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POSTAL RATE COMMISSION
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USPS-T-35

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

DIRECT TESTIMONY
OF
KIRK T. KANEER
ON BEHALF OF
UNITED STATES POSTAL SERVICE

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1

Direct Testimony
of
Kirk T. Kaneer

AUTOBIOGRAPHICAL SKETCH

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My name is Kirk T. Kaneer and I am employed by the Postal Service as an economist in Pricing. I have held this position since 1992. My current duties are to aid in the development of pricing models and calculations for use in domestic rate design. I have been employed by the Postal Service since 1988. I was the rate witness for Classroom Mail in Docket No. MC96-2.

Before working in Pricing, I served in the Labor Economics Research Division as an economist involved in labor negotiations. Prior to coming to the Postal Service, from 1983 to 1988, I worked at the Bureau of Labor Statistics (BLS), Office of Prices and Living Conditions, Consumer Expenditure Surveys Research Division, from 1983 to 1988. While employed at BLS, I published an article titled: *Distribution of Consumption by Aggregate Expenditure Share*, MONTHLY LABOR REVIEW, 109(2), 50-53, April 1986.

In 1982, I received a Master of Science degree in Economics from Florida State University in Tallahassee Florida. In 1978, I received a Bachelor of Science Degree with double majors in Economics and Business Administration from the University of Central Florida in Orlando, Florida.

1 I. PURPOSE

2 This testimony presents the Postal Service's proposed rate design and changes
 3 in rate structure for Nonprofit Periodicals and Classroom subclasses. It begins with the
 4 highlights of the proposed average piece rates and cost coverages. Next, short
 5 descriptions of the user characteristics and volume trends are given, followed by
 6 explanations of the proposed classification changes and rate design. Lastly, this
 7 testimony justifies the application of Nonprofit rates to Classroom mail.

9 II. TEST YEAR HIGHLIGHTS

10 In this proceeding, the Postal Service proposes a modest increase in Nonprofit
 11 and Classroom rates. The average price changes and cost coverages for the
 12 subclasses are as follows:¹

Table 1: Test Year Rates and Cost Coverage Comparison.					
	TYBR Avg.\$/Piece	Proposed Avg.\$/Piece	TYBR Cost Coverage	Proposed Cost Coverage	Percentage Avg.\$/Piece Increase
<i>Nonprofit</i>	\$0.153	\$0.159	99.7%	103.3%	3.9%
<i>Classroom</i>	\$0.207	\$0.217	76.2%	80.6%	4.8%

¹ Rates are calculated inclusive of fees and reflect phase 5 rates applicable in the TY.

1 As shown in Table 1, the Postal Service proposes to raise Nonprofit rates to cover
2 costs and satisfy Revenue Forgone Reform Act (RFRA) requirements. Although the
3 estimated cost coverage reported in Table 1 for Classroom does not exceed 100
4 percent, the analysis in section VI suggests that, based on a fixed weighted cost index
5 approach, the true cost coverage may be higher.

6 7 **III. NONPROFIT AND CLASSROOM USER CHARACTERISTICS & DESCRIPTION**

8 Nonprofit Periodicals include publications issued by authorized nonprofit
9 organizations or associations. Religious, educational, scientific, philanthropic,
10 agricultural, labor, veterans', and fraternal organizations and associations are eligible
11 for preferred nonprofit rates. Classroom mail can be entered by profit making firms, but
12 must consist of religious, educational, or scientific publications designed specifically for
13 use in school classrooms or religious instruction classes. Mailers must receive
14 authorization to enter mail at Nonprofit and Classroom rates.

15 Nonprofit and Classroom are preferred rate categories. These categories are
16 entitled to reduced postage rate levels by RFRA. Prior to RFRA, rates for preferred rate
17 categories had been set with a 100 percent target test year cost coverage. Additional
18 revenues were to be appropriated by Congress to compensate the Postal Service for
19 revenue forgone for preferred subclasses. RFRA ends revenue forgone appropriations.
20 Instead, RFRA establishes a six-year phasing period at the end of which the markups
21 for Classroom and Nonprofit Periodicals will be set at one-half the comparable markups
22 for Regular Periodicals. Rates for preferred Periodicals are accordingly adjusted each
23 fiscal year in accordance with the statutorily prescribed markup factors, except that the
24 advertising pound rates for Nonprofit and Classroom are equivalent to the advertising

1 pound rates for Regular. The first step of the phasing period, which began in FY94, set
 2 the preferred rate markup at $1/12^{\text{th}}$ of the commercial markup. Each fiscal year, the
 3 preferred rate markup rises an additional $1/12^{\text{th}}$ of the commercial markup, until the
 4 preferred rate markup reaches one-half the commercial markup after FY98. In this
 5 proceeding, Test Year 1998 is step 5, which is $5/12^{\text{th}}$ of the commercial markup.

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7 IV. VOLUME TRENDS

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9 Table 2 below depicts the volume histories for Nonprofit and Classroom

10 Periodical subclasses from FY70 to FY95.

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Table 2. Volume Histories				
<i>Fiscal</i>	NonProfit	Classroom	NonProfit	Classroom
<i>Year</i>	(millions)	(millions)	Percent Chg.	Percent Chg.
1970	2,104	111	na.	na.
1971	2,242	92	6.6%	-17.1%
1972	2,311	85	3.1%	-7.6%
1973	2,232	70	-3.4%	-17.6%
1974	2,217	72	-0.7%	2.9%
1975	2,460	69	11.0%	-4.2%
1976	2,296	58	-6.7%	-15.9%
1977	2,304	65	0.3%	12.1%
1978	2,388	60	3.6%	-7.7%
1979	2,223	63	-6.9%	5.0%
1980	2,936	76	32.1%	20.6%
1981	2,826	55	-3.7%	-27.6%
1982	2,371	38	-16.1%	-30.9%
1983	1,900	41	-19.9%	7.9%
1984	2,041	31	7.4%	-24.4%
1985	2,137	46	4.7%	48.4%
1986	2,250	37	5.3%	-19.6%
1987	2,246	48	-0.2%	29.7%
1988	2,309	61	2.8%	27.1%
1989	2,486	55	7.7%	-9.8%
1990	2,428	38	-2.3%	-30.9%
1991	2,181	43	-10.2%	13.2%

1992	2,421	65	11.0%	51.2%
1993	2,296	61	-5.2%	-6.2%
1994	2,269	62	-1.2%	1.6%
1995	2,282	65	0.6%	4.8%
1996	2,205	59	-3.4%	-9.2%

1

2 Generally, Nonprofit volume has remained stable from FY70 to FY95, having
3 reached a peak of 2.9 billion pieces in FY80. Classroom mail volume data, on the
4 other hand, have been more volatile, with percent changes ranging from a decline in
5 volume of 30.9 percent in FY82 and FY90, to an increase of 51.2 percent in FY92.
6 In terms of relative size, however, Classroom volume is only approximately 3
7 percent of the size of Nonprofit volume.²

8

9 **V. PROPOSED CLASSIFICATION CHANGES**

10 Consistent with classification reform principles, the Postal Service proposes
11 classification changes for Nonprofit and Classroom that follow those for the Regular
12 subclass. Specifically, the Postal Service proposes to split the 3/5-digit presort tier into
13 separate 3-digit and 5-digit tiers. This measure better aligns rates with costs. In
14 addition, the Postal Service proposes to extend 3-digit rates to both "unique" and "non-
15 unique" 3-digit areas, rather than to just "unique" 3-digit cities. Previously, non-unique
16 3-digit mail was not eligible for 3/5-digit; rather, non-unique 3-digit mail was subject to
17 the basic rate. This measure, which was initially proposed by the Postal Service for
18 Regular Periodicals in Docket No. MC95-1, will promote consistency in the presort and

² As discussed in section VI below, it has been suggested that Classroom's small volume may account for the volatility seen in its data.

1 automation categories among the rate schedules of the other classes and better align
2 rates with postal operations.³

3

4 **VI. RATE DESIGN**

5 **A. Overview**

6 The Nonprofit and Classroom mail rate design follows that for Regular
7 Periodicals. The Regular advertising pound rates are applied to both subclasses as
8 prescribed by RFRA. The proposed Nonprofit rate categories mirror those for Regular,
9 and the same methods used in Regular are employed in setting the Nonprofit editorial
10 pound rate and piece rate discounts. See USPS-T-34. Classroom rate design,
11 however, requires special consideration due to large fluctuations in its reported costs.

³ See Docket No. MC95-1, USPS-T-2; Decision of the Governors on Docket No. MC95-1 at 15.

B. Nonprofit

The Nonprofit rate design methodology for both pound and piece elements follows the methodology used to develop the corresponding rates in the Regular subclass. In setting Nonprofit discounts, most of the passthroughs are set at or near 100 percent; however, a few passthroughs were adjusted to moderate the impact of the rate changes on mailers. For example, the passthrough for 5-digit nonautomation was set at 83 percent of the 5-digit nonautomation cost savings to moderate the downward swing in the 5-digit rate, as well as mitigate the impact on the Basic rate. My workpapers provide detailed information on rate development for Nonprofit Periodicals, including revenue and cost coverage.

The proposed rates for Periodicals also incorporate a new and improved methodology for developing the nonadvertising, or "editorial," pound rate. Previously, the editorial pound rate was tied to the zone 1&2 advertising pound rates. The new methodology simply takes the revenue goal for Nonprofit that is to be derived from pound rates, excluding any markup, and divides this figure by the total number of Nonprofit pounds. The new methodology for developing the editorial pound rate is intended to yield a rate that, in combination with the revenue from the advertising pound rate, recovers the assigned revenue goal to be received from pound rates in Nonprofit. In this proceeding, however, the proposed editorial pound rate is made subject to a passthrough of 88.5 percent, in order to mitigate the impact of the rate increase on mailers. With this passthrough, the editorial pound rate would rise from 14.2 cents to 15.3 cents (Step 5), which represents an increase of 7.8 percent.

Consistent with RFRA, proposed Nonprofit advertising pound rates are identical to those proposed for the Regular Periodicals subclass. Witness Taufique's

1 testimony (USPS-T-34) provides more details on the development of advertising pound
2 rates.

4 **C. Classroom**

5 **1. Recent History**

6 In Docket No. MC96-2, the Postal Service proposed that preferred Periodicals
7 classifications mirror those recommended by the Commission in Docket No. MC95-1.
8 In its first Recommended Decision in Docket No. MC96-2 (July 19, 1996), the
9 Commission recommended the Postal Service's proposed Nonprofit rates, but declined
10 to recommend the proposed Classroom rates, PRC Op. Docket No. MC96-2 at 38-42.
11 The Commission maintained that the record did not support a finding that Classroom
12 revenues would meet or exceed attributable costs, as required by statute. Furthermore,
13 the Commission issued an order No. 1125 (July 19, 1996) directing the Postal Service
14 to provide further data and information on Classroom. The Commission accordingly
15 reopened the Docket No. MC96-2 record. In response, the Postal Service proposed a
16 short-term solution of applying prior and post classification reform Nonprofit rate
17 schedule elements to Classroom mail, thereby forming a "hybrid" Step 5 rate schedule
18 for Classroom mail. Also, as part of the proposed short term solution, the Classroom
19 Step 6 schedule would be identical to Nonprofit Step 6 rates. Furthermore, the Postal
20 Service contemplated permanent aggregation of Classroom and Nonprofit data for
21 reporting and rate design purposes, if similar cost/revenue relationships were found in
22 the next rate filing affecting Classroom and Nonprofit Periodicals. In this filing, cost
23 relationships supporting the permanent combination of Nonprofit and Classroom
24 categories were not realized under the current cost estimation conditions.

2. Cost Review

Based on reported FY 96 costs, Classroom will once again fail to cover its costs. This holds true for FY 96, BY 96, FY 97, TYBR, and TYAR, but it is the reported costs for FY 96 that are driving this relationship. It is difficult to compare BY96 costs (and thus costs for subsequent periods rolled forward from BY 96 costs) with those from previous fiscal years because of methodological changes which have taken place in IOCS cost systems. On the other hand, FY 93 through FY 96 are all relatively similar in terms of costing methodology. Therefore, in analyzing trends over time, it makes sense to specifically examine these four years (*i.e.*, FY 93 - FY 96).

In Docket No. MC96-2, the Postal Service examined Classroom Mail data. Based on this examination, witness Degen (USPS-CT-2) presented revised unit cost numbers for Classroom for FY 93 and FY 94. Table 1 at the end of his testimony indicated that per-piece unit costs for Classroom Mail for those two years were 18.53 cents and 20.56 cents, respectively. The same table indicated that unit costs for FY 1995 were 19.41 cents. Witness Degen concluded that the unit cost figure presented for FY95 was close to the average unit cost over recent years, and appeared to be reasonable (USPS-CT-2 at 6).

In the CRA Report for FY96, the unit cost for Classroom Mail is reported to be 23.50 cents. This represents an increase over reported unit costs for FY95 of 4.09 cents, or approximately 21 percent. One question to be addressed, therefore, is the source of this increase.

One possibility is sample size. Witness Degen testified that the small size of Classroom makes it a volatile subclass in terms of postal data collection systems, and

1 that we can expect some volatility in cost estimates that will complicate the ratemaking
2 process. *Id.* This prediction has come true perhaps even sooner than may have been
3 anticipated. If one assumes that, given its similarity to the estimate for previous years,
4 the FY95 figure was correct, there are two possibilities. One possibility is that unit
5 Classroom costs actually increased approximately 20 percent, and the other possibility
6 is that the FY 1996 estimate is overstated, presumably because of random variation in
7 the statistical estimate. Of these two possibilities, the second seems to be much more
8 plausible.

9 10 **3. Alternatives**

11 The next question to be addressed, therefore, is what alternatives are available
12 if the accuracy of the FY96 information is unclear. One possibility, discussed by the
13 Commission in Docket No. MC96-2, is a "moving average" approach, see Further
14 Opinion and Recommended Decision, Docket No. MC96-2 (May 14, 1997) at 17-18. As
15 noted earlier, data for FY93 through FY96 would not be expected to reflect any major
16 methodological changes. Nevertheless, general cost levels have increased over time.
17 To control for this factor, a simple index is developed, see workpaper M, to convert unit
18 cost data for earlier years into 1996 terms. The index reflects annual changes in a
19 composite fixed-volume-weighted average of unit costs for domestic mail. The index
20 suggests that, to be expressed in terms that are comparable to FY96 cost levels, unit
21 costs for FY 93 must be multiplied by 1.072, for FY 94 by 1.045, and for FY 95 by
22 1.024. Expressing the Classroom unit costs presented by witness Degen in 1996 cost
23 level terms using this methodology, the unit cost figures from FY93 through FY95

1 become 19.87 cents, 21.49 cents, and 19.88 cents. In terms of cost level, each of
2 these is thus comparable to the 23.50-cent figure reported in the FY96 CRA Report.

3 One alternative is to take an average using all four available data points. The
4 average of FY93, FY94, FY95, and FY96 figures, when each has been inflated to FY96
5 cost levels, is 21.19 cents. Compared with the reported FY96 unit cost for Classroom
6 of 23.50 cents, this number is 2.31 cents, or approximately 10 percent, lower. Another
7 alternative might be to simply reject the FY96 number as an outlier, and calculate the
8 average using only the previous three years worth of data. This would produce an
9 average unit cost of 20.41 cents. This is 3.09 cents, or approximately 13 percent, lower
10 than 23.50 cents reported in the FY 96 CRA Report. Either of these figures (21.19
11 cents, or 20.41 cents) may represent a better estimate of the FY96 unit costs for
12 Classroom Mail rate-making purposes than the 23.50-cent figure reported in the CRA.

13 As noted above, because of costing methodological changes, figures for BY96
14 and subsequent times are not directly comparable to figures for earlier periods,
15 including FY96. There is, however, no reason to believe that whatever random
16 variations might have caused the FY96 estimate for Classroom unit cost to be inflated
17 would have had any different effect on the estimates for BY96, and subsequent
18 estimates based on BY96. Therefore, it would appear quite reasonable to assume that,
19 in percentage terms, the overestimate should be the same. This suggests that to infer
20 the effects of applying either moving average approach, one would multiply the estimate
21 in question (e.g., Classroom unit costs for BY 96 or TYAR) by the ratio of either
22 $21.19/23.50$, or $20.41/23.50$, depending on which averaging approach is favored. Thus,
23 when the Nonprofit Periodicals rate schedule is applied to Classroom, the TYAR unit
24 revenue is 21.7 cents. Using the rollforward based on BY 96 costs, the TYAR unit cost

1 is 26.9 cents. Revenues do not cover costs. But if the TYAR estimate is reduced by
2 applying the three-observation ratio, the revised TYAR unit cost estimate is 23.4 cents.
3 If the four-observation ratio is applied, the revised TYAR unit cost estimate is 24.3
4 cents. Although both of these figures are still above the TYAR unit revenue figure, they
5 are substantially closer to that number than is the un-revised TYAR unit cost figure.

6 7 **4. Proposal**

8 Under the circumstances presented in this proceeding, the Postal Service
9 submits that it is appropriate to apply the Nonprofit Periodicals rates to Classroom
10 mailings. As indicated above, if that rate schedule is applied, Classroom TYAR unit
11 revenue is estimated at 21.7 cents. If that revenue were to generate the step 5 cost
12 coverage for Classroom and Nonprofit Periodicals, 103 percent, true unit Classroom
13 costs would have to be approximately 21.1 cents. Note that this is well in excess of the
14 Nonprofit TYAR unit costs of approximately 15.3 cents. In other words, on a unit basis,
15 Classroom mail can still be considerably more costly to handle than Nonprofit without
16 invalidating the assumption that the Nonprofit rate schedule is also appropriate for
17 Classroom. This is because the rate schedule is designed to yield higher revenues
18 from higher cost pieces, and the higher cost Classroom pieces generate substantially
19 more revenue, on a unit basis, than the lower cost Nonprofit pieces.

20 If we define the 21.1 cent unit cost figure (derived above as that necessary to
21 meet the target cost coverage with unit revenues of 21.7 cents) as the "target" TYAR
22 unit cost, it appears that such a figure is outside the range of TYAR unit cost figures
23 based on the available CRA data, using either the most recent historical year, FY 1996,
24 or any average of recent historical years. It may not, however, be outside of some

1 reasonable approximation of a confidence interval around the CRA estimate, given the
2 very high Coefficient of Variation that indicates a degree of uncertainty associated with
3 the direct mail processing cost estimate for Classroom. See Docket No. MC96-2,
4 USPS-CT-2 at 6-7. Before abandoning any further efforts to reconcile the target TYAR
5 unit cost with the available cost information, therefore, one additional avenue of
6 research merits exploration. Rather than rely on inferences drawn from national
7 sampling data, it may be possible to develop a model for Classroom costs, similar to
8 the model developed for Nonprofit periodicals.

9 A model for Classroom costs could perhaps be most instructive when compared
10 with the model for Nonprofit costs. For example, all indications are that Classroom mail
11 unit costs are higher than Nonprofit unit costs. The critical question is, how much
12 higher? Given Nonprofit unit costs of 15.3 cents, a cost difference of between 5 and 6
13 cents would still leave us very much in the range of our target Classroom unit costs of
14 21.1 cents. If successfully constructed, a model could inform us whether the
15 characteristics of Classroom mail, compared with the characteristics of Nonprofit mail,
16 would lead us to expect a cost difference of that magnitude, or of the greater magnitude
17 reflected in the recently reported CRA costs.

18 Unfortunately, no model of Classroom mail costs is currently available.
19 Moreover, constructing such a model would require having available useable
20 information on the mail characteristics of Classroom, at levels of detail well above what
21 is collected by existing postal data systems. The need for such information was not
22 anticipated at a stage in the preparation for this case sufficiently early to allow the
23 information to be obtained. Therefore, in developing the rate proposals, the Postal
24 Service has no basis to know whether a cost model would support acceptance of the

1 hypothesis that the unit costs of Classroom are greater than those of Nonprofit only to
2 the extent that the mail characteristics (and billing determinants) are different, or
3 whether such a model would support rejection of such an hypothesis, as apparently
4 suggested by recently reported CRA data.

5 In this case, the Postal Service proposes applying the rate schedule designed for
6 Nonprofit Periodicals to Classroom mailings while awaiting further information from
7 future modeling efforts. In essence, the Postal Service proposal would maintain
8 separate subclass identity for Nonprofit and Classroom mail, but would apply the
9 Nonprofit rates to Classroom mail for ratemaking purposes. This proposal is primarily
10 guided by recent events involving Classroom and the effect on mailers. If Classroom
11 mailers had experienced no rate increases since Docket No. R94-1 (except for step
12 increases), the Postal Service would be more receptive to design separate rates for the
13 Classroom subclass. Such rates, presumably, would reflect some variation of the CRA
14 reported costs. The Postal Service, however, is most cognizant of the rate increases
15 for Classroom mailers that will be implemented starting in FY98 as a result of Docket
16 No. MC96-2. As shown by my testimony in Docket MC96-2, USPS-CT-3 at 10, the
17 currently scheduled increases for Step 5 rates are substantial, with piece rates
18 increasing in the 25-30 percent range. The Classroom rates proposed in this case
19 would impose an additional increase of approximately 5 percent at TY (Step 5) levels.
20 At the conclusion of the TY, one additional increase will be imposed as the last step of
21 phasing is implemented. The need to avoid any further substantial increases for this
22 subclass at this time is obvious. Given these circumstances, I believe it most
23 appropriate to examine whatever information that cost models can provide before
24 attempting to determine whether additional increases of the size suggested by the 1996

- 1 CRA are truly warranted on a cost-of-service basis. The Classroom workpapers
- 2 provide detailed information on revenue and cost coverage.

VII. PROPOSED RATES

Table 3 below displays the proposed rates for Nonprofit and Classroom mail at steps 5 and 6.

TABLE 3: PROPOSED NONPROFIT AND CLASSROOM RATES

TABLE 3 - NONPROFIT & CLASSROOM RATES		
POUND RATES	STEP 5	STEP 6
ZONED ADVRTSG DELIVERY UNIT	\$ 0.158	\$ 0.158
ZONED ADVRTSG SCF	\$ 0.180	\$ 0.180
ZONED ADVRTSG ZONES 1&2	\$ 0.203	\$ 0.203
ZONED ADVRTSG ZONE 3	\$ 0.216	\$ 0.216
ZONED ADVRTSG ZONE 4	\$ 0.251	\$ 0.251
ZONED ADVRTSG ZONE 5	\$ 0.305	\$ 0.305
ZONED ADVRTSG ZONE 6	\$ 0.361	\$ 0.361
ZONED ADVRTSG ZONE 7	\$ 0.416	\$ 0.416
ZONED ADVRTSG ZONE 8	\$ 0.474	\$ 0.474
NONADVERTISING	\$ 0.153	\$ 0.154
PIECE RATES		
BASIC NON-AUTOMATION	\$ 0.243	\$ 0.244
BASIC AUTOMATION LETTER	\$ 0.164	\$ 0.165
BASIC AUTOMATION FLAT	\$ 0.206	\$ 0.207
BASIC NON-AUTOMATION 3 DIGIT	\$ 0.184	\$ 0.185
BASIC AUTOMATION 3 DIGIT LETTER	\$ 0.155	\$ 0.156
BASIC AUTOMATION 3 DIGIT FLAT	\$ 0.158	\$ 0.159
BASIC NON-AUTOMATION 5 DIGIT	\$ 0.182	\$ 0.183
BASIC AUTOMATION 5 DIGIT LETTER	\$ 0.150	\$ 0.151
BASIC AUTOMATION 5 DIGIT FLAT	\$ 0.154	\$ 0.155
CARRIER ROUTE BASIC	\$ 0.112	\$ 0.113
CARRIER ROUTE HIGH DENSITY	\$ 0.092	\$ 0.093
CARRIER ROUTE SATURATION	\$ 0.079	\$ 0.080
PERCENTAGE EDITORIAL DISCOUNT	\$ (0.044)	\$ (0.044)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.012)	\$ (0.012)
WKSHARING DISCNT SCF ENTRY	\$ (0.006)	\$ (0.006)

VIII. FINANCIAL ANALYSIS

Tables 4 and 5 display the revenue, costs, and cost coverages for Nonprofit and Classroom at proposed Step 5 rates.

TABLE 4: NONPROFIT FINANCIAL SUMMARY

Total Revenue		\$338,099,190
Total Pieces	2,161,076,559	
RPW Adjustment Factor		100.035%
RPW Adjusted Revenue		\$338,217,466
Fee Revenue		\$4,442,000
Revenue including fees		\$342,659,466
TYAR Cost		\$331,724,400
Cost Coverage		103.3%

TABLE 5: CLASSROOM FINANCIAL SUMMARY

Total Revenue		\$10,150,746
Total Pieces	47,452,000	
RPW Adjustment Factor		100.377%
RPW Adjusted Revenue		\$10,188,978
Fee Revenue		\$97,000
Revenue including fees		\$10,285,978
TYAR Cost		\$12,763,370
Cost Coverage		80.6%