DOCKET SECTION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

FINANCIAL & OPERATING STATEMENTS

Accounting Period 2, PFY 2000

October 9 - November 5, 1999

Finance

HIGHLIGHTS
(MILLIONS)

Accounting Period 2						Year-to-Date				
Actual	Vs. Budget	% Var	SPLY	% Var to SPLY		Actual	Vs. Budget	% Var	SPLY	% Var to SPLY
$ 5,144.5	[$ - 106.4]	[- 2.0]	$ 4,984.6	3.2	Total Revenue	$ 10,213.0	[$ - 176.1]	[- 1.7]	$ 9,859.8	3.6
4,834.7	- 50.9	- 1.0	4,706.6	2.7	Total Expense	9,562.4	- 123.1	- 1.3	9,269.7	3.2
$ 309.8	[$ - 55.5]	NM	$ 278.0	NM	Income\(Loss)	$ 650.6	[$ - 53.0]	NM	$ 590.1	NM
$ 101.6	$ 70.4	225.6	$ 100.9	0.7	Capital Commitments	$ 179.3	$ 54.8	44.0	$ 178.8	0.3
127.7	- 0.1	- 0.0	129.7	- 1.5	Total Workhours	256.4	[0.2]	[0.1]	260.5	- 1.6
17,041.8	[- 456.2]	[- 2.6]	17,174.1	- 0.8	Mail Volume	33,599.5	[- 734.4]	[- 2.1]	33,556.8	0.1

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

Actual Number Of:	Current Period	Prior Period	SPLY
Post Offices	27,888	27,893	* 27,837
Active Postal Owned Vehicles			
Administrative	5,535	5,567	5,235
Operations	196,955	196,962	197,506
Possible City Deliveries (000)	82,883	82,738	82,289
Rural Routes	64,710	64,693	62,370
Delivery Routes	168,430	168,092	167,461
Career Employees	795,694	796,961	797,110
Casual Employees	26,279	25,225	27,729
Transitional Employees	14,777	12,541	19,522

* Beginning in AP 10, FY 1999, the number of Post Offices is being obtained from the Address Management System, which provides the most comprehensive source data available. The actual difference between the number of Post Office's in AMS and the previously used source is approximately 80 units.

STATEMENT OF INCOME & EXPENSE
($ Millions)

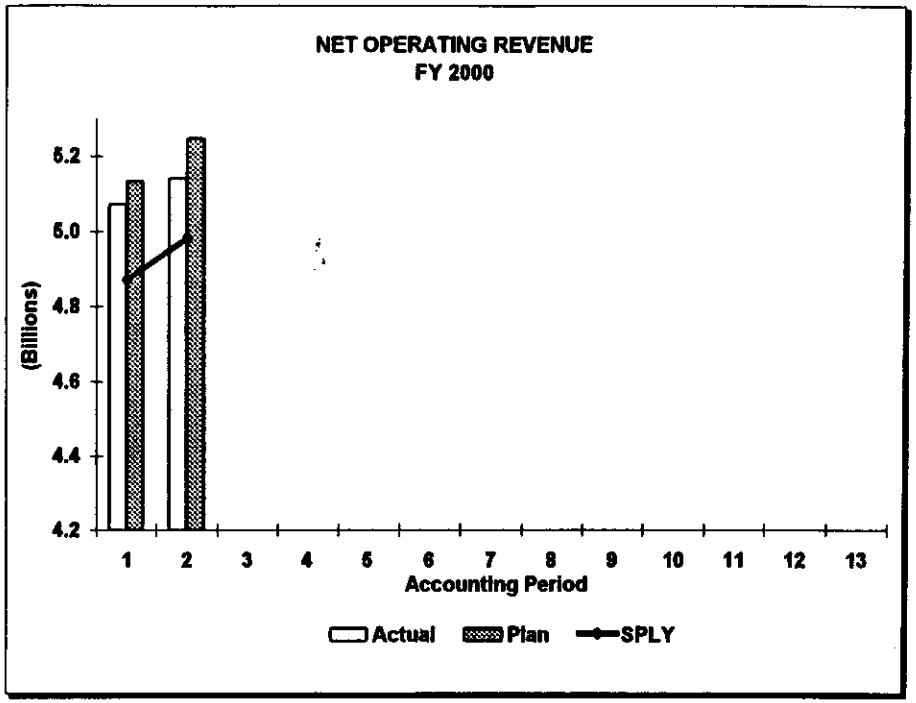
Accounting Period 2						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 5,142.3	[$ - 106.6]	[- 2.0]	$ 4,982.5	3.2	Operating Revenue	$ 10,208.4	[$ - 175.8]	[- 1.7]	$ 9,852.3	3.6
4,687.4	- 52.2	- 1.1	4,562.0	2.7	Operating Expense	9,274.8	- 123.4	- 1.3	8,983.7	3.2
$ 454.9	[$ - 54.4]	NM	$ 420.5	NM	Income From Operations	$ 933.6	[$ - 52.4]	NM	$ 868.6	NM
2.2	0.2	10.2	2.1	5.8	Investment Income	4.6	[- 0.3]	[- 4.6]	7.5	- 38.1
- 25.7	[- 1.3]	[5.3]	- 21.2	21.2	Interest Expense	- 44.3	[- 0.3]	[0.7]	- 39.2	[13.0]
- 121.6	0.0	0.0	- 123.4	- 1.4	Interest on Deferred Ret. Liabilities	- 243.3	0.0	0.0	- 246.8	- 1.4
$ 309.9	[$ - 55.5]	NM	$ 278.0	NM	Income\(Loss)	$ 650.6	[$ - 53.0]	NM	$ 590.1	NM

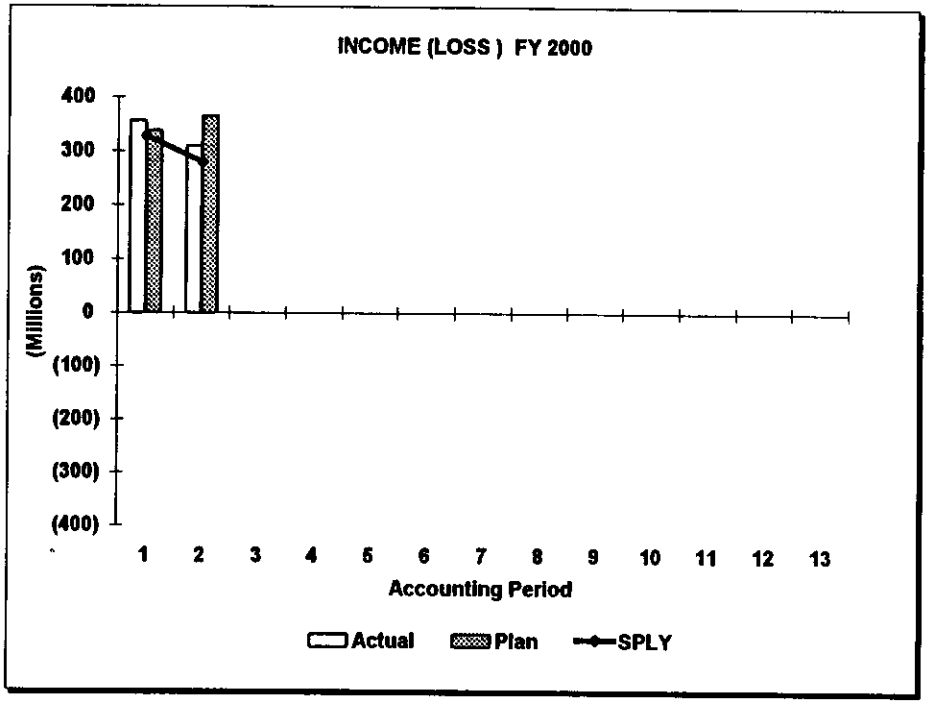
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

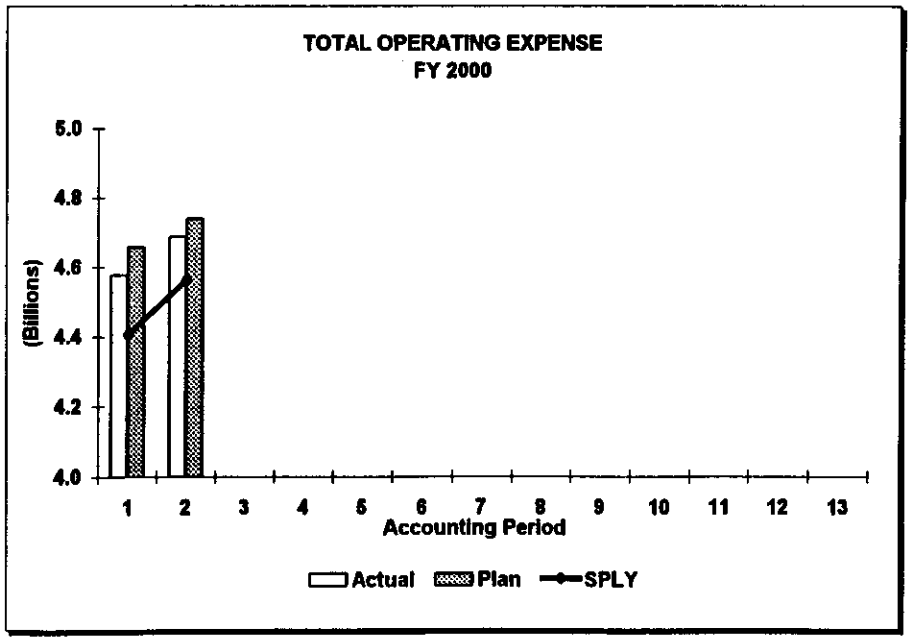
MAIL VOLUME - MAIL REVENUE
(Thousands)

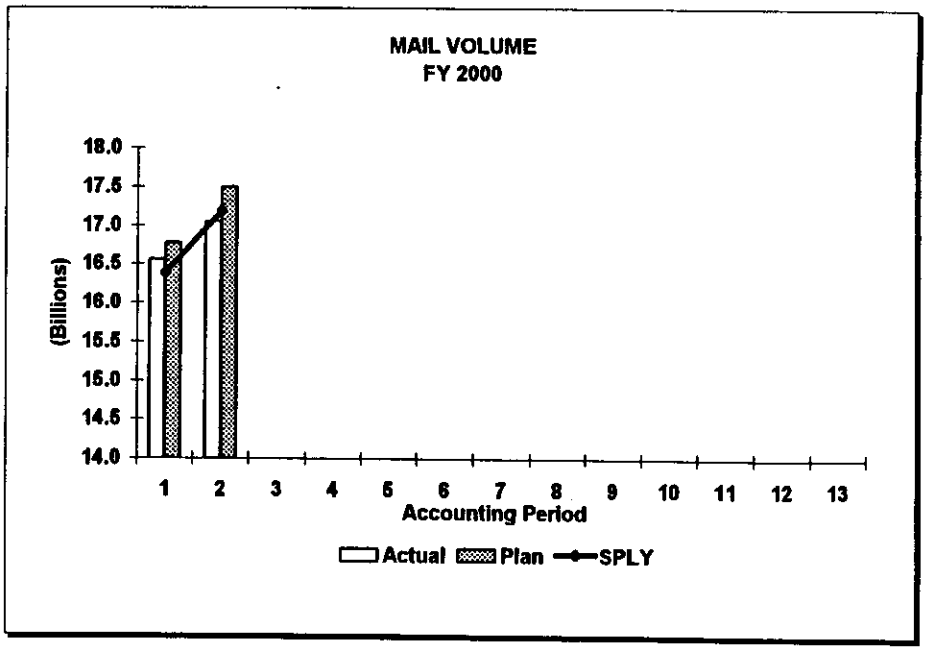
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 02 2000	A/P 02 1999	% CHANGE	A/P 02 2000	A/P 02 1999	% CHANGE
FIRST-CLASS						
VOLUME	7,923,315	7,732,498	2.5	15,827,129	15,532,315	1.9
REVENUE	$ 2,720,261	$ 2,602,319	4.5	$ 5,430,760	$ 5,229,950	3.8
REV/PC.	0.3433	0.3365	2.0	0.3431	0.3367	1.9
PRIORITY-MAIL						
VOLUME	91,134	95,719	- 4.8	182,992	191,471	- 4.4
REVENUE	$ 358,014	$ 344,430	3.9	$ 718,952	$ 680,713	5.6
REV/PC.	3.9284	3.5983	9.2	3.9289	3.5552	10.5
EXPEDITED MAIL						
VOLUME	5,166	5,084	1.6	10,402	10,159	2.4
REVENUE	$ 72,216	$ 65,607	10.1	$ 145,087	$ 130,600	11.1
REV/PC.	13.9791	12.9046	8.3	13.9480	12.8556	8.5
PERIODICALS						
VOLUME	821,972	804,502	2.2	1,519,244	1,631,877	- 6.9
REVENUE	$ 171,807	$ 167,395	2.6	$ 329,953	$ 336,764	- 2.0
REV/PC.	0.2090	0.2081	0.5	0.2172	0.2064	5.2
STANDARD (A) MAIL						
VOLUME	7,998,936	8,340,096	- 4.1	15,655,423	15,787,607	- 0.8
REVENUE	$ 1,367,293	$ 1,373,989	- 0.5	$ 2,670,822	$ 2,610,190	2.3
REV/PC.	0.1709	0.1647	3.8	0.1706	0.1653	3.2
STANDARD (B) MAIL						
VOLUME	95,064	85,991	10.6	179,883	178,421	0.8
REVENUE	$ 161,778	$ 153,305	5.5	$ 310,593	$ 307,044	1.2
REV/PC.	1.7018	1.7828	- 4.5	1.7266	1.7209	0.3
INTERNATIONAL						
VOLUME	75,886	69,017	10.0	158,620	147,513	7.5
REVENUE	$ 123,375	$ 119,822	3.0	$ 249,191	$ 240,709	3.5
REV/PC.	1.6258	1.7361	- 6.4	1.5710	1.6318	- 3.7
ALL OTHER_1/						
VOLUME	30,293	41,185	- 26.4	65,837	77,408	- 14.9
REVENUE	$ 119	$ 138	- 13.8	$ 238	$ 276	- 12.9
ALL MAIL						
VOLUME	17,041,766	17,174,091	- 0.8	33,599,531	33,556,771	0.1
REVENUE	$ 4,974,862	$ 4,827,005	3.1	$ 9,855,594	$ 9,536,246	3.3
REV/PC.	0.2919	0.2811	3.9	0.2933	0.2842	3.2

_1/ All other volume includes a decrease of 12,095 thousand pieces in Internal Mail and an increase of 690 thousand pieces in Free Mail for the Blind and Handicapped for the year-to-date.


NET OPERATING REVENUE
FY 2000
(Billions)
5.2
5.0
4.8
4.6
4.4
4.2
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


INCOME (LOSS) FY 2000
(Millions)
400
300
200
100
0
(100)
(200)
(300)
(400)
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


TOTAL OPERATING EXPENSE
FY 2000
(Billions)
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 2000
(Billions)
18.0
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 2, FY 2000
($Millions)

Current Period Actual	Current Period SPLY	Current Period % Diff		Year-To-Date Actual	Year-To-Date SPLY	Year-To-Date % Diff
			Operating Revenue:			
$ 1,935.4	$ 1,919.3	0.8	Metered Postage	$ 3,899.7	$ 3,865.3	0.9
859.0	847.8	1.3	Stamps and Stamped Paper	1,700.7	1,678.6	1.3
1,284.0	1,476.1	- 13.0	Permit Imprint	2,498.3	2,810.1	- 11.1
168.6	172.8	- 2.4	Periodicals & Standard A	328.4	346.4	- 5.2
49.3	49.1	0.5	Official Mail	120.6	124.2	- 2.9
652.0	360.8	80.7	Presort First Class & Standard B/Permit Imprint	1,264.6	718.6	76.0
50.9	47.4	7.4	Box Rents	101.8	94.8	7.4
14.3	14.3	0.0	Money Order Fees	28.8	28.7	0.3
123.8	89.4	38.5	Other	255.5	174.7	46.2
$ 5,137.3	$ 4,977.0	3.2	**Subtotal**	$ 10,198.4	$ 9,841.4	3.6
			Government Appropriation:			
5.0	5.5	- 8.4	Revenue Forgone	10.0	10.9	- 8.4
$ 5,142.3	$ 4,982.5	3.2	**Total Operating Revenue**	$ 10,208.4	$ 9,852.3	3.6
2.2	2.1	5.8	Investment Income	4.6	7.5	- 38.1
$ 5,144.5	$ 4,984.6	3.2	**Total Revenue**	$ 10,213.0	$ 9,859.8	3.6

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 2, FY 2000
($Millions)

Current Period Actual	Current Period Budget	Current Period % Var		Year-To-Date Actual	Year-To-Date Budget	Year-To-Date % Var
			Commercial Revenue			
$ 2,159.2	$ 2,117.5	2.0	Permit Revenue	$ 4,200.5	$ 4,104.2	2.3
1,772.4	1,874.6	[5.5]	Other Commercial Accounts Revenue	3,599.2	3,772.3	[4.6]
$ 3,931.6	**$ 3,992.1**	**[1.5]**	**Total Commercial Revenue**	**$ 7,799.7**	**$ 7,876.5**	**[0.9]**
			Retail Revenue			
972.7	998.3	[2.6]	Retail Postage Revenue	1,926.3	1,988.7	[3.1]
72.4	69.2	4.6	Retail Services Revenue	140.9	138.9	1.5
9.2	12.0	[23.3]	Retail Products Revenue	17.3	23.9	[27.7]
125.9	141.1	[10.8]	Other Retail Channels Revenue	249.5	283.4	[12.0]
$ 1,180.2	$ 1,220.6	[3.3]	**Total Retail Revenue**	$ 2,334.0	$ 2,434.9	[4.1]
$ 5,111.8	**$ 5,212.7**	**[1.9]**	**Total Commercial & Retail Revenue**	**$ 10,133.7**	**$ 10,311.4**	**[1.7]**
25.5	31.2	[18.7]	Other Income	64.7	62.8	2.8
5.0	5.0	0.0	Revenue Forgone	10.0	10.0	0.0
$ 5,142.3	$ 5,248.9	[2.0]	**Total Operating Revenue**	$ 10,208.4	$ 10,384.2	[1.7]
2.2	2.0	10.2	Investment Income	4.6	4.9	[4.6]
$ 5,144.5	$ 5,250.9	[2.0]	**Total Revenue**	$ 10,213.0	$ 10,389.1	[1.7]

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Expense Analysis
Accounting Period 2, FY 2000
($Millions)

Accounting Period 2						Year-to-Date				
Actual	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,729.6	$ - 0.6	- 0.0	$ 3,629.7	2.8	**Personnel Compensation**	$ 7,481.1	[$ - 17.8]	[0.2]	$7,276.8	2.8
					Non-Personnel Expense:					
339.8	[2.9]	[0.9]	321.6	5.6	Transportation	652.6	- 24.4	- 3.6	524.5	24.4
197.3	- 63.2	- 24.2	224.8	- 12.2	Supplies & Services	351.2	- 129.4	- 26.9	361.9	- 3.0
420.7	[8.6]	[2.1]	385.9	9.0	Other	789.9	[12.5]	[1.6]	820.5	- 3.7
$ 957.8	$ - 51.6	- 5.1	$ 932.4	2.7	**Subtotal**	$ 1,793.7	$ - 141.2	- 7.3	$ 1,706.9	5.1
$ 4,687.4	$ - 52.2	- 1.1	$ 4,562.0	2.7	**Total Operating Expense**	$ 9,274.8	$ - 123.4	- 1.3	$ 8,983.7	3.2
25.7	[1.3]	[5.3]	21.2	21.2	Interest Expense	44.3	[0.3]	[0.7]	39.2	13.0
121.6	0.0	0.0	123.4	- 1.4	Interest on Deferred Ret. Liabilities	243.3	0.0	0.0	246.8	- 1.4
$ 4,834.7	$ - 50.9	- 1.0	$ 4,706.6	2.7	**Total Expense**	$ 9,562.4	$ - 123.1	- 1.3	$ 9,269.7	3.2

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

Analysis of Operating Expenses
Personnel Compensation
($Millions)

Accounting Period 2					Year-to-Date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
Total Compensation									
Operations:									
$ 26.1	$ - 0.1	- 0.2	$ 25.9	0.9	$ 52.9	$ - 0.3	- 0.6	$ 52.4	0.8
893.6	- 4.4	- 0.5	886.9	0.8	1,774.9	- 1.3	- 0.1	1,771.2	0.2
279.5	- 2.6	- 0.9	262.7	6.4	563.3	- 4.8	- 0.8	530.6	6.2
1,030.3	[2.3]	[0.2]	1,035.7	- 0.5	2,067.0	[12.7]	[0.6]	2,071.6	- 0.2
74.6	[1.2]	[1.6]	71.8	4.0	150.4	[2.7]	[1.8]	144.6	4.0
182.8	- 1.5	- 0.8	175.2	4.4	368.2	- 2.7	- 0.7	355.2	3.7
563.1	[2.1]	[0.4]	550.2	2.3	1,131.0	[6.1]	[0.5]	1,107.1	2.2
23.1	- 1.5	- 6.0	22.5	2.7	46.7	- 3.5	- 7.0	45.7	2.2
24.5	- 1.4	- 5.6	25.1	- 2.5	49.6	- 2.8	- 5.3	50.6	- 1.9
37.8	- 1.2	- 3.1	36.7	3.0	76.6	- 2.4	- 3.1	74.5	2.9
153.3	[1.2]	[0.8]	152.6	0.5	314.1	[2.1]	[0.7]	310.3	1.2
130.2	- 7.3	- 5.3	120.8	7.8	263.6	- 15.8	- 5.6	237.3	11.1
$ 3,419.2	$ - 13.3	- 0.4	$ 3,366.1	1.6	$ 6,858.1	$ - 10.0	- 0.1	$ 6,751.0	1.6
56.3	- 0.0	- 0.0	46.0	22.4	112.7	0.0	0.0	92.2	22.3
5.6	[0.0]	[0.2]	4.9	15.6	11.3	[0.0]	[0.3]	9.7	15.7
99.2	0.0	0.0	93.5	6.1	198.4	0.0	0.0	187.0	6.1
52.0	0.0	0.0	48.9	6.2	103.9	0.0	0.0	97.7	6.4
57.0	0.0	0.0	48.6	17.3	114.1	0.0	0.0	97.2	17.4
40.3	[12.7]	[46.0]	21.7	NM	82.8	[27.9]	[50.7]	42.0	NM
$ 3,729.6	$ - 0.8	- 0.0	$ 3,629.7	2.8	$ 7,481.1	[$ 17.8]	[0.2]	$ 7,276.8	2.8

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

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 2						Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 339.8	[$ 2.9]	[0.9]	$ 321.6	5.6	Transportation	$ 652.6	$ - 24.4	- 3.6	$ 524.5	24.4
197.3	- 63.2	- 24.2	224.8	- 12.2	Supplies & Services	351.2	- 129.4	- 26.9	361.9	- 3.0
149.3	[6.4]	[4.5]	130.1	14.7	Depreciation	298.9	[14.2]	[5.0]	261.2	14.5
68.8	- 1.2	- 1.8	65.8	4.6	Rent	136.4	- 0.4	- 0.3	127.4	7.0
33.0	- 1.1	- 3.2	32.6	1.5	Fuel & Utilities	55.6	- 7.2	- 11.5	53.6	3.8
26.2	- 0.1	- 0.5	25.1	4.4	Rural Carrier Equip Maint Allow	53.4	0.0	0.0	51.2	4.2
27.5	[1.7]	[6.5]	22.4	22.6	Vehicle Maintenance	48.1	- 0.4	- 0.8	42.2	14.0
46.5	[26.2]	[129.3]	27.6	68.5	Information Technology	59.1	[38.0]	[179.6]	44.4	33.3
10.2	- 5.3	- 34.3	17.4	- 41.4	Building Projects Expensed	19.2	- 6.4	- 25.1	28.6	- 32.7
4.8	- 0.3	- 5.5	4.5	6.5	Contract Job Cleaners	9.5	- 0.4	- 3.6	9.0	5.3
9.7	- 5.0	- 33.9	14.5	- 33.2	Travel & Relocation	16.8	- 10.1	- 37.6	26.0	- 35.4
7.2	- 7.0	- 49.6	7.8	- 7.7	Communications	17.5	- 8.1	- 31.6	21.1	- 17.0
5.2	- 0.6	- 11.0	5.5	- 5.6	Contract Stations	11.1	- 0.6	- 4.9	11.2	- 1.4
2.2	- 0.4	- 14.2	2.0	8.9	Printing	2.9	- 1.6	- 35.6	2.6	11.4
4.2	- 1.2	- 22.1	6.5	- 34.5	Training	6.9	- 3.4	- 32.9	10.5	- 34.6
4.8	- 0.1	- 2.8	5.2	- 7.3	Carfare & Tolls	8.2	- 1.5	- 15.4	7.6	8.8
3.0	[0.2]	[5.4]	2.8	10.4	Vehicle Hire	7.0	[1.3]	[23.4]	3.9	81.7
4.5	[1.3]	[38.5]	4.6	- 2.1	Accident Cost	6.6	[0.3]	[4.3]	7.4	- 11.2
- 4.4	- 0.4	- 9.6	- 4.2	4.1	Capitalized Interest	- 9.0	- 1.0	- 12.8	- 12.8	29.5
17.9	- 4.3	- 19.4	15.8	13.3	Miscellaneous	41.8	- 0.1	- 0.2	125.6	- 66.7
$ 957.8	$ - 51.6	- 5.1	$ 932.3	2.7	Total Other Operating Expenses	$ 1,793.7	$ - 141.2	- 7.3	$ 1,706.9	5.1

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

Statement of Financial Position
Accounting Period 2, FY 2000
($ Millions)

Assets	November 5, 1999	October 8, 1999	September 30, 1999*
Current Assets:			
Cash and cash equivalents _1/	$ 0	$ 0	$ 8
U.S. Government securities, at amortized cost which approximates market	7	7	7
Receivables:			
Foreign countries	308	295	337
U.S. Government	145	141	149
Other	235	236	205
	688	672	691
Less allowances	117	115	113
	571	557	578
Supplies, advances and prepayments	334	336	387
Total Current Assets	**912**	**900**	**980**
Other assets _2/	376	376	376
Property and equipment, at cost:			
Buildings	16,683	16,626	16,513
Equipment	12,585	12,466	12,421
Land	2,432	2,421	2,407
	31,700	31,513	31,341
Less allowances for depreciation	11,778	11,691	11,663
	19,922	19,822	19,678
Construction in progress	2,701	2,676	2,623
Leasehold improvements, net	550	552	539
	23,173	23,050	22,840
Deferred Retirement Costs _3/	33,721	33,718	31,497
Total Assets	**$ 58,182**	**$ 58,044**	**$ 55,693**

_1/ Includes securities with maturities of 90 days or less in accordance with Statement of Financial Accounting Standards (SFAS) No. 95.

_2/ Includes $375 million as of September 30, 1999, October 8, 1999, and November 5, 1999 for supplemental appropriation receivable for revenue forgone.

* Audited year-end data

Statement of Financial Position
Accounting Period 2, FY 2000
($ Millions)

Liabilities and Equities	November 5, 1999	October 8, 1999	September 30, 1999*
Current Liabilities:			
Compensation and employees' benefits	$ 4,829	$ 4,656	$ 5,919
Estimated prepaid postage	1,635	1,631	1,628
Payables and accrued expenses:			
Foreign countries	460	453	527
U.S. Government	197	179	164
Other	2,542	2,724	657
	3,199	3,356	1,348
Appropriation for free & reduced rate mail	59	64	0
Prepaid permit mail and box rentals	1,681	1,667	2,049
Outstanding postal money orders	1,005	906	813
Current portion of debt	2,407	2,937	3,363
Total Current Liabilities	**14,815**	**15,217**	**15,120**
Long-term debt, less current portion	3,554	3,554	3,554
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,930	31,786	29,685
Workers' compensation claims	4,959	4,903	4,901
Employees' accumulated leave	1,991	1,959	2,041
Other	976	969	839
Total Other Liabilities	39,856	39,617	37,466
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,077	- 3,378	- 3,481
Net Capital Deficiency	- 43	- 344	- 447
Total Liabilities and Equity	$ 58,182	$ 58,044	$ 55,693

_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 2000
($ MILLIONS)

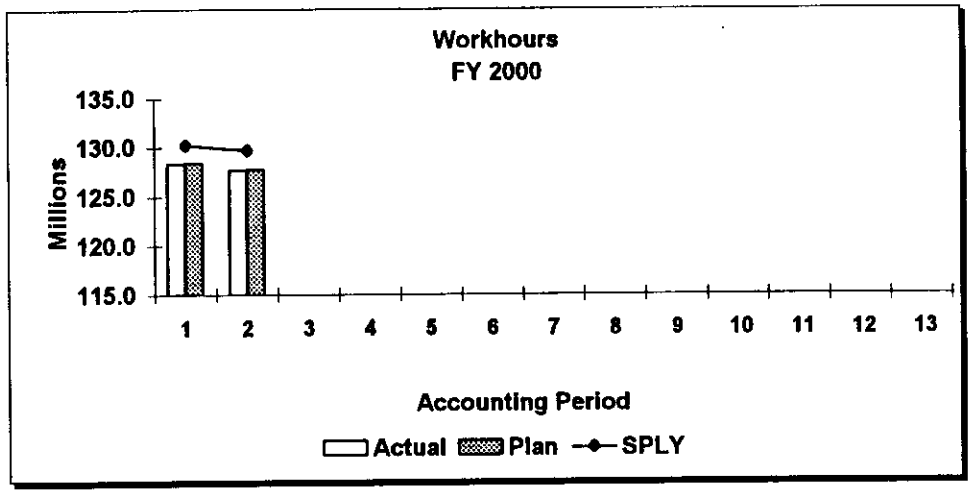
MAJOR CATEGORIES	COMMITMENTS A/P 2 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 2 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 33.5	$ 44.7	$ 51.6	$ 124.7	$ 125.0	$ 112.1
BUILDING IMPROVEMENTS	77.1	33.2	62.8	107.4	101.5	81.1
MAIL PROCESSING EQUIPMENT	35.4	27.9	39.9	171.1	152.8	110.8
VEHICLES	0.1	0.1	0.1	12.2	23.6	7.0
RETAIL EQUIPMENT	11.6	0.1	11.6	52.9	48.2	32.6
POSTAL SUPPORT EQUIPMENT	21.6	18.5	12.8	59.5	95.3	135.6
TOTAL COMMITMENTS/EXPENDITURES	$ 179.3	$ 124.5	$ 178.8	$ 527.8	$ 546.4	$ 479.2

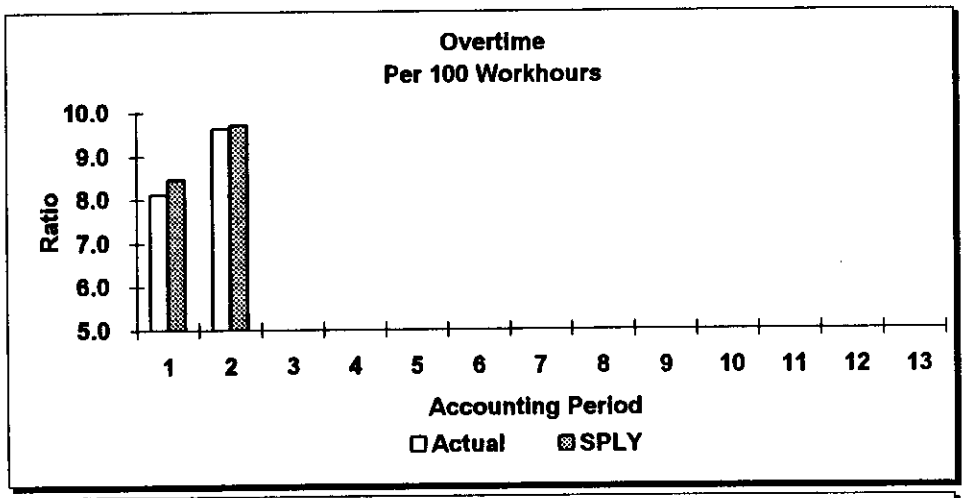
RESOURCES ON ORDER
($ MILLIONS)

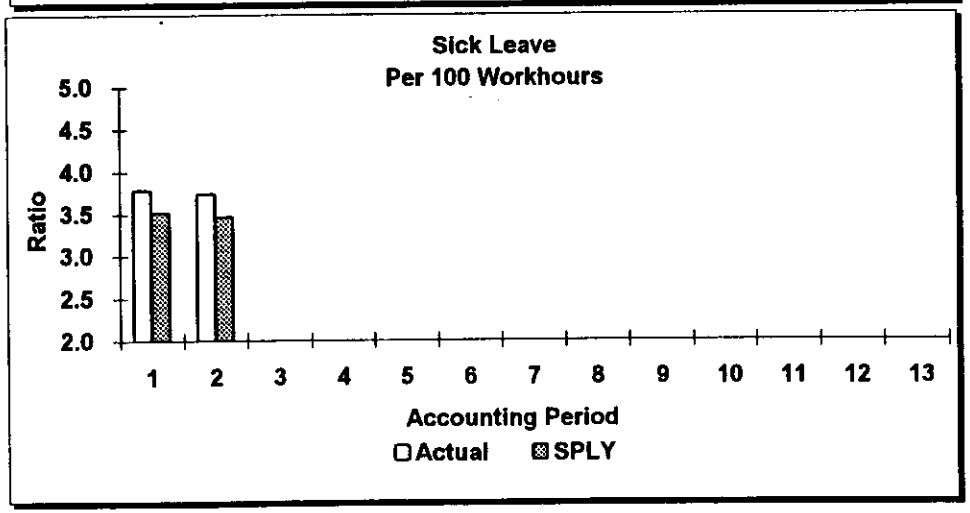
MAJOR CATEGORIES	Nov. 5, 1999	Sept. 30, 1999
CONSTRUCTION AND BUILDING PURCHASE	$ 754.2	$ 901.2
BUILDING IMPROVEMENTS	482.2	517.2
MAIL PROCESSING EQUIPMENT	1,346.6	1,505.4
VEHICLES	478.3	490.3
RETAIL EQUIPMENT	88.8	130.1
POSTAL SUPPORT EQUIPMENT	216.6	254.5
INVENTORIES	254.2	279.8
RESEARCH AND DEVELOPMENT	57.4	48.0
MISCELLANEOUS EXPENSE COMMITMENTS	4,176.6	3,984.4
TOTAL RESOURCES ON ORDER	$ 7,854.9	$ 8,110.9

STATEMENT OF CASH FLOWS
($ Millions)

For the Year through November 5, 1999	FY 2000
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	$ 404
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	294
Increase/(decrease) in other liabilities	137
Increase/(decrease) in employees' accumulated leave	(50)
Increase/(decrease) in non-current workers' compensation claims	58
Increase/(decrease) in retirement, net	21
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	(1,090)
Increase/(decrease) in deferred revenue	(302)
Increase/(decrease) in payables and accrued expenses	1,851
(Increase)/decrease in receivables	7
(Increase)/decrease in supplies, advances and prepayments	53
Increase/(decrease) in outstanding postal money orders	192
Net cash provided by operating activities	**1,575**
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	0
Purchase of property and equipment, net	(627)
Net cash used in investing activities	**(627)**
Cash flows from financing activities:	
Increase/(decrease) in debt	(956)
(Increase)/decrease in other non-current assets	0
Net cash used by financing activities	**(956)**
Net (decrease)/increase in cash and cash equivalents	**(8)**
Cash and cash equivalents at beginning of period	**8**
Cash and cash equivalents at end of period	**$ 0**


Workhours
FY 2000
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
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
5.0
4.5
4.0
3.5
3.0
2.5
2.0
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 2						Year to date					
Actual	Var. to Budget	% Var.	SPLY*	% Var to SPLY	Total Workhours	Actual	Var. to Budget	%Var.	SPLY*	% Var to SPLY
					Operations:					
786	[4]	[0.6]	802	- 1.9	-Support	1,594	- 6	- 0.3	1,633	- 2.4
33,916	- 330	- 1.0	35,308	- 3.9	-Mail Processing	67,155	- 600	- 0.9	70,266	- 4.4
12,704	[12]	[0.1]	12,269	3.5	-Rural Delivery	25,619	[8]	[0.0]	24,814	3.2
38,550	- 72	- 0.2	39,253	- 1.8	-Other Delivery	77,585	[48]	[0.1]	78,860	- 1.6
2,582	[36]	[1.4]	2,562	0.8	-Vehicles Services	5,207	[74]	[1.4]	5,163	0.9
6,425	- 84	- 1.3	6,382	0.7	-Plant & Equip Maint	12,940	- 193	- 1.5	12,938	0.0
20,745	- 27	- 0.1	21,163	- 2.0	-Customer Services	41,726	- 34	- 0.1	42,564	- 2.0
760	- 44	- 5.5	763	- 0.4	Controller	1,535	- 108	- 6.6	1,549	- 0.9
760	- 43	- 5.4	809	- 6.1	Human Resources	1,543	- 92	- 5.7	1,636	- 5.7
1,281	- 46	- 3.5	1,284	- 0.3	Customer Service & Sales	2,595	- 94	- 3.5	2,596	- 0.0
5,230	[43]	[0.8]	5,314	- 1.6	Administration	10,780	[87]	[0.8]	10,851	- 0.6
3,959	[493]	[14.2]	3,751	5.5	Other	8,100	[1,093]	[15.6]	7,593	6.7
127,698	- 58	- 0.0	129,660	- 1.5	Total Workhours	256,379	[183]	[0.1]	260,463	- 1.6

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Workhours	8.9	8.8	9.1

Actual	Budget	SPLY
9.6	9.3	9.7

Sick Leave

	Actual		SPLY
Sick Leave Ratio Per 100 Workhours	3.8	--	3.6

Actual		SPLY
3.7	--	3.5

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.