UNITED STATES POSTAL SERVICE®

FINANCIAL & OPERATING STATEMENTS

Accounting Period 13, PFY 1999

August 14 - September 10, 1999

RECEIVED
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Finance

HIGHLIGHTS
(MILLIONS)

Accounting Period 13						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,733.8	[$ - 37.1]	[- 0.8]	$ 4,537.6	4.3	Total Revenue	$ 62,428.5	[$ - 619.9]	[- 1.0]	$ 59,880.7	4.3
5,025.5	- 177.3	- 3.4	5,043.1	- 0.3	Total Expense	62,079.7	- 771.3	- 1.2	59,294.2	4.7
$ - 291.7	$ 140.2	NM	$ - 505.5	NM	Income\(Loss)	$ 348.8	$ 151.4	NM	$ 586.5	NM
$ 1,632.9	49.1	[3.1]	$ 1,779.6	- 8.2	Capital Commitments	$ 3,817.3	- 181.2	- 4.5	$ 3,947.0	- 3.3
121.0	- 2.9	- 2.4	122.2	- 1.0	Total Workhours	1,637.3	[6.7]	[0.4]	1,623.1	0.9
15,346.5	28.6	0.2	15,261.0	0.6	Mail Volume	200,543.9	[- 1,444.4]	[- 0.7]	195,738.2	2.5

[ ] = 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	* 27,893	27,900	27,869
Active Postal Owned Vehicles			
Administrative	5,482	5,505	5,274
Operations	197,023	197,078	197,559
Possible City Deliveries (000)	82,738	82,683	82,211
Rural Routes	64,686	64,614	62,296
Delivery Routes	168,243	168,247	167,262
Career Employees	797,795	799,205	792,041
Casual Employees	25,067	24,883	25,711
Transitional Employees	12,355	12,493	17,222

* 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 [illegible]

STATEMENT OF INCOME & EXPENSE
($ Millions)

Accounting Period 13						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,731.4	[$ - 37.0]	[- 0.8]	$ 4,530.9	4.4	Operating Revenue	$ 62,396.0	[$ - 619.8]	[- 1.0]	$ 59,833.1	4.3
4,889.7	- 181.1	- 3.6	4,910.0	- 0.4	Operating Expense	60,273.7	- 811.1	- 1.3	57,473.6	4.9
$ - 158.3	$ 144.1	NM	$ - 379.1	NM	Income From Operations	$ 2,122.3	$ 191.3	NM	$ 2,359.5	NM
2.4	[- 0.1]	[- 4.9]	6.7	- 64.6	Investment Income	32.5	[- 0.1]	[- 0.3]	47.6	- 31.7
- 13.8	[- 3.7]	[36.6]	- 13.3	3.8	Interest Expense	- 216.5	[- 39.8]	[22.5]	- 215.2	[0.6]
- 122.0	[- 0.1]	[0.0]	- 119.8	1.8	Interest on Deferred Ret. Liabilities	- 1,589.5	0.0	0.0	- 1,605.4	- 1.0
$ - 291.7	$ 140.2	NM	$ - 505.5	NM	Income\(Loss)	$ 348.8	$ 151.4	NM	$ 586.5	NM

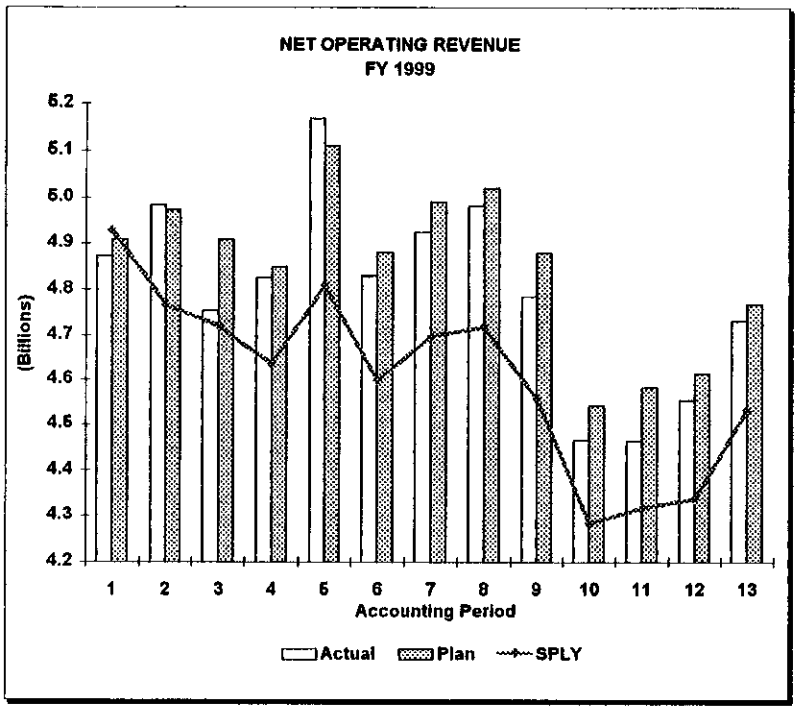
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

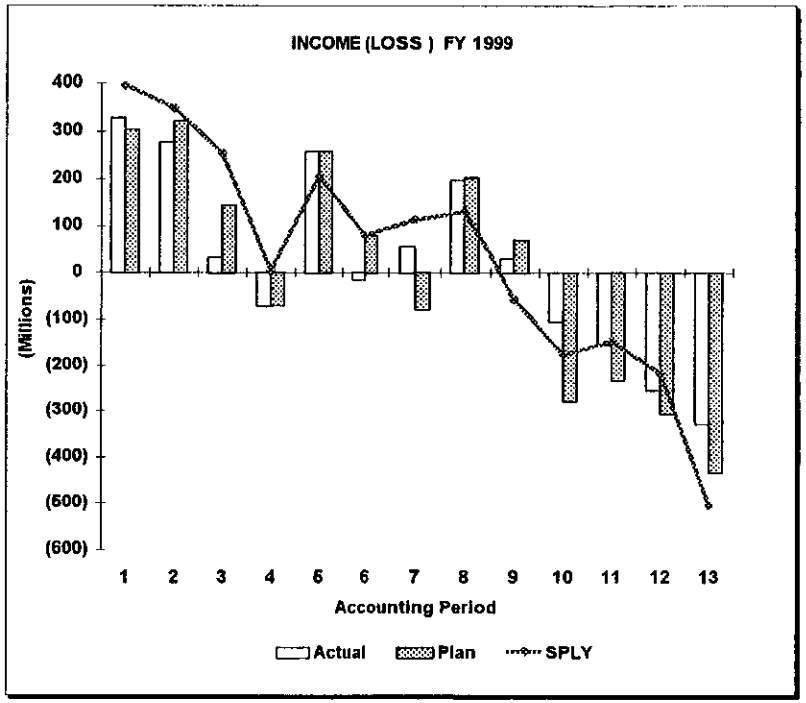
MAIL VOLUME - MAIL REVENUE
(Thousands)

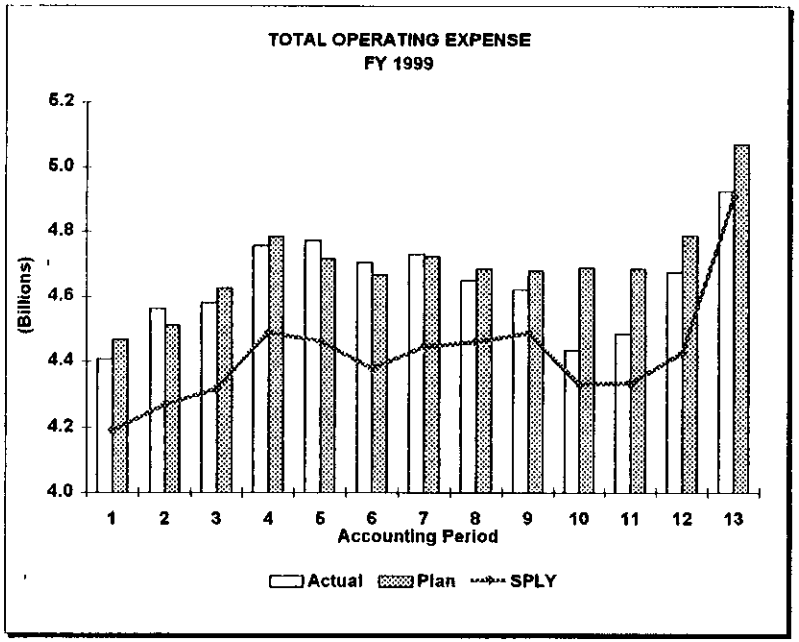
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 13 1999	A/P 13 1998	% CHANGE	A/P 13 1999	A/P 13 1998	% CHANGE
FIRST-CLASS						
VOLUME	7,304,711	7,318,192	- 0.2	101,365,286	99,846,733	1.5
REVENUE	$ 2,521,852	$ 2,474,357	1.9	$ 34,669,490	$ 33,658,615	3.0
REV/PC.	0.3452	0.3381	2.1	0.3420	0.3371	1.5
PRIORITY-MAIL						
VOLUME	84,063	86,960	- 3.3	1,187,813	1,167,999	1.7
REVENUE	$ 325,058	$ 306,195	6.2	$ 4,506,396	$ 4,166,727	8.2
REV/PC.	3.8668	3.5211	9.8	3.7939	3.5674	6.3
EXPEDITED MAIL						
VOLUME	5,017	4,799	4.5	68,366	66,129	3.4
REVENUE	$ 69,673	$ 61,820	12.7	$ 934,184	$ 854,050	9.4
REV/PC.	13.8874	12.8819	7.8	13.6645	12.9149	5.8
PERIODICALS						
VOLUME	801,050	799,707	0.2	10,296,517	10,274,076	0.2
REVENUE	$ 165,739	$ 159,882	3.7	$ 2,120,267	$ 2,066,919	2.6
REV/PC.	0.2069	0.1999	3.5	0.2059	0.2012	2.4
STANDARD (A) MAIL						
VOLUME	6,975,717	6,870,543	1.5	85,185,965	81,975,594	3.9
REVENUE	$ 1,190,581	$ 1,150,106	3.5	$ 14,341,005	$ 13,621,745	5.3
REV/PC.	0.1707	0.1674	2.0	0.1683	0.1662	1.3
STANDARD (B) MAIL						
VOLUME	85,272	87,919	- 3.0	1,042,900	1,030,793	1.2
REVENUE	$ 135,460	$ 136,981	- 1.1	$ 1,838,721	$ 1,767,813	4.0
REV/PC.	1.5886	1.5580	2.0	1.7631	1.7150	2.8
INTERNATIONAL						
VOLUME	61,116	61,358	- 0.4	958,079	942,328	1.7
REVENUE	$ 92,652	$ 82,278	12.6	$ 1,623,736	$ 1,599,015	1.5
REV/PC.	1.5160	1.3409	13.1	1.6948	1.6969	- 0.1
ALL OTHER_1/						
VOLUME	29,512	31,501	- 6.3	439,005	434,522	1.0
REVENUE	$ 137	$ 111	23.4	$ 1,695	$ 1,671	1.4
ALL MAIL						
VOLUME	15,346,457	15,260,978	0.6	200,543,932	195,738,174	2.5
REVENUE	$ 4,501,153	$ 4,371,730	3.0	$ 60,035,494	$ 57,736,555	4.0
REV/PC.	0.2933	0.2865	2.4	0.2994	0.2950	1.5

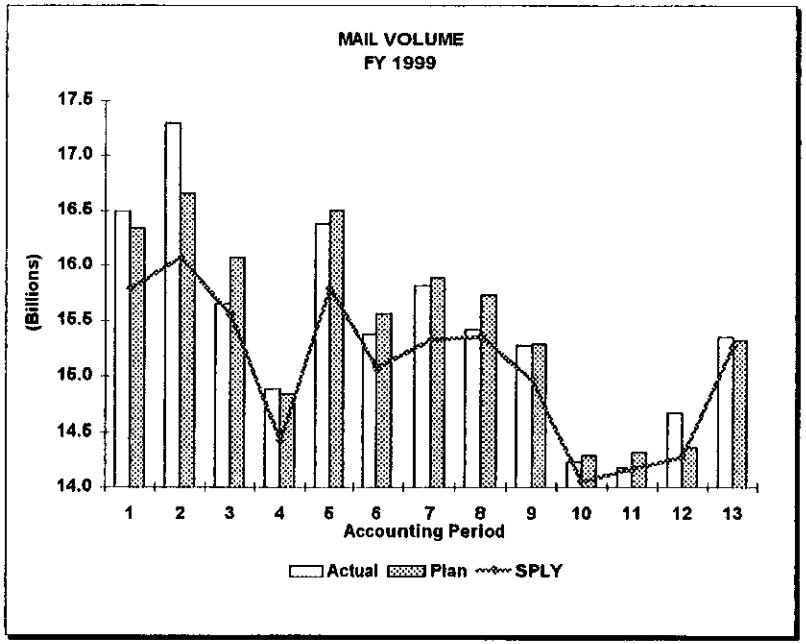
_1/ All other volume includes an increase of 2,180 thousand pieces in Internal Mail and a increase of 58 thousand pieces in Free Mail for the Blind and Handicapped for the year-to-date.

-- 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)
(500)
(600)
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


TOTAL OPERATING EXPENSE
FY 1999
(Billions)
5.2
5.0
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
Accounting Period
Actual
Plan
SPLY

Revenue by Source
Accounting Period 13, 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:			
$ 1,793.8	$ 1,784.7	0.5	Metered Postage	$ 24,989.9	$ 24,696.4	1.2
814.3	785.1	3.7	Stamps and Stamped Paper	11,500.0	11,136.8	3.3
1,125.9	1,230.7	- 8.5	Permit Imprint	14,296.2	14,741.6	- 3.0
163.4	162.8	0.4	Periodicals & Standard A	2,145.6	2,114.5	1.5
49.1	47.9	2.5	Official Mail	754.7	780.2	- 3.3
527.9	322.9	63.5	Presort First Class & Standard B/Permit Imprint	6,283.2	4,283.4	46.7
57.2	48.0	19.2	Box Rents	663.3	610.6	8.6
60.0	44.5	34.8	Money Order Fees	227.4	209.5	8.5
134.3	99.1	35.5	Other	1,464.7	1,193.0	22.8
$ 4,725.9	**$ 4,525.7**	**4.4**	**Subtotal**	**$ 62,325.0**	**$ 59,766.0**	**4.3**
			Government Appropriation:			
5.5	5.2	5.8	Revenue Forgone	71.0	67.1	5.8
$ 4,731.4	**$ 4,530.9**	**4.4**	**Total Operating Revenue**	**$ 62,396.0**	**$ 59,833.1**	**4.3**
2.4	6.7	- 64.6	Investment Income	32.5	47.6	- 31.7
$ 4,733.8	**$ 4,537.6**	**4.3**	**Total Revenue**	**$ 62,428.5**	**$ 59,880.7**	**4.3**

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 13, 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			
$ 1,837.7	$ 1,775.9	3.5	Permit Revenue	$ 22,962.7	$ 22,775.3	0.8
1,634.5	1,747.8	[6.5]	Other Commercial Accounts Revenue	22,714.3	23,618.7	[3.8]
$ 3,472.2	**$ 3,523.7**	**[1.5]**	**Total Commercial Revenue**	**$ 45,677.0**	**$ 46,394.0**	**[1.5]**
			Retail Revenue			
934.1	955.8	[2.3]	Retail Postage Revenue	13,324.1	13,175.9	1.1
124.2	62.4	99.0	Retail Services Revenue	932.8	842.7	10.7
9.0	14.1	[36.2]	Retail Products Revenue	135.6	199.3	[32.0]
124.4	142.8	[12.9]	Other Retail Channels Revenue	1,718.1	1,852.9	[7.3]
$ 1,191.7	$ 1,175.1	1.4	**Total Retail Revenue**	$ 16,110.6	$ 16,070.8	0.2
$ 4,663.9	**$ 4,698.8**	**[0.7]**	**Total Commercial & Retail Revenue**	**$ 61,787.6**	**$ 62,464.8**	**[1.1]**
62.0	64.1	[3.3]	Other Income	537.4	480.0	12.0
5.5	5.5	0.0	Revenue Forgone	71.0	71.0	0.0
$ 4,731.4	$ 4,768.4	[0.8]	**Total Operating Revenue**	$ 62,396.0	$ 63,015.8	[1.0]
2.4	2.5	[4.9]	Investment Income	32.5	32.6	[0.3]
$ 4,733.8	$ 4,770.9	[0.8]	**Total Revenue**	$ 62,428.5	$ 63,048.4	[1.0]

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Expense Analysis
Accounting Period 13, FY 1999
($Millions)

Accounting Period 13						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,570.9	- 60.9	- 1.7	$ 3,485.0	2.5	**Personnel Compensation**	$ 46,999.6	$ - 45.9	- 0.1	$45,343.7	3.7
					Non-Personnel Expense:					
348.2	[18.5]	[5.6]	307.5	13.3	Transportation	4,240.1	- 206.5	- 4.6	4,065.3	4.3
450.7	- 176.0	- 28.1	623.5	- 27.7	Supplies & Services	3,840.9	- 653.1	- 14.5	3,343.6	14.9
519.9	[37.3]	[7.7]	494.0	5.2	Other	5,193.1	[94.4]	[1.9]	4,721.0	10.0
$ 1,318.8	$ - 120.2	- 8.4	$ 1,425.0	- 7.5	**Subtotal**	$ 13,274.1	$ - 765.2	- 5.5	$ 12,129.9	9.4
$ 4,889.7	$ - 181.1	- 3.6	$ 4,910.0	- 0.4	**Total Operating Expense**	$ 60,273.7	$ - 811.1	- 1.3	$ 57,473.6	4.9
13.8	[3.7]	[36.6]	13.3	3.8	Interest Expense	216.5	[39.8]	[22.5]	215.2	0.6
122.0	[0.1]	[0.1]	119.8	1.8	Interest on Deferred Ret. Liabilities	1,589.5	0.0	0.0	1,605.4	- 1.0
$ 5,025.5	$ - 177.3	- 3.4	$ 5,043.1	- 0.3	**Total Expense**	$ 62,079.7	$ - 771.3	- 1.2	$ 59,294.2	4.7

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 13						Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	Total Compensation	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 24.8	- 3.0	- 10.6	$ 24.4	1.5	-Support	$ 334.7	- 13.6	- 3.9	$ 317.2	5.5
827.3	- 25.3	- 3.0	822.5	0.6	-Mail Processing	11,260.3	- 85.4	- 0.8	11,070.3	1.7
271.1	- 8.3	- 3.0	256.2	5.8	-Rural Delivery	3,485.9	- 37.9	- 1.1	3,328.2	4.7
987.0	- 26.1	- 2.6	978.8	0.8	-Other Delivery	13,078.4	[32.5]	[0.2]	12,753.7	2.5
72.2	[0.1]	[0.1]	69.6	3.9	-Vehicles Services	955.0	[16.9]	[1.8]	911.2	4.8
175.9	- 6.6	- 3.6	169.6	3.7	-Plant & Equip Maint	2,305.3	- 20.7	- 0.9	2,203.4	4.6
534.2	- 13.9	- 2.5	524.2	1.9	-Customer Services	7,140.7	[42.9]	[0.6]	6,823.4	4.7
22.4	- 1.9	- 7.7	22.2	0.8	Controller	295.6	- 18.8	- 6.0	286.7	3.1
23.2	- 2.5	- 9.7	23.6	- 1.9	Human Resources	315.0	- 18.4	- 5.5	307.8	2.3
35.9	- 2.2	- 5.7	34.9	3.1	Customer Service & Sales	478.7	- 11.2	- 2.3	450.9	6.2
152.0	- 2.3	- 1.5	150.2	1.2	Administration	1,993.0	- 18.7	- 0.9	1,963.0	1.5
130.0	- 0.1	- 0.1	112.1	16.0	Other Salaries & Benefits	1,623.5	[25.7]	[1.6]	1,421.3	14.2
$ 3,256.0	$ - 92.1	- 2.8	$ 3,188.3	2.1	**Total Salaries & Benefits**	$ 43,266.2	$ - 106.5	- 0.2	$ 41,837.0	3.4
47.7	- 0.7	- 1.5	60.9	- 21.7	Workers' Compensation	618.2	- 11.0	- 1.7	778.7	- 20.6
5.5	- 0.7	- 11.1	5.6	- 1.1	Unemployment Compensation	64.7	- 14.5	- 18.4	81.2	- 20.3
92.6	0.0	0.0	87.1	6.4	Deferred Retirement Cost	1,207.5	[0.1]	[0.0]	1,133.9	6.5
46.8	0.0	0.0	43.6	7.5	CSRS Annuitant COLA	598.7	- 16.3	- 2.7	565.8	5.8
51.1	[0.1]	[0.2]	45.4	12.5	Annuitant Health Benefits	606.1	- 48.8	- 7.5	590.0	2.7
71.2	[32.5]	[84.0]	54.3	NM	Other Compensation	638.3	[151.2]	[31.0]	357.0	NM
$ 3,570.9	$ - 60.9	- 1.7	$ 3,485.0	2.5	**Total Personnel Compensation**	$ 46,999.6	$ - 45.9	- 0.1	$ 45,343.7	3.7

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 13						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 348.2	[18.5]	[5.6]	$ 307.5	13.3	Transportation	$ 4,240.1	- 206.5	- 4.6	$ 4,065.3	4.3
450.7	- 176.0	- 28.1	623.5	- 27.7	Supplies & Services	3,840.9	- 653.1	- 14.5	3,343.6	14.9
143.7	[1.6]	[1.1]	134.0	7.2	Depreciation	1,810.6	[2.4]	[0.1]	1,634.5	10.8
68.8	- 1.7	- 2.4	62.6	10.0	Rent	781.1	- 13.1	- 1.7	726.2	7.6
56.8	[10.2]	[21.9]	58.2	- 2.3	Fuel & Utilities	443.1	- 9.4	- 2.1	432.0	2.6
26.1	- 0.9	- 3.3	24.9	4.7	Rural Carrier Equip Maint Allow	335.3	- 8.0	- 2.3	325.6	3.0
36.6	[9.4]	[34.8]	34.6	5.5	Vehicle Maintenance	335.2	[5.9]	[1.8]	324.8	3.2
34.3	- 9.9	- 22.5	61.1	- 43.9	Building Projects Expensed	243.9	[0.6]	[0.3]	264.1	- 7.7
5.0	- 0.1	- 2.4	4.6	9.7	Contract Job Cleaners	60.1	- 2.3	- 3.7	57.2	5.0
19.1	- 1.6	- 7.5	23.8	- 19.7	Travel & Relocation	183.1	- 27.7	- 13.2	182.2	0.5
36.6	- 7.7	- 17.4	47.8	- 23.5	Communications	274.8	- 3.1	- 1.1	239.2	14.9
5.2	- 0.4	- 6.7	5.4	- 2.7	Contract Stations	68.0	- 2.2	- 3.2	67.4	0.8
11.1	[3.4]	[44.0]	11.9	- 6.6	Printing	67.4	- 1.8	- 2.6	69.8	- 3.4
6.5	- 2.2	- 25.4	10.6	- 38.6	Training	73.0	- 15.5	- 17.5	76.9	- 5.1
5.6	[0.7]	[14.0]	6.6	- 15.2	Carfare & Tolls	65.4	[3.0]	[4.8]	61.4	6.4
5.3	[,2.2]	[73.2]	3.1	69.9	Vehicle Hire	43.4	[7.0]	[19.3]	30.4	42.6
5.2	- 1.6	- 23.9	6.5	- 20.3	Accident Cost	50.0	- 2.2	- 4.1	54.8	- 8.9
- 5.3	- 1.4	- 34.8	- 1.8	NM	Capitalized Interest	- 58.6	- 2.6	- 4.7	- 43.1	- 36.1
59.3	[37.3]	NM	0.0	NM	Miscellaneous	417.4	[163.4]	[64.3]	217.5	91.9
$ 1,318.8	- 120.2	- 8.4	$ 1,425.0	- 7.5	**Total Other Operating Expenses**	$ 13,274.1	- 765.2	- 5.5	$ 12,129.9	9.4

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

Statement of Financial Position
Accounting Period 13, FY 1999
($ Millions)

Assets	September 10, 1999	August 13, 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	283	399	514
U.S. Government	154	153	154
Other	233	242	205
	670	794	873
Less allowances	113	127	88
	557	667	785
Supplies, advances and prepayments	357	360	348
Total Current Assets	**921**	**1,034**	**1,528**
Other assets _2/	381	381	379
Property and equipment, at cost:			
Buildings	16,511	16,224	15,123
Equipment	12,418	12,236	11,179
Land	2,407	2,364	2,286
	31,336	30,824	28,588
Less allowances for depreciation	11,582	11,474	10,362
	19,754	19,350	18,226
Construction in progress	2,614	2,771	2,073
Leasehold improvements, net	550	508	493
	22,918	22,629	20,792
Deferred Retirement Costs _3/	31,781	32,232	31,844
Total Assets	**$ 56,001**	**$ 56,276**	**$ 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 August 13, 1999 and Sept. 10, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 13, FY 1999
($ Millions)

Liabilities and Equities	September 10, 1999	August 13, 1999	September 30, 1998 *
Current Liabilities:			
Compensation and employees' benefits	$ 7,189	$ 5,766	$ 5,290
Estimated prepaid postage	1,628	1,673	1,673
Payables and accrued expenses:			
Foreign countries	462	604	780
U.S. Government	161	172	148
Other	2,976	2,602	742
	3,599	3,378	1,670
Appropriation for free & reduced rate mail	4	10	-
Prepaid permit mail and box rentals	1,608	1,653	1,955
Outstanding postal money orders	871	917	692
Current portion of long-term debt	321	414	3,633
Total Current Liabilities	**15,220**	**13,811**	**14,913**
Long-term debt, less current portion	2,805	2,885	2,788
Other Liabilities:			
Amounts payable for retirement benefits _3/	30,401	31,845	30,138
Workers' compensation claims	5,452	5,417	4,923
Employees' accumulated leave	1,841	1,884	1,959
Other	948	873	632
Total Other Liabilities	38,642	40,019	37,652
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,700	- 3,473	- 3,844
Net Capital Deficiency	- 666	- 439	- 810
Total Liabilities and Equity	**$ 56,001**	**$ 56,276**	**$ 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
FY 1999
($ MILLIONS)

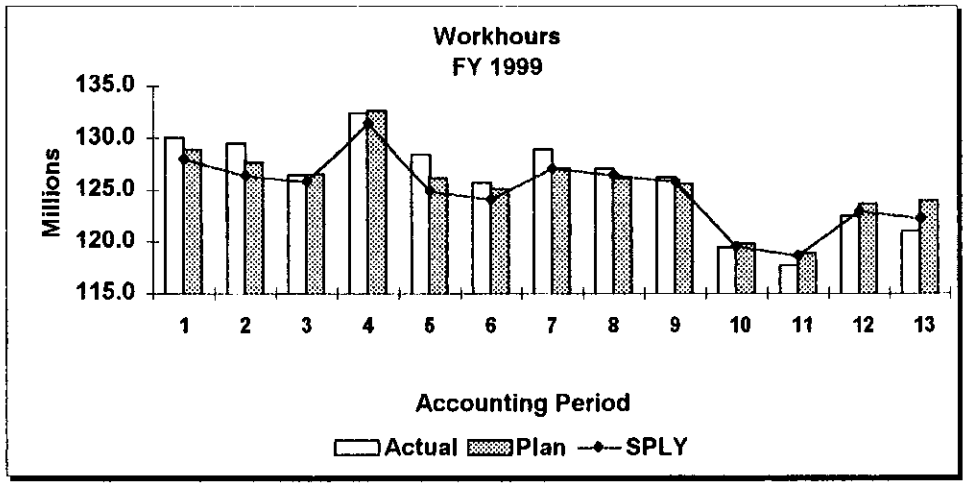
MAJOR CATEGORIES	COMMITMENTS A/P 13 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 13 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 985.4	$ 1,108.0	$ 1,116.5	$ 978.3	$ 1,068.5	$ 917.9
BUILDING IMPROVEMENTS	719.2	712.7	704.0	696.5	710.4	610.3
MAIL PROCESSING EQUIPMENT	1,158.1	1,113.3	1,204.1	934.1	977.8	728.3
VEHICLES	284.8	266.3	294.2	74.3	174.7	150.1
RETAIL EQUIPMENT	194.4	209.3	79.6	241.1	118.6	101.9
POSTAL SUPPORT EQUIPMENT	475.4	588.9	548.6	699.8	513.4	441.0
TOTAL COMMITMENTS/EXPENDITURES	$ 3,817.3	$ 3,998.5	$ 3,947.0	$ 3,624.1	$ 3,563.4	$ 2,949.5

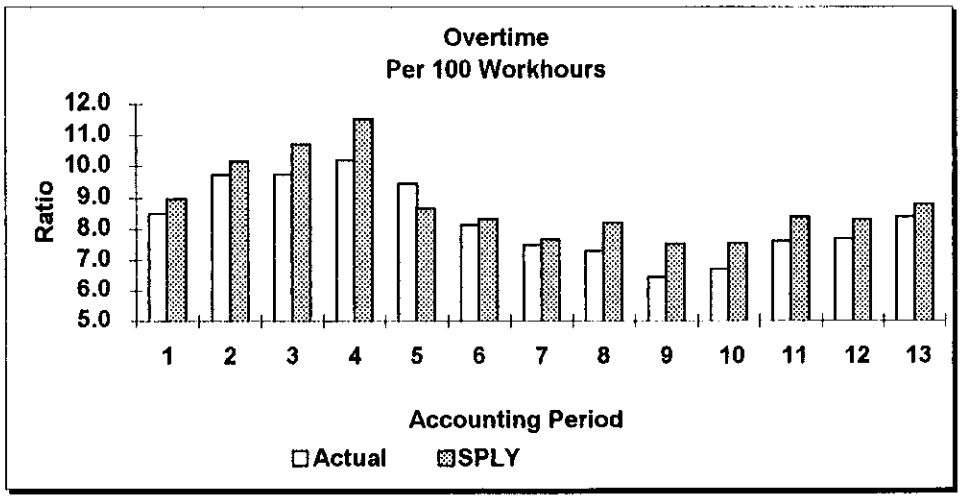
RESOURCES ON ORDER
($ MILLIONS)

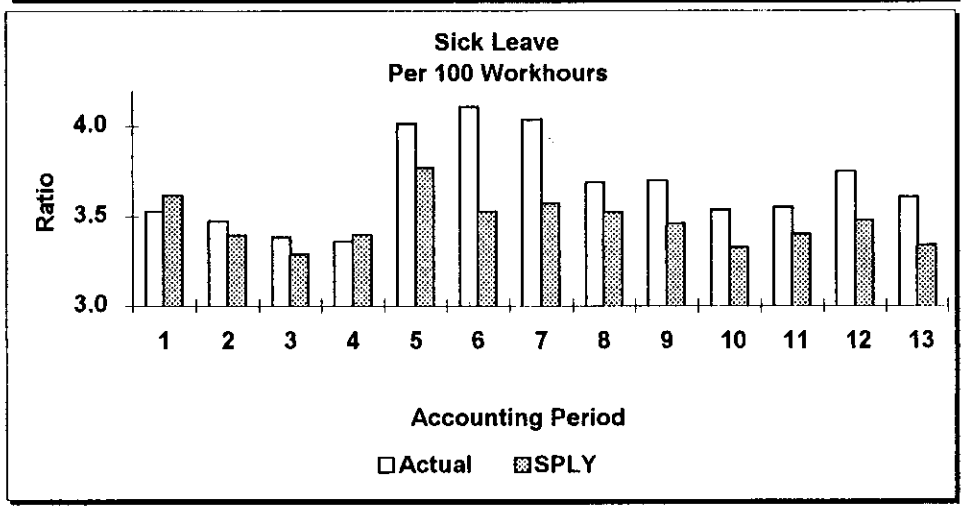
MAJOR CATEGORIES	Sept. 10, 1999	Sept. 30, 1998
CONSTRUCTION AND BUILDING PURCHASE	$ 901.2	$ 932.7
BUILDING IMPROVEMENTS	517.2	527.6
MAIL PROCESSING EQUIPMENT	1,505.4	1,279.7
VEHICLES	490.3	279.8
RETAIL EQUIPMENT	130.1	177.8
POSTAL SUPPORT EQUIPMENT	254.5	479.8
INVENTORIES	279.8	201.3
RESEARCH AND DEVELOPMENT	48.0	51.9
MISCELLANEOUS EXPENSE COMMITMENTS	3,984.4	3,352.3
TOTAL RESOURCES ON ORDER	$ 8,110.9	$ 7,282.9

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through September 10, 1999	FY 1999
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	$ 144
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	1,769
Increase/(decrease) in other liabilities	316
Increase/(decrease) in employees' accumulated leave	(118)
Increase/(decrease) in non-current workers' compensation claims	529
Increase/(decrease) in retirement, net	326
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	1,899
Increase/(decrease) in deferred revenue	(388)
Increase/(decrease) in payables and accrued expenses	1,929
(Increase)/decrease in receivables	228
(Increase)/decrease in supplies, advances and prepayments	(9)
Increase/(decrease) in outstanding postal money orders	179
Net cash provided by operating activities	**6,804**
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	1
Purchase of property and equipment, net	(3,895)
Net cash used in investing activities	**(3,894)**
Cash flows from financing activities:	
Increase/(decrease) in long-term debt	(3,295)
(Increase)/decrease in other non-current assets	(2)
Net cash used by financing activities	**(3,297)**
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
Millions
135.0
130.0
125.0
120.0
115.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


Overtime
Per 100 Workhours
Ratio
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY


Sick Leave
Per 100 Workhours
Ratio
4.0
3.5
3.0
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 13						Year to date				
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
737	- 78	- 9.6	746	- 1.2	-Support	10,124	- 267	- 2.6	9,748	3.9
31,171	- 1,150	- 3.6	32,427	- 3.9	-Mail Processing	437,337	- 2,095	- 0.5	446,584	- 2.1
12,407	- 82	- 0.7	12,025	3.2	-Rural Delivery	161,462	[827]	[0.5]	155,617	3.8
36,770	- 797	- 2.1	37,037	- 0.7	-Other Delivery	492,387	[3,734]	[0.8]	487,047	1.1
2,487	0	0.0	2,463	1.0	-Vehicles Services	33,409	[604]	[1.8]	32,696	2.2
6,165	- 273	- 4.2	6,149	0.3	-Plant & Equip Maint	81,885	- 1,108	- 1.3	80,571	1.6
19,680	- 556	- 2.7	19,983	- 1.5	-Customer Services	267,571	[1,960]	[0.7]	263,295	1.6
733	- 66	- 8.3	748	- 2.1	Controller	9,783	- 670	- 6.4	9,752	0.3
705	- 66	- 8.6	747	- 5.6	Human Resources	9,813	- 376	- 3.7	9,777	0.4
1,204	- 90	- 7.0	1,207	- 0.2	Customer Service & Sales	16,292	- 547	- 3.3	15,831	2.9
5,163	[1]	[0.0]	5,179	- 0.3	Administration	68,249	[396]	[0.6]	68,229	0.0
3,739	[225]	[6.4]	3,443	8.6	Other	48,967	[4,232]	[9.5]	43,912	11.5
120,961	- 2,932	- 2.4	122,154	- 1.0	Total Workhours	1,637,279	[6,690]	[0.4]	1,623,059	0.9

Overtime

	Actual	Budget	SPLY		Actual	Budget	SPLY
	8.4	7.8	8.8	Overtime Ratio Per 100 Workhours	8.3	7.4	8.8

Sick Leave

Actual		SPLY		Actual		SPLY
3.6	--	3.3	Sick Leave Ratio Per 100 Workhours	3.7	--	3.5

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.