474	11,418	10,362
	19,350	19,273	18,226
Construction in progress	2,771	2,722	2,073
Leasehold improvements, net	508	515	493
	22,629	22,510	20,792
Deferred Retirement Costs _3/	32,232	32,374	31,844
Total Assets	**$ 56,276**	**$ 56,305**	**$ 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 July 16, 1999 and August 13, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 12, FY 1999
($ Millions)

Liabilities and Equities	August 13, 1999	July 16, 1999	September 30, 1998 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,766	$ 5,534	$ 5,290
Estimated prepaid postage	1,673	1,673	1,673
Payables and accrued expenses:			
Foreign countries	604	649	780
U.S. Government	172	158	148
Other	2,602	2,628	742
	3,378	3,435	1,670
Appropriation for free & reduced rate mail	10	16	-
Prepaid permit mail and box rentals	1,653	1,606	1,955
Outstanding postal money orders	917	887	692
Current portion of long-term debt	414	451	3,633
Total Current Liabilities	**13,811**	**13,602**	**14,913**
Long-term debt, less current portion	2,885	2,886	2,788
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,845	31,845	30,138
Workers' compensation claims	5,417	5,397	4,923
Employees' accumulated leave	1,884	1,880	1,959
Other	873	889	632
Total Other Liabilities	40,019	40,011	37,652
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,473	- 3,228	- 3,844
Net Capital Deficiency	- 439	- 194	- 810
Total Liabilities and Equity	**$ 56,276**	**$ 56,305**	**$ 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)

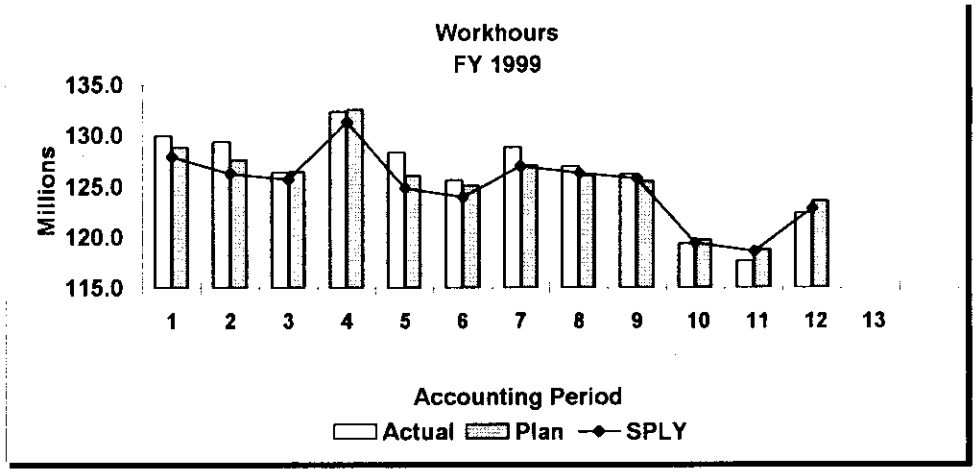
MAJOR CATEGORIES	COMMITMENTS A/P 12 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 12 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 555.3	$ 732.3	$ 751.5	$ 884.4	$ 927.2	$ 796.3
BUILDING IMPROVEMENTS	489.3	520.8	463.1	635.7	628.5	540.0
MAIL PROCESSING EQUIPMENT	608.1	502.9	513.1	782.3	740.6	636.2
VEHICLES	37.2	42.9	48.2	67.4	165.3	142.0
RETAIL EQUIPMENT	130.4	123.0	71.9	191.6	104.5	89.8
POSTAL SUPPORT EQUIPMENT	364.1	492.8	319.6	643.9	434.3	373.2
TOTAL COMMITMENTS/EXPENDITURES	$ 2,184.4	$ 2,414.7	$ 2,167.4	$ 3,205.3	$ 3,000.4	$ 2,577.5

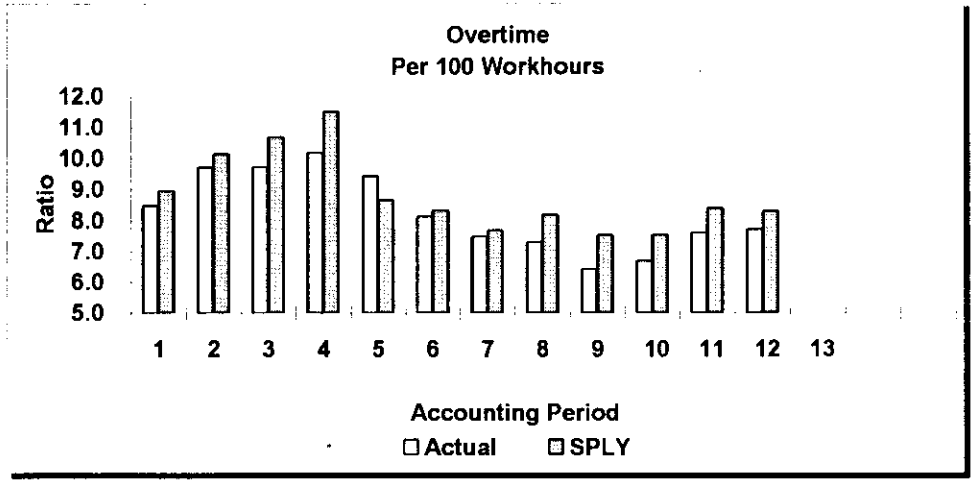
RESOURCES ON ORDER
($ MILLIONS)

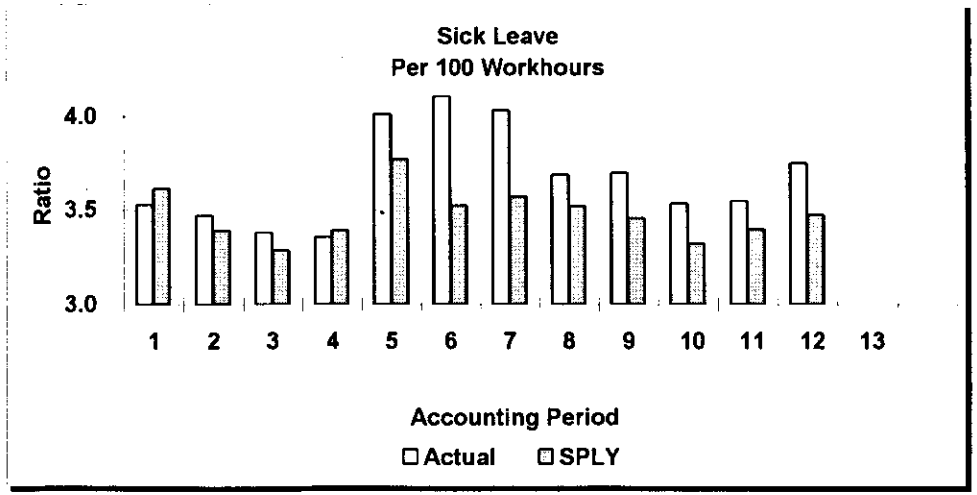
MAJOR CATEGORIES	Aug. 13, 1999	Sept. 30, 1998
CONSTRUCTION AND BUILDING PURCHASE	$ 570.4	$ 932.7
BUILDING IMPROVEMENTS	350.1	527.6
MAIL PROCESSING EQUIPMENT	1,104.1	1,279.7
VEHICLES	249.6	279.8
RETAIL EQUIPMENT	115.6	177.8
POSTAL SUPPORT EQUIPMENT	200.0	479.8
INVENTORIES	230.3	201.3
RESEARCH AND DEVELOPMENT	56.0	51.9
MISCELLANEOUS EXPENSE COMMITMENTS	4,089.2	3,352.3
TOTAL RESOURCES ON ORDER	$ 6,965.3	$ 7,282.9

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through August 13, 1999		FY 1999
Cash flows from operating activities:		
Net income/(loss) (Government Fiscal Year Basis)	$	371
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization		1,630
Increase/(decrease) in other liabilities		241
Increase/(decrease) in employees' accumulated leave		(75)
Increase/(decrease) in non-current workers' compensation claims		494
Increase/(decrease) in retirement, net		1,319
Changes in current assets and liabilities:		
Increase/(decrease) in accrued compensation and benefits		476
Increase/(decrease) in deferred revenue		(292)
Increase/(decrease) in payables and accrued expenses		1,708
(Increase)/decrease in receivables		118
(Increase)/decrease in supplies, advances and prepayments		(12)
Increase/(decrease) in outstanding postal money orders		225
Net cash provided by operating activities		**6,203**
Cash flows from investing activities:		
Sale/(purchase) of U.S. Government securities, net		1
Purchase of property and equipment, net		(3,467)
Net cash used in investing activities		**(3,466)**
Cash flows from financing activities:		
Increase/(decrease) in debt		3,122
(Increase)/decrease in other non-current assets		(2)
Net cash used by financing activities		**(3,124)**
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
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 12						Year to date				
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
769	- 72	- 8.5	766	0.4	-Support	9,385	- 209	- 2.2	9,002	4.3
30,963	- 426	- 1.4	32,004	- 3.3	-Mail Processing	406,112	- 1,278	- 0.3	414,151	- 1.9
12,787	[11]	[0.1]	12,385	3.2	-Rural Delivery	149,033	[763]	[0.5]	143,591	3.8
37,287	- 241	- 0.6	37,380	- 0.2	-Other Delivery	454,577	[3,175]	[0.7]	450,005	1.0
2,528	[24]	[1.0]	2,485	1.8	-Vehicles Services	30,918	[567]	[1.9]	30,232	2.3
6,251	- 209	- 3.2	6,198	0.9	-Plant & Equip Maint	75,717	- 828	- 1.1	74,421	1.7
19,918	- 272	- 1.3	20,000	- 0.4	-Customer Services	248,869	[3,286]	[1.3]	243,312	2.3
748	- 80	- 9.6	762	- 1.8	Controller	9,054	- 610	- 6.3	9,004	0.6
738	- 64	- 8.0	763	- 3.3	Human Resources	9,098	- 344	- 3.6	9,030	0.8
1,249	- 85	- 6.3	1,238	0.9	Customer Service & Sales	15,088	- 484	- 3.1	14,624	3.2
5,338	- 55	- 1.0	5,391	- 1.0	Administration	63,083	[505]	[0.8]	63,050	0.1
3,817	[277]	[7.8]	3,489	9.4	Other	45,226	[4,081]	[9.9]	40,469	11.8
122,393	- 1,192	- 1.0	122,861	- 0.4	Total Workhours	1,516,160	[8,624]	[0.6]	1,500,891	1.0

Overtime

Actual	Budget	SPLY		Actual	Budget	SPLY
7.7	7.2	8.3	Overtime Ratio Per 100 Workhours	8.3	7.4	8.9

Sick Leave

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

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.