

FY 2012 Special Cost Studies Workpapers Special Services (Public Portion) USPS-FY12-28

I. PREFACE

USPS-FY12-28 documents the unit cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY12-1. These cost studies include: Address Management Services (including Correction of Mailing Lists and ZIP Coding of Mailing Lists), Caller Service, Certificate of Mailing, Confirm, Change of Address Credit Card Authentication (Public Portion), Delivery Confirmation (Public Portion), Insurance, Money Order Inquiry and Money Order Float, Periodicals Applications, P.O. Box Key Replacement and Lock Changes, Restricted Delivery, Return Receipt, Signature Confirmation (Public Portion), Stamped Cards, Stamped Envelopes (including Personalized Stamped Envelopes Shipping), Stamp Fulfillment Services (Handling), and Stamp Fulfillment Services (Philatelic Products).

B. Predecessor Documents

USPS-FY11-28

C. Methodology

USPS-FY12-28 relies on the Postal Regulatory Commission (PRC) cost methodology based on USPS-FY11-28 and Order No. 1153, Docket No. RM2012-1.

In order to be consistent with the current Cost and Revenue Analysis (CRA) methodology, the Postal Service filed Proposal 14 (Docket No. RM2012-1) on November 1, 2011. Proposal 14 proposed updates to several Special Services cost models by adding the appropriate waiting time adjustment factor and miscellaneous factors. These models include: Caller Service, Certificate of Mailing, Correction of Mailing List, Signature Confirmation, Periodicals Applications, PO Box Key and Lock, Restricted Delivery, and ZIP Coding of Mailing List. Proposal 14 was subsequently approved in Order No. 1153, after the FY11 ACR was filed. The latest approved version of these Special Services cost models is used for FY12.

The Postal Service also proposed to correct and improve the cost models related to Return Receipt service in Proposal 15 (Docket No. RM2012-1). Proposal 15 was also approved in Order No. 1153. As a result, the latest approved version of the Return Receipt cost model is used for FY12.

D. Input/Output

Generally, these cost studies use inputs from USPS-FY12-1, USPS-FY12-2, USPS-FY12-7, USPS-FY12-8, USPS-FY12-24, and USPS-FY12-25.

1. Address Management Services

This cost study is contained in the EXCEL file "AMS2012.xls." It contains the cost models and cost sheets that are used to develop Address Management Services costs. A Direct Labor Survey was conducted in FY12 to determine the number of hours spent by the employees and contractors for Address Management Services (AMS). Using the surveyed hours and appropriate wage rates, direct labor costs were calculated for FY12. The direct labor to total labor cost ratio is then calculated and applied to the total costs to derive AMS costs. The costs of AMS are reported in the D report (USPS-FY12-31).

2. Caller Service

This cost study is contained in the EXCEL file "Caller Service2012.xls." It contains the cost models and cost sheets that are used to develop Caller Service costs. .

3. Certificate of Mailing

This cost study is contained in the EXCEL file "Certificate of Mailing2012.xls." It contains the cost models and cost sheets that are used to develop Certificate of Mailing costs

4. Change of Address Credit Card Authentication (Public Portion)

This cost study is contained in the EXCEL file "COACreditCardPub2012.xls." It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The calculation in USPS-FY12-28 does not reflect the Revenue Agreement with Imagitas. As a result, the revenue and expense figures in USPS-FY12-28 cannot be used to calculate the cost coverage. The cost of Change of Address Credit Card Authentication is reported in the D report (USPS-FY12-31).

5. Confirm

This cost study is contained in the EXCEL file "Confirm2012.xls." It contains the cost models and cost sheets that are used to develop Confirm costs. The cost for Confirm is reported in the D report (USPS-FY12-31).

6. Correction of Mailing Lists

This cost study is contained in the EXCEL file "Correction of Mailing Lists2012.xls." It contains the cost models and cost sheets that are used to develop Correction of Mailing Lists costs.

7. Delivery Confirmation (Public Portion)

This cost study is contained in the EXCEL file DelConPub-FY 2012.xls. It contains the cost models and cost sheets that are used to develop Delivery Confirmation unit cost estimates. The distribution of Delivery Confirmation costs to First-Class Package Service, Priority Mail and Parcel Select is reported in the D report (USPS-FY12-31).

8. Insurance

This cost study is contained in the EXCEL file "Insurance Costs2012.xls." It contains the cost models and cost sheets that are used to develop Insurance costs.

9. Money Order Inquiry and Money Order Float

This cost study is contained in the EXCEL file "Money Order Inquiry and Float2012.xls." The "Money Order Inquiry" sheet contains the cost models and cost sheets that are used to develop Money Order inquiry costs. The "ACTUAL TOTALS" sheet contains float information for money orders.

10. Periodicals Applications

This cost study is contained in the EXCEL file "Periodicals App Fee2012.xls." It contains the cost models and cost sheets that are used to develop Periodicals Application costs.

11. P.O. Box Key Replacement and Lock Changes

This cost study is contained in the EXCEL file "PO Boxes2012.xls." It contains the cost models and cost sheets that are used to develop P.O. Box key replacement and lock change costs.

12. Restricted Delivery

This cost study is contained in the EXCEL file "Restricted Delivery2012.xls." It contains the cost models and cost sheets that are used to develop Restricted Delivery costs.

13. Return Receipt

This cost study is contained in the EXCEL file "Return Receipt2012.xls." It contains the cost models and cost sheets that are used to develop Return Receipt costs.

14. Signature Confirmation (Public Portion)

This cost study is contained in the EXCEL file "SigConPub-FY 2012.xls." It contains the cost models and cost sheets that are used to develop Signature Confirmation costs.

15. Stamped Cards

This cost study is contained in the EXCEL file "Stamped Cards2012.xls". It contains the cost models and cost sheets that are used to develop Stamped Card costs.

16. Stamped Envelopes

This cost study is contained in the EXCEL file "Stamped Envelopes2012.xls." It contains the cost models and cost sheets that are used to develop Stamped Envelope costs.

17. Stamped Envelopes (Personalized Stamped Envelope Shipping Costs)

This cost study is contained in the EXCEL file "Stamped Envelopes _PSES2012.xls." It contains the cost models and cost sheets that are used to develop Personalized Stamped Envelope shipping costs. The Personalized Stamped Envelope shipping costs is reported in the D report (USPS-FY12-31).

18. Stamp Fulfillment Services (Handling)

This cost study is contained in the EXCEL file "SFS2012.xls." It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Handling) costs. The cost of Stamp Fulfillment Services (Handling) is reported in the D report (USPS-FY12-31).

19. Stamp Fulfillment Services (Philatelic Products)

This cost study is contained in the EXCEL file "SFS Philatelic2012.xls." It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Philatelic Products) costs. The cost of Stamp Fulfillment Services (Philatelic Products) is also reported in USPS-FY12-NP27.

20. ZIP Coding of Mailing Lists

This cost study is contained in the EXCEL file "Zip Coding of Mailing Lists2012.xls." It contains the cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs.