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UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications

Docket No. MC96-3

PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

(October 2, 1996)



The Postal Service is requested to provide the information described below to assist in developing the record for consideration of its request for classification and rate changes. In order to facilitate possible inclusion of the requested material in the evidentiary record, the Postal Service is to have a witness attest to the authenticity of each item provided and be prepared to explain, to the extent necessary, the content of each item provided. Please provide responses by October 15, 1996.

1. Refer to the following statements.

a. "Non-residents would be defined as those individual or business boxholders whose residence or place of business is not located within the 5-digit ZIP Code area of the office where box service is obtained." USPS T-7, p. 23-24.

b. "Box customers are considered non-residents when they obtain box service in post offices that are not responsible for delivery to the customers' street addresses." USPS T-7, p. 33.

c. "You would be considered a resident in the post office that provides your mail delivery." Tr. 3/804.

d. There are some residents in non-delivery offices who are eligible to receive delivery from other offices, for example: San Luis, Arizona. USPS-T-3, p. 5.

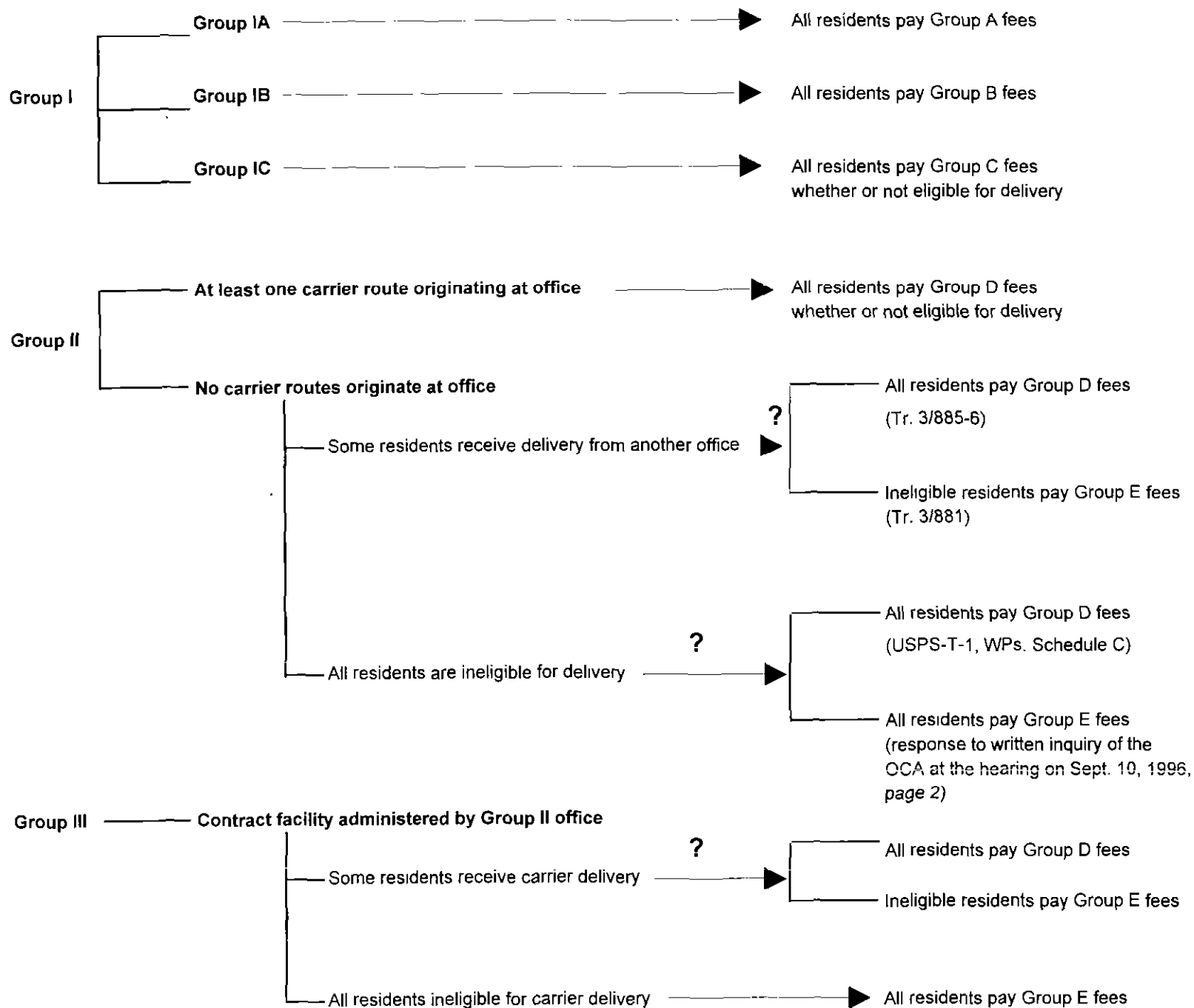
These statements appear to conflict, please reconcile or correct.

2. In response to POIR No. 2, Question 5, item c, witness Needham confirmed that box customers of the San Luis Post Office are charged Group II fees and will be charged Group D fees under the Postal Service's proposal. During oral cross examination, witness Needham indicated that resident boxholders at San Luis would receive free boxes. Tr. 4/1292-3. Please reconcile these apparently conflicting statements.

3. Refer to Exhibit A on the next page. Question marks indicate situations where uncertainty exists due to conflicting statements on the record. Please correct any inaccuracies and resolve conflicts.

4. In the Response Of The United States Postal Service To Written Inquiry Of The Office of The Consumer Advocate At The Hearing On September 10, 1996, at page 3, the Postal Service states "the fact that the proposal itself does not require [customers ineligible for delivery] to be treated the same has been criticized as inequitable. In this regard, the proposal is an improvement over the existing box fee structure." Why does the Service consider the proposal an improvement over the existing box fee structure when it increases the price gap between customers ineligible for delivery in Group III offices and customers ineligible for delivery in Group II offices 167 percent, from \$6 annually (\$8 - \$2) to \$16 annually (\$16 - \$0)?

Exhibit A



5. In response to POIR No. 3, Question 3, witness Needham states that the USPS proposal sets box fees on the basis of "the type of carrier delivery an office provides." The revenue projections are made on the assumption that all boxes of a post office will have the same fee category designation; i.e., a single post office will not have both free and fee boxes of the same size. During cross examination, witness Needham stated that a Post Office would charge different fees to different customers depending on whether they were eligible for carrier delivery. In particular, a non delivery office, under the USPS proposal, will offer free boxes to all customers ineligible for carrier delivery from any postal facility, but charge those customers eligible for delivery from another office. Tr. 3/881.

a. Please state whether or not the Postal Service intends to offer both free and fee boxes of the same size at the same office.

b. If the Commission recommends this aspect of the Service's proposal how will this information be reflected in the Domestic Mail Classification Schedule or the Domestic Mail Manual?

c. Please discuss how the status of a customer claiming to be ineligible for delivery will be verified.

d. Please discuss how the fee will be set for the customer eligible for delivery, particularly in the case where the non-delivery office receives requests for boxes from customers receiving delivery from city routes and from customers receiving delivery from rural routes.

e. What analysis has been conducted concerning the administrative burdens of charging different fees for the same size box at the same post office based on whether or not the customer is eligible for delivery?

6. The information presented in this case creates ambiguity on exactly what constitutes the proposal for Post Office Box fees that the USPS is asking the Commission to consider. For example, the cost and revenue analysis assumes that no Group II offices will be provided free boxes. USPS-T-1, WP Schedule C. Yet, definite statements have been made that all customers of non-delivery offices will receive free boxes unless they are eligible for delivery from some other office. Tr. 4/1292-3. Then, in the September 18, 1996, response of the USPS to a question of the OCA posed at the hearing on September 10, 1996, it is stated that "a major goal of the Postal Service's proposal is to extend free box service to customers ineligible for carrier delivery from any office."

Should the Commission consider the proposal of the USPS on free boxes to be: (a) that which is reflected in the revenue analyses; (b) that which can be extracted from the collection of statements concerning who is being promised free boxes; (c) the "goal" of free boxes for all those ineligible for carrier delivery. To assist the Commission and parties assess the impact of the various interpretations that are possible, please clarify what is being proposed. Also, please provide an analysis of the minimum, maximum and likely impact on net projected revenues if the USPS proposal does include free boxes for all customers ineligible for carrier delivery from any office who are served by a Group II non-delivery office and, as a separate case, if the USPS goal of free boxes for all customers not eligible for carrier deliver regardless of office designation is achieved.

7. Refer to USPS-T-1, WP C.

a. Please explain why the acceptance rates for non-resident Tier1, box sizes 1, 2 & 3, and Tier2, box size 1, shown

on page 3, column 6, are calculated using the survey acceptance percentages for mid-to-high prices listed on page 5, Table 2, when in all cases the proposed non-resident box prices are higher than the highest prices tested in the market research survey.

b. Please explain why the acceptance rates for Tier2 box sizes 2 and 3 are calculated using the acceptance percentage for the low-to-mid price.

8. Please discuss the possibility that the acceptance rates by non-resident box holders of the proposed non-resident fee might have been lower if they were told that the increase included a non-resident fee. For example, how might the acceptance rate have been affected if non-resident boxholders had been informed that a part of the increase could be avoided by changing post offices at which they rented a box.

9. In the acceptance survey, LR SSR-111, rural boxholders were asked initially if they would accept a fee (\$24) that was six times greater than the fee they were currently paying (\$4). Upon answering no, they were asked if they would accept a fee (\$8) that, although double what they were currently paying, was only one third of the fee they were initially asked about. These large differences in price were not present in the case of urban respondents. Please discuss any possible bias which may result from testing the fees in this sequence.

10. Please provide the number of ZIP Code changes (new boundary adjustment, etc.) that have been made for each of the last five years and the number of post office boxes receiving a new ZIP Code as a result of these changes.

11. In LR SSR-1, page 1-1, footnote 1 states "Costs for these contract stations are included in Cost Segment 13." On page 13-2 of the same document, it states "Because the costs of

[contract stations] are classified as institutional, no accrued costs are attributable." Please confirm that the costs for all current Group III boxes are institutionalized. If you cannot confirm, please explain.

12. Please provide the FY 1994 billing determinants for Priority and Express Mail.

13. Refer to LR-SSR-121, WP B (Revised 7/26/96), Table 4.

a. Please show step-by-step how you have derived the -13 percent and 10 percent growth factors for Special Handling transactions.

b. Please explain if it is proper to use the growth rates of both bulk and single piece in deriving the growth factor for fourth-class Special Handling transactions.

14. Encirclement Rules

a. Rule No. 13. This rule applies to a situation where the special service is certified mail, there is no other special service on the mail piece, the uniform operation code is postage due (00), platform acceptance (07), window service (09), or other accountable work (23), and a clerk or mailhandler is involved. Since there is only one special service, certified mail, the subclass of mail must be First-Class or Priority because only these two subclasses are eligible for certified mail.

(1) With respect to postage due, the rule does not distinguish between postage due for the First-Class Mail or Priority Mail postage versus postage due for the certified mail fee. What is the rationale for assigning the postage due cost only to certified mail?

(2) With respect to platform acceptance, since the mailing is likely to be a bulk mailing and since there also will be a mailing statement, what is the rationale for assigning the

acceptance cost only to certified mail rather than First-Class Mail or Priority Mail? The acceptance clerk has to take time to check both the postage and the certified fee and none of the criteria in the rule indicate the clerk was working only on the certified mail fee at the time of the IOCS observation.

b. Rule No. 21. This rule differs from rule no. 13 only in that more than one special service is present on the mail piece. With respect to postage due and platform acceptance, what is the rationale for selecting certified mail rather than the other special services or the subclass of mail?

15. Other IOCS. Based on Patelunas' workpaper C-2, 89 percent of the mail processing direct labor cost for certified mail is contained in uniform operation code 06, Nixie (\$27.9 million out of \$31.2 million). Since the mail piece contains the incorrect, illegible, or insufficient address, what is the rationale for assigning the cost of the nixie section clerk to certified mail rather than the subclass of the mail piece? Please describe the activities that occur in operation code 06, NIXIE.

16. CRA. In response to Presiding Officer's Information Request No. 3, question 7, witness. Patelunas states that "... the special study is meant to capture costs that may not be captured in the CRA as return receipt costs." He also states that a portion of return receipt costs are included in U.S. Postal Service penalty mail attributable costs as well as in "other" special services. Further, he observes that the city carrier street cost system does not collect information on the time a carrier spends obtaining a signature on return receipt.

a. Please provide the amount of attributable cost included in USPS penalty mail that is properly assignable to

return receipt. Please provide the source or the workpapers supporting this cost figure.

b. Please provide a complete list of cost segments and components showing where return receipt costs are included and whether the amount is identified or not identified with return receipt by the CRA system.

c. Please provide a cross walk between each of the cost functions in the special study in USPS-LR-SSR-104, pages 8 and 9 (e.g., the functions identified as window acceptance, carrier/driver delivery and call window/box second delivery, etc.) and the list provided in response to part b. above that shows how the special study captures all the costs of return receipts whether or not these costs are identified with return receipt by the CRA.

d. Patelunas' Exhibit USPS-T-5A, page 28, shows zero attributable dollars for other special services with respect to elemental load time and other load time. In response to POIR No. 3, Question 7, Patelunas states that the city carrier data system does not collect the additional time a carrier needs to obtain a signature on return receipt cards. This implies that the cost associated with this activity is captured as part of total load time, but the portion attributable to obtaining signatures is not specifically identified. Is this non-identified amount distributed to mail categories other than return receipt or does the Service adjust the total attributable load time cost to remove the non-identified amount attributable to return receipt before distribution to the other mail categories. If the Service does not adjust the load time attributable cost to remove the portion attributable to return receipt for obtaining signatures, provide a rationale for not adjusting this cost.

e. In response to OCA/USPS-T8-18 and POIR No. 4, Question 7, Patelunas states that a portion of attributable return receipt costs are contained in the attributable costs for U.S. Postal Service penalty mail. He also states that the special study is intended to capture this attributable cost for return receipt. Because U.S. Postal Service penalty mail attributable costs are added to institutional costs, the implication is that some attributable costs for return receipt are borne by all mail categories. Does the Postal Service adjust the institutional costs so that this is not the case? If not, what is the rationale for distributing some portion of return receipt attributable cost to all mail categories?

17. The additional workday effect (AWE) for cost segment 18 components Repriced Annual Leave (Comp. 199), Holiday Leave Variance (Comp. 200), Civil Service Retirement Fund Deficit-Current (Comp. 201), and Workers Compensation (Comp. 204) is described in Postal Service Library Reference SSR-5, Section 3 at 710-715 (handwritten page numbers). This description indicates that the AWE for these components is a redistribution of cost change (control string "18") using a distribution key comprised of 67 components (Total labor costs less costs for segment 11 Postal Operating Equipment Maintenance Labor, component no. 75). This description is also noted in USPS Library Reference SSR-4, filename VBL4 at 513-514 (handwritten page numbers).

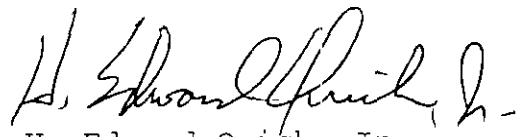
The AWE treatment for these four cost components does not appear to be consistent with either the Volume effect or the Non-volume Workload effect. For these two cost effects, the control string is the same but the distribution key is different as it includes the costs from segment 11 component no. 75.

Additionally, the USPS Library Reference SSR-8, **Rollforward:**

Volume Variable Cost Report Footnotes, refers to the volume effect as the treatment of the AWE for these four components.

Attachments 1 and 2 detail the AWE for the four segment 18 components. Attachment 1 shows the effect as is reported in USPS LR-SSR-4 and 5, excluding segment 11 component 75 from the distribution key. Attachment 2 shows the effect as is reported in USPS LR-SSR-8, including the segment 11 component 75 in the distribution key.

Please confirm the accuracy of the description of the segment 18 AWE in Library References SSR-4 and 5. If these descriptions are accurate, please explain the reasons why the segment 11 component no. 75 was excluded from the segment 18 AWE distribution key. If the descriptions are not accurate please provide the correct distribution key and show any effect on the Test Year After Rates costs for the segment 18 components 199, 200, 201, and 204.


H. Edward Quick, Jr.
Presiding Officer

Development of Additional Workday Cost Effect Distribution Key
Components 199, 200, 201, and 204
Docket No MC96-3 Cost Roll-Forward

Without Component 75

	Base Year Distribution	Cost Level Distribution	Mail Volume Distribution	Mail Volume Subtotal	Non-Vol Wrld Distribution	Non-Vol Wrld Subtotal	Addl Wrldy Distribution	Addl Wrldy Subtotal
First-Class Letters & Parcels	9,678,999	121,594	77,211	9,877,804	899	9,878,703	0	9,878,703
First-Class Presort Ltr & Pcl	2,818,306	34,401	146,107	2,998,814	275	2,999,089	0	2,999,089
First-Class Postal Cards	20,533	274	-491	20,316	8	20,324	0	20,324
First-Class Post Cards	308,654	3,829	20,751	333,234	66	333,300	0	333,300
First-Class Prst Post Cards	99,850	1,231	5,742	106,823	19	106,842	0	106,842
Total First Class	12,926,342	161,329	249,320	13,336,991	1,267	13,338,258	0	13,338,258
Priority Mail	591,150	7,798	70,206	669,154	-19	669,135	0	669,135
Express Mail	278,779	3,046	2,310	284,135	41	284,176	122	284,298
Mailgrams	723	9	-139	593	0	593	0	593
Second-Class Within County	55,420	656	825	56,901	9	56,910	0	56,910
Second-Class Reg Rate	849,145	10,374	-6,382	853,137	52	853,189	0	853,189
Second-Class Nonprofit	199,967	2,437	-3,982	198,422	20	198,442	0	198,442
Second-Class Classroom	7,649	93	370	8,112	1	8,113	0	8,113
Total Second-Class	1,112,181	13,560	-9,169	1,116,572	82	1,116,654	0	1,116,654
Third-Class Single Piece	162,764	2,030	-22,506	142,288	20	142,308	0	142,308
Third-Class Bulk Reg Car Prst	1,416,028	16,426	19,987	1,452,441	515	1,452,956	0	1,452,956
Third-Class Bulk Reg Other	2,959,050	36,508	118,984	3,114,542	154	3,114,696	0	3,114,696
Third-Class Bulk Reg Total	4,375,078	52,934	138,971	4,566,983	669	4,567,652	0	4,567,652
Third-Class Bulk NP Car Prst	96,379	1,113	3,743	101,235	36	101,271	0	101,271
Third-Class Bulk NP Other	678,940	8,327	-4,468	682,799	34	682,833	0	682,833
Third-Class Bulk NP Total	775,319	9,440	-725	784,034	70	784,104	0	784,104
Third-Class Total	5,313,161	64,404	115,740	5,493,305	759	5,494,064	0	5,494,064
Fourth-Class Parcel Post	249,215	3,023	3,299	255,537	20	255,557	0	255,557
Fourth-Class Bnd Prnt Matt	139,718	1,668	17,713	159,099	55	159,154	0	159,154
Fourth-Class Special Rate	140,877	1,777	15,681	158,335	22	158,357	0	158,357
Fourth-Class Library Rate	28,283	358	-6,521	22,120	3	22,123	0	22,123
Fourth-Class Total	558,093	6,826	30,172	595,091	100	595,191	0	595,191
Penalty-USPS	155,161	1,942	-2,585	154,518	18	154,536	0	154,536
Free Mail for the Blind & Hndc	16,066	192	1,445	17,703	3	17,706	0	17,706
International Mail	409,033	5,192	14,009	428,234	11	428,245	0	428,245
Total All Mail	21,360,689	264,298	471,309	22,096,296	2,262	22,098,558	122	22,098,680
Registry	38,262	494	-3,193	35,563	-1	35,562	0	35,562
Certified	220,134	2,778	-994	221,918	-3	221,915	0	221,915
Insurance	16,996	226	96	17,318	0	17,318	0	17,318
COD	15,858	213	-1,716	14,355	0	14,355	0	14,355
Special Delivery	1,775	15	-1,789	1	0	1	0	1
Money Orders	145,432	1,921	-721	146,632	-3	146,629	6	146,635
Stamped Envelopes	3,677	53	0	3,730	0	3,730	0	3,730
Special Handling	3,323	44	127	3,494	0	3,494	0	3,494
Post Office Box	81,900	1,164	-9,771	73,293	-8	73,285	0	73,285
Other	162,103	2,059	0	164,162	0	164,162	0	164,162
Total Special Services	689,460	8,967	-17,961	680,466	-15	680,451	6	680,457
Total Attributable	22,050,149	273,265	453,348	22,776,762	2,247	22,779,009	128	22,779,137
Other Costs	14,067,770	219,586	0	14,287,356	90,388	14,377,744	20,079	14,397,823
Total Costs	36,117,919	492,851	453,348	37,064,118	92,635	37,156,753	20,207	37,176,960

Repriced Annual Leave
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

USPS Methodology
Component 199

	Base Year RAL	RAL Mail Volume	RAL Non-Vol Wrkl'd.	Sub- Total	RAL Addl Wrkdy Distrib.	Addl. Wrkdy. Adjustment
First-Class Letters & Parcels	8934	-90	-20	8824	8716	-108
First-Class Presort Ltr & Pcl	2597	71	-6	2662	2646	-16
First-Class Postal Cards	18	0	0	18	18	0
First-Class Post Cards	283	13	-1	295	294	-1
First-Class Prst Post Cards	92	2	0	94	94	0
Total First Class	11924	-4	-27	11893	11768	-125
Priority Mail	530	53	-1	582	590	8
Express Mail	246	0	-1	245	251	6
Mailgrams	1	0	0	1	1	0
Second-Class Within County	50	-1	0	49	50	1
Second-Class Reg Rate	769	-23	-2	744	753	9
Second-Class Nonprofit	181	-8	0	173	175	2
Second-Class Classroom	7	0	0	7	7	0
Total Second-Class	1007	-32	-2	973	985	12
Third-Class Single Piece	151	-24	-1	126	126	0
Third-Class Bulk Reg Car Prst	1277	-15	-2	1260	1282	22
Third-Class Bulk Reg Other	2697	56	-7	2746	2748	2
Third-Class Bulk Reg Total	3974	41	-9	4006	4030	24
Third-Class Bulk NP Car Prst	88	0	0	88	89	1
Third-Class Bulk NP Other	621	-17	-1	603	602	-1
Third-Class Bulk NP Total	709	-17	-1	691	691	0
Third-Class Total	4834	0	-11	4823	4847	24
Fourth-Class Parcel Post	230	-3	-1	226	225	-1
Fourth-Class Bnd Prnt Matt	130	12	-1	141	140	-1
Fourth-Class Special Rate	130	12	0	142	140	-2
Fourth-Class Library Rate	26	-6	0	20	20	0
Fourth-Class Total	516	15	-2	529	525	-4
Penalty-USPS	142	-6	-1	135	136	1
Free Mail for the Blind & Hndc	15	1	0	16	16	0
International Mail	373	7	-1	379	378	-1
Total All Mail	19588	34	-46	19576	19497	-79
Registry	34	-3	0	31	31	0
Certified	194	-2	-1	191	196	5
Insurance	15	0	0	15	15	0
COD	14	-2	0	12	13	1
Special Delivery	2	-2	0	0	0	0
Money Orders	128	-1	-1	126	129	3
Stamped Envelopes	3	0	0	3	3	0
Special Handling	3	0	0	3	3	0
Post Office Box	72	-9	0	63	65	2
Other	149	-4	0	145	145	0
Total Special Services	614	-23	-2	589	600	11
Total Attributable	20202	11	-48	20165	20097	-68
Other Costs	12598	-11	48	12635	12703	68
Total Costs	32800	0	0	32800	32800	0

Holiday Leave Variance
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

USPS Methodology
Component 200

	Base Year HLV	HLV Mail Volume	HLV Non-Vol. Wrkl'd.	Sub- Total	HLV Addl Wrkdy Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	2424	-24	-6	2394	2365	-29
First-Class Presort Ltr & Pcl	705	19	-2	722	718	-4
First-Class Postal Cards	5	0	0	5	5	0
First-Class Post Cards	77	3	0	80	80	0
First-Class Prst Post Cards	25	1	0	26	26	0
Total First Class	3236	-1	-8	3227	3194	-33
Priority Mail	144	14	0	158	160	2
Express Mail	67	0	0	67	68	1
Mailgrams	0	0	0	0	0	0
Second-Class Within County	14	-1	0	13	14	1
Second-Class Reg Rate	209	-7	0	202	204	2
Second-Class Nonprofit	49	-2	0	47	48	1
Second-Class Classroom	2	0	0	2	2	0
Total Second-Class	274	-10	0	264	268	4
Third-Class Single Piece	41	-7	0	34	34	0
Third-Class Bulk Reg Car Prst	347	-5	0	342	348	6
Third-Class Bulk Reg Other	732	15	-2	745	746	1
Third-Class Bulk Reg Total	1079	10	-2	1087	1094	7
Third-Class Bulk NP Car Prst	24	0	0	24	24	0
Third-Class Bulk NP Other	168	-4	0	164	163	-1
Third-Class Bulk NP Total	192	-4	0	188	187	-1
Third-Class Total	1312	-1	-2	1309	1315	6
Fourth-Class Parcel Post	62	0	-1	61	61	0
Fourth-Class Bnd Pmt Matt	35	3	0	38	38	0
Fourth-Class Special Rate	35	4	-1	38	38	0
Fourth-Class Library Rate	7	-2	0	5	5	0
Fourth-Class Total	139	5	-2	142	142	0
Penalty-USPS	38	-1	0	37	37	0
Free Mail for the Blind & Hndc	4	0	0	4	4	0
International Mail	101	2	0	103	103	0
Total All Mail	5315	8	-12	5311	5291	-20
Registry	9	-1	0	8	9	1
Certified	53	-1	0	52	53	1
Insurance	4	0	0	4	4	0
COD	4	-1	0	3	3	0
Special Delivery	0	0	0	0	0	0
Money Orders	35	-1	0	34	35	1
Stamped Envelopes	1	0	0	1	1	0
Special Handling	1	0	0	1	1	0
Post Office Box	19	-2	0	17	18	1
Other	40	-1	0	39	39	0
Total Special Services	166	-7	0	159	163	4
Total Attributable	5481	1	-12	5470	5454	-16
Other Costs	3419	-1	12	3430	3446	16
Total Costs	8900	0	0	8900	8900	0

Civil Service Retirement Fund Deficit - Current
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

USPS Methodology
Component 201

	Base Year CSRFD	CSRFD Mail Volume	CSRFD Non-Vol Wrkl	Sub- Total	CSRFD Addl Wrkdy. Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	15704	-157	-37	15510	15320	-190
First-Class Presort Ltr & Pcl	4566	124	-11	4679	4651	-28
First-Class Postal Cards	32	-1	0	31	32	1
First-Class Post Cards	497	23	-1	519	517	-2
First-Class Prst Post Cards	161	5	-1	165	166	1
Total First Class	20960	-6	-50	20904	20686	-218
Priority Mail	931	94	-2	1023	1038	15
Express Mail	433	-1	-1	431	441	10
Mailgrams	1	0	0	1	1	0
Second-Class Within County	88	-1	-1	86	88	2
Second-Class Reg Rate	1352	-41	-3	1308	1323	15
Second-Class Nonprofit	318	-14	-1	303	308	5
Second-Class Classroom	12	1	-1	12	13	1
Total Second-Class	1770	-55	-6	1709	1732	23
Third-Class Single Piece	265	-42	-1	222	221	-1
Third-Class Bulk Reg Car Prst	2245	-26	-5	2214	2253	39
Third-Class Bulk Reg Other	4742	97	-12	4827	4830	3
Third-Class Bulk Reg Total	6987	71	-17	7041	7083	42
Third-Class Bulk NP Car Prst	154	1	0	155	157	2
Third-Class Bulk NP Other	1091	-29	-2	1060	1059	-1
Third-Class Bulk NP Total	1245	-28	-2	1215	1216	1
Third-Class Total	8497	1	-20	8478	8520	42
Fourth-Class Parcel Post	404	-5	-1	398	396	-2
Fourth-Class Bnd Prnt Matt	228	21	-1	248	247	-1
Fourth-Class Special Rate	229	21	-1	249	246	-3
Fourth-Class Library Rate	46	-11	0	35	34	-1
Fourth-Class Total	907	26	-3	930	923	-7
Penalty-USPS	249	-11	0	238	240	2
Free Mail for the Blind & Hndc	26	2	0	28	27	-1
International Mail	655	13	-2	666	664	-2
Total All Mail	34429	63	-84	34408	34272	-136
Registry	60	-5	-1	54	55	1
Certified	342	-5	-1	336	344	8
Insurance	27	-1	0	26	27	1
COD	25	-3	0	22	22	0
Special Delivery	3	-3	0	0	0	0
Money Orders	224	-1	-1	222	227	5
Stamped Envelopes	6	0	0	6	6	0
Special Handling	5	0	0	5	5	0
Post Office Box	126	-15	0	111	114	3
Other	262	-7	-1	254	255	1
Total Special Services	1080	-40	-4	1036	1055	19
Total Attributable	35509	23	-88	35444	35327	-117
Other Costs	22146	-23	88	22211	22328	117
Total Costs	57655	0	0	57655	57655	0

Workers Compensation - Current
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

USPS Methodology
Component 204

	Base Year WC Curr	WC Curr Mail Volume	WC Curr Non-Vol Wrkl'd	Sub- Total	WC Curr Addl Wrkdy. Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	143637	-1440	-334	141863	140126	-1737
First-Class Presort Ltr & Pcl	41761	1135	-100	42796	42541	-255
First-Class Postal Cards	296	-13	-1	282	288	6
First-Class Post Cards	4549	204	-10	4743	4728	-15
First-Class Prst Post Cards	1472	44	-3	1513	1516	3
Total First Class	191715	-70	-448	191197	189199	-1998
Priority Mail	8514	862	-23	9353	9491	138
Express Mail	3963	-11	-9	3943	4033	90
Mailgrams	11	-2	0	9	8	-1
Second-Class Within County	803	-10	-2	791	807	16
Second-Class Reg Rate	12363	-375	-28	11960	12102	142
Second-Class Nonprofit	2910	-129	-7	2774	2815	41
Second-Class Classroom	112	2	0	114	115	1
Total Second-Class	16188	-512	-37	15639	15839	200
Third-Class Single Piece	2420	-383	-5	2032	2019	-13
Third-Class Bulk Reg Car Prst	20537	-245	-42	20250	20610	360
Third-Class Bulk Reg Other	43369	890	-106	44153	44181	28
Third-Class Bulk Reg Total	63906	645	-148	64403	64791	388
Third-Class Bulk NP Car Prst	1411	10	-3	1418	1436	18
Third-Class Bulk NP Other	9980	-265	-24	9691	9686	-5
Third-Class Bulk NP Total	11391	-255	-27	11109	11122	13
Third-Class Total	77717	7	-180	77544	77932	388
Fourth-Class Parcel Post	3692	-44	-9	3639	3625	-14
Fourth-Class Bnd Pmt Matt	2084	192	-5	2271	2258	-13
Fourth-Class Special Rate	2094	188	-5	2277	2246	-31
Fourth-Class Library Rate	416	-99	-1	316	314	-2
Fourth-Class Total	8286	237	-20	8503	8443	-60
Penalty-USPS	2281	-100	-5	2176	2192	16
Free Mail for the Blind & Hndc	238	16	-1	253	251	-2
International Mail	5990	118	-15	6093	6075	-18
Total All Mail	314903	545	-738	314710	313463	-1247
Registry	549	-50	-1	498	504	6
Certified	3127	-42	-8	3077	3148	71
Insurance	243	-3	0	240	246	6
COD	226	-26	-1	199	204	5
Special Delivery	25	-25	0	0	0	0
Money Orders	2050	-14	-5	2031	2080	49
Stamped Envelopes	52	0	0	52	53	1
Special Handling	47	2	-1	48	50	2
Post Office Box	1155	-138	-2	1015	1040	25
Other	2395	-62	-5	2328	2329	1
Total Special Services	9869	-358	-23	9488	9654	166
Total Attributable	324772	187	-761	324198	323117	-1081
Other Costs	202571	-187	761	203145	204226	1081
Total Costs	527343	0	0	527343	527343	0

Development of Additional Workday Cost Effect Distribution Key
Components 199, 200, 201, and 204
Docket No. MC96-3 Cost Roll-Forward

With Component 75

	Base Year Distribution	Cost Level Distribution	Mail Volume Distribution	Mail Volume Subtotal	Non-Vol Wrkl'd Distribution	Non-Vol Wrkl'd, Subtotal	Addl Wrkdy Distribution	Addl Wrkdy Subtotal
First-Class Letters & Parcels	10,039,705	123,485	80,196	10,243,386	899	10,244,285	0	10,244,285
First-Class Presort Ltr & Pcl	2,904,664	34,854	150,593	3,090,111	275	3,090,386	0	3,090,386
First-Class Postal Cards	20,607	275	-493	20,389	8	20,397	0	20,397
First-Class Post Cards	317,200	3,874	21,328	342,402	66	342,468	0	342,468
First-Class Prst Post Cards	102,117	1,243	5,873	109,233	19	109,252	0	109,252
Total First Class	13,384,293	163,731	257,497	13,805,521	1,267	13,806,788	0	13,806,788
Priority Mail	596,699	7,827	70,861	675,387	-19	675,368	0	675,368
Express Mail	279,330	3,049	2,317	284,696	41	284,737	122	284,859
Mailgrams	750	9	-144	615	0	615	0	615
Second-Class Within County	55,615	657	828	57,100	9	57,109	0	57,109
Second-Class Reg Rate	859,627	10,429	-6,457	863,599	52	863,651	0	863,651
Second-Class Nonprofit	201,902	2,447	-4,019	200,330	20	200,350	0	200,350
Second-Class Classroom	7,778	94	376	8,248	1	8,249	0	8,249
Total Second-Class	1,124,922	13,627	-9,272	1,129,277	82	1,129,359	0	1,129,359
Third-Class Single Piece	167,884	2,057	-23,208	146,733	20	146,753	0	146,753
Third-Class Bulk Reg Car Prst	1,425,165	16,474	20,126	1,461,765	515	1,462,280	0	1,462,280
Third-Class Bulk Reg Other	3,029,554	36,877	121,817	3,188,248	154	3,188,402	0	3,188,402
Third-Class Bulk Reg Total	4,454,719	53,351	141,943	4,650,013	669	4,650,682	0	4,650,682
Third-Class Bulk NP Car Prst	97,466	1,119	3,786	102,371	36	102,407	0	102,407
Third-Class Bulk NP Other	695,969	8,417	-4,576	699,810	34	699,844	0	699,844
Third-Class Bulk NP Total	793,435	9,536	-790	802,181	70	802,251	0	802,251
Third-Class Total	5,416,038	64,944	117,945	5,598,927	759	5,599,686	0	5,599,686
Fourth-Class Parcel Post	256,314	3,061	3,395	262,770	20	262,790	0	262,790
Fourth-Class Bnd Pmt Matt	144,004	1,691	18,258	163,953	55	164,008	0	164,008
Fourth-Class Special Rate	146,314	1,805	16,285	164,404	22	164,426	0	164,426
Fourth-Class Library Rate	29,165	363	-6,722	22,806	3	22,809	0	22,809
Fourth-Class Total	575,797	6,920	31,216	613,933	100	614,033	0	614,033
Penalty-USPS	157,780	1,956	-2,628	157,108	18	157,126	0	157,126
Free Mail for the Blind & Hndc	16,597	195	1,492	18,284	3	18,287	0	18,287
International Mail	420,326	5,252	14,396	439,974	11	439,985	0	439,985
Total All Mail	21,972,532	267,510	483,680	22,723,722	2,262	22,725,984	122	22,726,106
Registry	38,701	496	-3,229	35,968	-1	35,967	0	35,967
Certified	220,430	2,779	-996	222,213	-3	222,210	0	222,210
Insurance	17,000	226	96	17,322	0	17,322	0	17,322
COD	15,883	213	-1,719	14,377	0	14,377	0	14,377
Special Delivery	1,783	15	-1,797	1	0	1	0	1
Money Orders	145,432	1,921	-721	146,632	-3	146,629	6	146,635
Stamped Envelopes	3,677	53	0	3,730	0	3,730	0	3,730
Special Handling	3,330	44	128	3,502	0	3,502	0	3,502
Post Office Box	81,900	1,164	-9,771	73,293	-8	73,285	0	73,285
Other	166,013	2,079	0	168,092	0	168,092	0	168,092
Total Special Services	694,149	8,990	-18,009	685,130	-15	685,115	6	685,121
Total Attributable	22,666,681	276,500	465,671	23,408,852	2,247	23,411,099	128	23,411,227
Other Costs	14,358,118	221,106	0	14,579,224	90,388	14,669,612	20,517	14,690,129
Total Costs	37,024,799	497,606	465,671	37,988,076	92,635	38,080,711	20,645	38,101,356

Repriced Annual Leave
 Additional Workday Cost Effect
 MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

PRC Methodology

	Base Year RAL	RAL Mail Volume	RAL Non-Vol. Wrkl'd	Sub- Total	RAL Addl. Wrkdy Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	8934	-90	-20	8824	8819	-5
First-Class Presort Ltr & Pcl	2597	71	-6	2662	2660	-2
First-Class Postal Cards	18	0	0	18	18	0
First-Class Post Cards	283	13	-1	295	295	0
First-Class Prst Post Cards	92	2	0	94	94	0
Total First Class	11924	-4	-27	11893	11886	-7
Priority Mail	530	53	-1	582	581	-1
Express Mail	246	0	-1	245	245	0
Mailgrams	1	0	0	1	1	0
Second-Class Within County	50	-1	0	49	49	0
Second-Class Reg Rate	769	-23	-2	744	743	-1
Second-Class Nonprofit	181	-8	0	173	172	-1
Second-Class Classroom	7	0	0	7	7	0
Total Second-Class	1007	-32	-2	973	971	-2
Third-Class Single Piece	151	-24	-1	126	126	0
Third-Class Bulk Reg Car Prst	1277	-15	-2	1260	1259	-1
Third-Class Bulk Reg Other	2697	56	-7	2746	2745	-1
Third-Class Bulk Reg Total	3974	41	-9	4006	4004	-2
Third-Class Bulk NP Car Prst	88	0	0	88	88	0
Third-Class Bulk NP Other	621	-17	-1	603	602	-1
Third-Class Bulk NP Total	709	-17	-1	691	690	-1
Third-Class Total	4834	0	-11	4823	4820	-3
Fourth-Class Parcel Post	230	-3	-1	226	226	0
Fourth-Class Bnd Prnt Matt	130	12	-1	141	141	0
Fourth-Class Special Rate	130	12	0	142	142	0
Fourth-Class Library Rate	26	-6	0	20	20	0
Fourth-Class Total	516	15	-2	529	529	0
Penalty-USPS	142	-6	-1	135	135	0
Free Mail for the Blind & Hndc	15	1	0	16	16	0
International Mail	373	7	-1	379	379	0
Total All Mail	19588	34	-46	19576	19563	-13
Registry	34	-3	0	31	31	0
Certified	194	-2	-1	191	191	0
Insurance	15	0	0	15	15	0
COD	14	-2	0	12	12	0
Special Delivery	2	-2	0	0	0	0
Money Orders	128	-1	-1	126	126	0
Stamped Envelopes	3	0	0	3	3	0
Special Handling	3	0	0	3	3	0
Post Office Box	72	-9	0	63	63	0
Other	149	-4	0	145	145	0
Total Special Services	614	-23	-2	589	589	0
Total Attributable	20202	11	-48	20165	20152	-13
Other Costs	12598	-11	48	12635	12648	13
Total Costs	32800	0	0	32800	32800	0

Holiday Leave Variance
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

PRC Methodology

	Base Year HLV	HLV Mail Volume	HLV Non-Vol. Wrkl'd.	Sub- Total	HLV Addl Wrkdy Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	2424	-24	-6	2394	2393	-1
First-Class Presort Ltr & Pcl	705	19	-2	722	722	0
First-Class Postal Cards	5	0	0	5	5	0
First-Class Post Cards	77	3	0	80	80	0
First-Class Prst Post Cards	25	1	0	26	26	0
Total First Class	3236	-1	-8	3227	3226	-1
Priority Mail	144	14	0	158	158	0
Express Mail	67	0	0	67	67	0
Mailgrams	0	0	0	0	0	0
Second-Class Within County	14	-1	0	13	13	0
Second-Class Reg Rate	209	-7	0	202	202	0
Second-Class Nonprofit	49	-2	0	47	47	0
Second-Class Classroom	2	0	0	2	2	0
Total Second-Class	274	-10	0	264	264	0
Third-Class Single Piece	41	-7	0	34	34	0
Third-Class Bulk Reg Car Prst	347	-5	0	342	342	0
Third-Class Bulk Reg Other	732	15	-2	745	745	0
Third-Class Bulk Reg Total	1079	10	-2	1087	1087	0
Third-Class Bulk NP Car Prst	24	0	0	24	24	0
Third-Class Bulk NP Other	168	-4	0	164	163	-1
Third-Class Bulk NP Total	192	-4	0	188	187	-1
Third-Class Total	1312	-1	-2	1309	1308	-1
Fourth-Class Parcel Post	62	0	-1	61	61	0
Fourth-Class Bnd Prnt Matt	35	3	0	38	38	0
Fourth-Class Special Rate	35	4	-1	38	38	0
Fourth-Class Library Rate	7	-2	0	5	5	0
Fourth-Class Total	139	5	-2	142	142	0
Penalty-USPS	38	-1	0	37	37	0
Free Mail for the Blind & Hndc	4	0	0	4	4	0
International Mail	101	2	0	103	103	0
Total All Mail	5315	8	-12	5311	5309	-2
Registry	9	-1	0	8	8	0
Certified	53	-1	0	52	52	0
Insurance	4	0	0	4	4	0
COD	4	-1	0	3	3	0
Special Delivery	0	0	0	0	0	0
Money Orders	35	-1	0	34	34	0
Stamped Envelopes	1	0	0	1	1	0
Special Handling	1	0	0	1	1	0
Post Office Box	19	-2	0	17	17	0
Other	40	-1	0	39	39	0
Total Special Services	166	-7	0	159	159	0
Total Attributable	5481	1	-12	5470	5468	-2
Other Costs	3419	-1	12	3430	3432	2
Total Costs	8900	0	0	8900	8900	0

Civil Service Retirement Fund Deficit - Current
 Additional Workday Cost Effect
 MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

PRC Methodology

	Base Year CSRFD	CSRFD Mail Volume	CSRFD Non-Vol Wrkl	Sub- Total	CSRFD Addl Wrkdy Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	15704	-157	-37	15510	15502	-8
First-Class Presort Ltr & Pcl	4566	124	-11	4679	4676	-3
First-Class Postal Cards	32	-1	0	31	31	0
First-Class Post Cards	497	23	-1	519	518	-1
First-Class Prst Post Cards	161	5	-1	165	165	0
Total First Class	20960	-6	-50	20904	20892	-12
Priority Mail	931	94	-2	1023	1022	-1
Express Mail	433	-1	-1	431	431	0
Mailgrams	1	0	0	1	1	0
Second-Class Within County	88	-1	-1	86	86	0
Second-Class Reg Rate	1352	-41	-3	1308	1307	-1
Second-Class Nonprofit	318	-14	-1	303	303	0
Second-Class Classroom	12	1	-1	12	12	0
Total Second-Class	1770	-55	-6	1709	1708	-1
Third-Class Single Piece	265	-42	-1	222	222	0
Third-Class Bulk Reg Car Prst	2245	-26	-5	2214	2213	-1
Third-Class Bulk Reg Other	4742	97	-12	4827	4825	-2
Third-Class Bulk Reg Total	6987	71	-17	7041	7038	-3
Third-Class Bulk NP Car Prst	154	1	0	155	155	0
Third-Class Bulk NP Other	1091	-29	-2	1060	1059	-1
Third-Class Bulk NP Total	1245	-28	-2	1215	1214	-1
Third-Class Total	8497	1	-20	8478	8474	-4
Fourth-Class Parcel Post	404	-5	-1	398	398	0
Fourth-Class Bnd Prnt Matt	228	21	-1	248	248	0
Fourth-Class Special Rate	229	21	-1	249	249	0
Fourth-Class Library Rate	46	-11	0	35	35	0
Fourth-Class Total	907	26	-3	930	930	0
Penalty-USPS	249	-11	0	238	238	0
Free Mail for the Blind & Hndc	26	2	0	28	28	0
International Mail	655	13	-2	666	666	0
Total All Mail	34429	63	-84	34408	34390	-18
Registry	60	-5	-1	54	54	0
Certified	342	-5	-1	336	336	0
Insurance	27	-1	0	26	26	0
COD	25	-3	0	22	22	0
Special Delivery	3	-3	0	0	0	0
Money Orders	224	-1	-1	222	222	0
Stamped Envelopes	6	0	0	6	6	0
Special Handling	5	0	0	5	5	0
Post Office Box	126	-15	0	111	111	0
Other	262	-7	-1	254	254	0
Total Special Services	1080	-40	-4	1036	1036	0
Total Attributable	35509	23	-88	35444	35426	-18
Other Costs	22146	-23	88	22211	22229	18
Total Costs	57655	0	0	57655	57655	0

Workers Compensation - Current
Additional Workday Cost Effect
MC96-3 Roll-Forward -- FY 1995 to FY 1996 After Rates

PRC Methodology

	Base Year WC Curr	WC Curr Mail Volume	WC Curr Non-Vol Wrkl'd	Sub- Total	WC Curr. Addl Wrkdy Distrib	Addl Wrkdy Adjustment
First-Class Letters & Parcels	143637	-1440	-334	141863	141786	-77
First-Class Presort Ltr & Pcl	41761	1135	-100	42796	42773	-23
First-Class Postal Cards	296	-13	-1	282	282	0
First-Class Post Cards	4549	204	-10	4743	4740	-3
First-Class Prst Post Cards	1472	44	-3	1513	1512	-1
Total First Class	191715	-70	-448	191197	191093	-104
Priority Mail	8514	862	-23	9353	9347	-6
Express Mail	3963	-11	-9	3943	3943	0
Mailgrams	11	-2	0	9	9	0
Second-Class Within County	803	-10	-2	791	790	-1
Second-Class Reg Rate	12363	-375	-28	11960	11953	-7
Second-Class Nonprofit	2910	-129	-7	2774	2773	-1
Second-Class Classroom	112	2	0	114	114	0
Total Second-Class	16188	-512	-37	15639	15630	-9
Third-Class Single Piece	2420	-383	-5	2032	2031	-1
Third-Class Bulk Reg Car Prst	20537	-245	-42	20250	20239	-11
Third-Class Bulk Reg Other	43369	890	-106	44153	44129	-24
Third-Class Bulk Reg Total	63906	645	-148	64403	64368	-35
Third-Class Bulk NP Car Prst	1411	10	-3	1418	1417	-1
Third-Class Bulk NP Other	9980	-265	-24	9691	9686	-5
Third-Class Bulk NP Total	11391	-255	-27	11109	11103	-6
Third-Class Total	77717	7	-180	77544	77502	-42
Fourth-Class Parcel Post	3692	-44	-9	3639	3637	-2
Fourth-Class Bnd Prnt Matt	2084	192	-5	2271	2270	-1
Fourth-Class Special Rate	2094	188	-5	2277	2276	-1
Fourth-Class Library Rate	416	-99	-1	316	316	0
Fourth-Class Total	8286	237	-20	8503	8499	-4
Penalty-USPS	2281	-100	-5	2176	2175	-1
Free Mail for the Blind & Hndc	238	16	-1	253	253	0
International Mail	5990	118	-15	6093	6090	-3
Total All Mail	314903	545	-738	314710	314541	-169
Registry	549	-50	-1	498	498	0
Certified	3127	-42	-8	3077	3076	-1
Insurance	243	-3	0	240	240	0
COD	226	-26	-1	199	199	0
Special Delivery	25	-25	0	0	0	0
Money Orders	2050	-14	-5	2031	2030	-1
Stamped Envelopes	52	0	0	52	52	0
Special Handling	47	2	-1	48	48	0
Post Office Box	1155	-138	-2	1015	1014	-1
Other	2395	-62	-5	2328	2326	-2
Total Special Services	9869	-358	-23	9488	9483	-5
Total Attributable	324772	187	-761	324198	324024	-174
Other Costs	202571	-187	761	203145	203319	174
Total Costs	527343	0	0	527343	527343	0