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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

USPS-LR-I-203

Periodicals Pricing Spreadsheets Provided in Response to POIR No. 2 (Taufique, USPS-T-38)

CONTENTS

Regular (14 pages); electronic file RR2.Zip
Nonprofit (15 pages); electronic file NP2.Zip
Classroom (14 pages); electronic file CR2.Zip

GFY 98 BILLING DETERMINANTS REGULAR RATE PERIODICALS

USPS T-38
Spreadsheet RR-A
Page 1
For POIR 2

Regular Rate Pounds	Pounds	Rate	Postage*
Delivery Unit	12,015,966	\$ 0.169	\$ 2,030,720
SCF	607,488,516	\$ 0.190	\$ 115,424,373
Zones 1&2	283,687,526	\$ 0.214	\$ 60,709,971
Zone 3	137,761,673	\$ 0.224	\$ 30,859,029
Zone 4	195,342,250	\$ 0.251	\$ 49,031,543
Zone 5	193,187,153	\$ 0.292	\$ 56,411,369
Zone 6	77,509,394	\$ 0.336	\$ 26,043,471
Zone 7	58,727,076	\$ 0.388	\$ 22,786,398
Zone 8	51,484,416	\$ 0.432	\$ 22,241,553
Nonadvertising	1,945,939,221	\$ 0.161	\$ 313,299,959
Science of Agriculture Pounds	Pounds	Rate	Postage
SCI. OF AGRICULTURE DELIVERY OFFICE	32,023	0.127	\$ 4,067
SCI. OF AGRICULTURE SCF	2,358,084	0.143	\$ 337,210
SCI. OF AGRICULTURE ZONES 1&2	4,839,322	0.161	\$ 779,140
SCI. OF AGRICULTURE ZONE 3	1,715,212	0.224	\$ 384,212
SCI. OF AGRICULTURE ZONE 4	946,193	0.251	\$ 237,498
SCI. OF AGRICULTURE ZONE 5	495,706	0.292	\$ 144,748
SCI. OF AGRICULTURE ZONE 6	76,777	0.336	\$ 25,797
SCI. OF AGRICULTURE ZONE 7	60,697	0.388	\$ 23,551
SCI. OF AGRICULTURE ZONE 8	39,650	0.432	\$ 17,129
SCI. OF AGRICULTURE - NONADVERTISING	6,647,216	0.161	\$ 1,070,214
Science of Agriculture Commingled Pounds	Pounds	Rate	Postage
SCI OF AGI. COMMNGLD NONSBSCRBR SCF	4,053	\$ 0.190	\$ 770
SCI OF AGI. COMMNGLD NONSBSCRBR ZONES 1&2	28,436	\$ 0.214	\$ 6,085
SCI OF AGI. COMMNGLD NONSBSCRBR NONADVERTISING	73,064	\$ 0.161	\$ 2,978
Regular Rate Pieces	Pieces	Rate	Postage
BASIC NON-AUTOMATION	886,488,185	\$ 0.240	\$ 212,757,273
BASIC AUTOMATION LETTER	77,060,005	\$ 0.194	\$ 14,949,650
BASIC AUTOMATION FLAT	579,878,848	\$ 0.209	\$ 121,194,748
3/5 NON-AUTOMATION	1,213,870,683	\$ 0.202	\$ 245,202,003
3/5 AUTOMATION LETTER	16,225,610	\$ 0.173	\$ 2,807,032
3/5 AUTOMATION FLAT	1,593,898,367	\$ 0.175	\$ 278,932,381
CARRIER ROUTE BASIC	2,757,092,200	\$ 0.119	\$ 328,094,187
CARRIER ROUTE HIGH DENSITY	20,279,425	\$ 0.111	\$ 2,251,017
CARRIER ROUTE SATURATION	17,790,438	\$ 0.095	\$ 1,690,093
PERCENTAGE EDITORIAL DISCOUNT	4,228,900,786	\$ (0.057)	\$ (241,047,494)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	42,817,044	\$ (0.021)	\$ (899,159)
WKSHARING DISCNT SCF ENTRY	2,477,256,842	\$ (0.011)	\$ (27,249,844)
Science of Agriculture - Pieces	Pieces	Rate	Postage
SCI. OF AGRICULTURE - Basic Nonautomation	3,013,736	\$ 0.240	\$ 723,297
SCI. OF AGRICULTURE - Basic Automation Letter	25,108	\$ 0.194	\$ 4,871
SCI. OF AGRICULTURE - Basic Automation Flat	1,778,057	\$ 0.209	\$ 371,614
SCI. OF AGRICULTURE - 3/5 Nonautomation	4,775,133	\$ 0.202	\$ 964,577
SCI. OF AGRICULTURE - 3/5 Automation Letter	0	\$ 0.173	\$ -
SCI. OF AGRICULTURE - 3/5 Automation Flat	4,104,909	\$ 0.175	\$ 718,359
SCI. OF AGRICULTURE - Carrier Route	18,737,634	\$ 0.119	\$ 2,229,779
SCI. OF AGRICULTURE - High Density	461	\$ 0.111	\$ 51
SCI. OF AGRICULTURE - Saturation	0	\$ 0.095	\$ -
SCI. OF AGRICULTURE - Editorial Discount	13,907,443	\$ (0.057)	\$ (792,725)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit	940,720	\$ (0.021)	\$ (19,755)
SCI. OF AGRICULTURE - Pc. Disc. SCF	6,774,116	\$ (0.011)	\$ (74,515)
Science of Agriculture - Commingled Pieces	Pieces	Rate	Postage
SCI OF AGI. COMMNGLD NONSBSCRBR PRESORT LEVEL A	147,180	\$ 0.240	\$ 35,323
SCI OF AGI. COMMNGLD NONSBSCRBR EDITORIAL DISCOUNT	14,646	\$ (0.057)	\$ (835)
SCI OF AGI. COMMNGLD NONSBSCRBR SCF DISCOUNT		\$ (0.011)	\$ -
Pounds	3,580,459,621		
Pieces & Revenues	7,195,165,978		\$ 1,644,713,713
RPW Revenue			1,643,644,742
RPW Adjustment Factor			0.999350056

Delivery Unit Entry	43,757,764		(918,914)
SCF Entry	2,484,030,958		(27,324,359)
Editorial Content	4,242,822,875		(241,841,054)
Editorial Percentage	0.590		

Note: Postage amount is from Billing Determinants which are calculated on a quarterly basis and may not be equal to the product of rate X volume

FY99 PQ3 DATA ANALYZED TO ESTIMATE BASE YEAR WITH R97-1 STRUCTURE

	A	B	C	D	E	
		Regular Rate FY98		Sci. of Ag.		
1	Nonautomation pieces	2,100,358,868		7,788,869		Sum Basic Nonautomation & 3/5 Nonautomation pieces (GFY 98)
2	Automation Letter Pieces	93,285,614		25,108		Sum Basic Automation & 3/5 Automation Letters (GFY 98)
3	Automation Flat Pieces	2,173,777,216		5,882,966		Sum Basic Automation & 3/5 Automation Flats (GFY 98)
4						
5	Piece Data for PQ3 FY99					
6						
7	BASIC NON-AUTOMATION	106,929,818	33.66%	198,806	15.61%	C7=B7/B17 & E7=D7/D17
8	BASIC AUTOMATION LETTER	10,914,561	55.36%	8,893	47.81%	C8=B8/B18 & E8=E8/E18
9	BASIC AUTOMATION FLAT	24,666,296	3.75%	193,627	15.59%	C9=B9/B19 & E9=D9/D19
10	3-DIGIT NON-AUTOMATION	111,971,439	35.25%	354,976	27.87%	C10=B10/B17 & E10=D10/D17
11	3-DIGIT AUTOMATION LETTER	8,499,156	43.11%	9,706	52.19%	C11=B11/B18 & E11=D11/D18
12	3-DIGIT AUTOMATION FLAT	199,720,433	30.38%	308,718	24.85%	C12=B12/B19 & E12=D12/D19
13	5-DIGIT NON-AUTOMATION	98,742,812	31.09%	719,867	56.52%	C13=B13/B17 & E13=D13/D17
14	5-DIGIT AUTOMATION LETTER	301,556	1.53%	0	0.00%	C14=B14/B18 & E14=D14/D18
15	5-DIGIT AUTOMATION FLAT	433,104,364	65.87%	740,037	59.57%	C15=B15/B19 & E15=D15/D19
16						
17	Nonautomation pieces	317,644,069		1,273,649		B17=B7+B10+B13 & D17=D7+D10+D13
18	Automation Letter Pieces	19,715,273		18,599		B18=B8+B11+B14 & D18=D8+D11+D14
19	Automation Flat Pieces	657,491,094		1,242,381		B19=B9+B12+B15 & D19=D9+D12+D15

Note: Since R97-1 rates were implemented on January 10, 1999, FY99Q3 Billing Determinants are used to estimate the Base Year with R97-1 structure

GFY 98 BILLING DETERMINANTS - R97-1 RATES, BASE YEAR REGULAR RATE PERIODICALS

Regular Rate Pounds		Pounds	Rate	Postage
		FY98 BD	R97-1	Rate*Pounds
De	Unit			
SCF		12,015,966	\$ 0.155	\$ 1,862,475
Zones 1&2		607,488,516	\$ 0.178	\$ 108,132,956
Zone 3		283,687,526	\$ 0.215	\$ 60,992,818
Zone 4		137,761,673	\$ 0.229	\$ 31,547,423
Zone 5		195,342,250	\$ 0.263	\$ 51,375,012
Zone 6		193,187,153	\$ 0.316	\$ 61,047,140
Zone 7		77,509,394	\$ 0.371	\$ 28,755,985
Zone 8		58,727,076	\$ 0.438	\$ 25,722,459
Nonadvertising		51,484,416	\$ 0.495	\$ 25,484,786
		1,945,939,221	\$ 0.161	\$ 313,296,215
Science of Agriculture Pounds		Pounds	Rate	Postage
		FY98 BD	R97-1	Rate*Pounds
SCI. OF AGRICULTURE. DELIVERY OFFICE		32,023	\$ 0.116	\$ 3,715
SCI. OF AGRICULTURE SCF		2,358,084	\$ 0.133	\$ 313,625
SCI. OF AGRICULTURE ZONES 1&2		4,839,322	\$ 0.161	\$ 779,131
SCI. OF AGRICULTURE ZONE 3		1,715,212	\$ 0.229	\$ 392,783
SCI. OF AGRICULTURE ZONE 4		946,193	\$ 0.263	\$ 248,849
SCI. OF AGRICULTURE ZONE 5		495,706	\$ 0.316	\$ 156,643
SCI. OF AGRICULTURE ZONE 6		76,777	\$ 0.371	\$ 28,484
SCI. OF AGRICULTURE ZONE 7		60,897	\$ 0.438	\$ 26,585
SCI. OF AGRICULTURE ZONE 8		39,650	\$ 0.495	\$ 19,627
SCI. OF AGRICULTURE - NONADVERTISING		6,647,216	\$ 0.161	\$ 1,070,202
Science of Agriculture Commingled Pounds		Pounds	Rate	Postage
		FY98 BD	R97-1	Rate*Pounds
SCI OF AGI. COMMINGLED NONSBSCRBR SCF		4,053	\$ 0.178	\$ 721
SCI OF AGI. COMMINGLED NONSBSCRBR ZONES 1&2		28,436	\$ 0.215	\$ 6,114
SCI OF AGI. COMMINGLED NONSBSCRBR NONADVERTISING		73,064	\$ 0.161	\$ 11,763
Regular Rate Pieces		Pieces	Rate	Postage
			R97-1	Rate*Pieces
BASIC NON-AUTOMATION		707,052,370	\$ 0.294	\$ 207,873,397
BASIC AUTOMATION LETTER		51,643,796	\$ 0.232	\$ 11,981,361
BASIC AUTOMATION FLAT		81,550,964	\$ 0.248	\$ 20,224,639
3-DIGIT NON-AUTOMATION		740,389,093	\$ 0.253	\$ 187,318,441
3-DIGIT AUTOMATION LETTER		40,214,964	\$ 0.206	\$ 8,284,283
3-DIGIT AUTOMATION FLAT		660,309,671	\$ 0.214	\$ 141,306,270
5-DIGIT NON-AUTOMATION		652,917,405	\$ 0.197	\$ 128,624,729
5-DIGIT AUTOMATION LETTER		1,426,854	\$ 0.162	\$ 231,150
5-DIGIT AUTOMATION FLAT		1,431,916,581	\$ 0.168	\$ 240,561,986
CARRIER ROUTE BASIC		2,757,092,200	\$ 0.122	\$ 336,365,248
CARRIER ROUTE HIGH DENSITY		20,279,425	\$ 0.103	\$ 2,088,781
CARRIER ROUTE SATURATION		17,790,438	\$ 0.085	\$ 1,512,187
PERCENTAGE EDITORIAL DISCOUNT		4,226,900,786	\$ (0.059)	\$ (249,505,146)
WKSHARING DISCNTDELIVERY OFFICE ENTRY		42,817,044	\$ (0.013)	\$ (556,622)
WKSHARING DISCNT SCF ENTRY		2,477,256,842	\$ (0.007)	\$ (17,340,798)
Science of Agriculture - Pieces		Pieces	Rate	Postage
SCI. OF AGRICULTURE - Basic Nonautomation		1,215,776	\$ 0.294	\$ 357,438
SCI. OF AGRICULTURE - Basic Automation Letter		12,004	\$ 0.232	\$ 2,785
SCI. OF AGRICULTURE - Basic Automation Flat		916,867	\$ 0.248	\$ 227,383
SCI. OF AGRICULTURE - 3-Digit Nonautomation		2,170,818	\$ 0.253	\$ 549,217
SCI. OF AGRICULTURE - 3-Digit Automation Letter		13,103	\$ 0.206	\$ 2,699
SCI. OF AGRICULTURE - 3-Digit Automation Flat		1,461,851	\$ 0.214	\$ 312,836
SCI. OF AGRICULTURE - 5-Digit Nonautomation		4,402,275	\$ 0.197	\$ 867,248
SCI. OF AGRICULTURE - 5-Digit Automation Letter		0	\$ 0.162	\$ -
SCI. OF AGRICULTURE - 5-Digit Automation Flat		3,504,248	\$ 0.168	\$ 588,714
SCI. OF AGRICULTURE - Carrier Route		18,737,634	\$ 0.122	\$ 2,285,991
SCI. OF AGRICULTURE - High Density		461	\$ 0.103	\$ 48
SCI. OF AGRICULTURE - Saturation		0	\$ 0.085	\$ -
SCI. OF AGRICULTURE - Editorial Discount		13,907,443	\$ (0.059)	\$ (820,539)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit		940,720	\$ (0.013)	\$ (12,229)
SCI. OF AGRICULTURE - Pc. Disc. SCF		6,774,116	\$ (0.007)	\$ (47,419)
Science of Agriculture - Commingled Pieces		Pieces	Rate	Postage
SCI OF AGI. COMMINGLED NONSBSCRBR PRESORT LEVEL A		147,180	\$ 0.294	\$ 43,271
SCI OF AGI. COMMINGLED NONSBSCRBR EDITORIAL DISCOUNT		14,646	\$ (0.059)	\$ (864)
SCI OF AGI. COMMINGLED NONSBSCRBR SCF DISCOUNT				
Pounds		3,580,459,621		
Pieces & Revenue		7,195,165,978		\$ 1,734,601,994

Note: FY99 Q3 percents are from Workpaper USPS T-38, RR-B

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 BD

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FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

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FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

VOLUME FORECAST REGULAR RATE PERIODICALS

	1998GFY			Test Year	
				Before Rates	
Regular Rate	7,195,165,978			7,545,945,094	
Percent Change				104.88%	
				Test Year	
				After Rates	
Regular Rate				7,351,808,127	
Percent Change				102.18%	

Source: USPS-T-6, Table 1

GFY 2001 BILLING DETERMINANTS - R97-1 RATES REGULAR RATE PERIODICALS

USPS T-38
Spreadsheet RR-E
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Regular Rate Pounds	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
Delivery Unit	12,601,768	\$ 0.155	\$ 1,953,274
SCF	637,104,829	\$ 0.178	\$ 113,404,660
Zones 1&2	297,517,875	\$ 0.215	\$ 63,966,343
Zone 3	144,477,837	\$ 0.229	\$ 33,085,425
Zone 4	204,865,585	\$ 0.263	\$ 53,879,649
Zone 5	202,605,423	\$ 0.316	\$ 64,023,314
Zone 6	81,288,136	\$ 0.371	\$ 30,157,898
Zone 7	61,590,141	\$ 0.438	\$ 26,976,482
Zone 8	53,994,387	\$ 0.495	\$ 26,727,221
Nonadvertising	2,040,807,754	\$ 0.161	\$ 328,570,048
Science of Agriculture Pounds	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
SCI. OF AGRICULTURE. DELIVERY OFFICE	33,585	\$ 0.116	\$ 3,896
SCI. OF AGRICULTURE SCF	2,473,045	\$ 0.133	\$ 328,915
SCI. OF AGRICULTURE ZONES 1&2	5,075,249	\$ 0.161	\$ 817,115
SCI. OF AGRICULTURE ZONE 3	1,798,832	\$ 0.229	\$ 411,932
SCI. OF AGRICULTURE ZONE 4	992,322	\$ 0.263	\$ 260,981
SCI. OF AGRICULTURE ZONE 5	519,873	\$ 0.316	\$ 164,280
SCI. OF AGRICULTURE ZONE 6	80,520	\$ 0.371	\$ 29,873
SCI. OF AGRICULTURE ZONE 7	63,656	\$ 0.438	\$ 27,881
SCI. OF AGRICULTURE ZONE 8	41,583	\$ 0.495	\$ 20,583
SCI. OF AGRICULTURE - NONADVERTISING	6,971,281	\$ 0.161	\$ 1,122,376
Science of Agriculture Commingled Pounds	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
SCI OF AGI. COMMINGLED NONSBSCRBR SCF	4,250	\$ 0.178	\$ 757
SCI OF AGI. COMMINGLED NONSBSCRBR ZONES 1&2	29,822	\$ 0.215	\$ 6,412
SCI OF AGI. COMMINGLED NONSBSCRBR NONADVERTISING	76,626	\$ 0.161	\$ 12,337
Regular Rate Pieces	Pieces	Rate	Postage
	GFY2001	R97-1	Rate*Pieces
BASIC NON-AUTOMATION	741,522,624	\$ 0.294	\$ 218,007,652
BASIC AUTOMATION LETTER	54,161,537	\$ 0.232	\$ 12,565,477
BASIC AUTOMATION FLAT	85,526,741	\$ 0.248	\$ 21,210,632
3-DIGIT NON-AUTOMATION	776,484,582	\$ 0.253	\$ 196,450,599
3-DIGIT AUTOMATION LETTER	42,175,526	\$ 0.206	\$ 8,688,158
3-DIGIT AUTOMATION FLAT	692,501,123	\$ 0.214	\$ 148,195,240
5-DIGIT NON-AUTOMATION	684,748,469	\$ 0.197	\$ 134,895,448
5-DIGIT AUTOMATION LETTER	1,496,416	\$ 0.162	\$ 242,419
5-DIGIT AUTOMATION FLAT	1,501,725,454	\$ 0.168	\$ 252,289,876
CARRIER ROUTE BASIC	2,891,506,106	\$ 0.122	\$ 352,763,745
CARRIER ROUTE HIGH DENSITY	21,268,089	\$ 0.103	\$ 2,190,613
CARRIER ROUTE SATURATION	18,657,758	\$ 0.085	\$ 1,585,909
PERCENTAGE EDITORIAL DISCOUNT	4,435,068,382	\$ (0.059)	\$ (261,669,035)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	44,904,463	\$ (0.013)	\$ (583,758)
WKSHARING DISCNT SCF ENTRY	2,598,028,200	\$ (0.007)	\$ (18,186,197)
Science of Agriculture - Pieces	Pieces	Rate	Postage
SCI. OF AGRICULTURE - Basic Nonautomation	1,275,047	\$ 0.294	\$ 374,864
SCI. OF AGRICULTURE - Basic Automation Letter	12,690	\$ 0.232	\$ 2,921
SCI. OF AGRICULTURE - Basic Automation Flat	961,567	\$ 0.248	\$ 238,468
SCI. OF AGRICULTURE - 3-Digit Nonautomation	2,276,650	\$ 0.253	\$ 575,993
SCI. OF AGRICULTURE - 3-Digit Automation Letter	13,742	\$ 0.206	\$ 2,831
SCI. OF AGRICULTURE - 3-Digit Automation Flat	1,533,119	\$ 0.214	\$ 328,087
SCI. OF AGRICULTURE - 5-Digit Nonautomation	4,616,895	\$ 0.197	\$ 909,528
SCI. OF AGRICULTURE - 5-Digit Automation Letter	0	\$ 0.162	\$ -
SCI. OF AGRICULTURE - 5-Digit Automation Flat	3,675,087	\$ 0.168	\$ 617,415
SCI. OF AGRICULTURE - Carrier Route	19,651,132	\$ 0.122	\$ 2,397,438
SCI. OF AGRICULTURE - High Density	484	\$ 0.103	\$ 50
SCI. OF AGRICULTURE - Saturation	0	\$ 0.085	\$ -
SCI. OF AGRICULTURE - Editorial Discount	14,585,460	\$ (0.059)	\$ (860,542)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit	986,582	\$ (0.013)	\$ (12,826)
SCI. OF AGRICULTURE - Pc. Disc. SCF	7,104,368	\$ (0.007)	\$ (49,731)
Science of Agriculture - Commingled Pieces	Pieces	Rate	Postage
SCI OF AGI. COMMINGLED NONSBSCRBR PRESORT LEVEL A	154,355	\$ 0.294	\$ 45,380
SCI OF AGI. COMMINGLED NONSBSCRBR EDITORIAL DISCOUN	15,360	\$ (0.059)	\$ (906)
SCI OF AGI. COMMINGLED NONSBSCRBR SCF DISCOUNT	0		
Pounds	3,755,014,379		
Pieces & Revenue	7,545,945,094		\$ 1,819,167,402
Before Rate Fees			\$ 14,508,000
Revenue w Fees and Revenue Per Piece	\$ 0.243		\$ 1,833,675,402
Cost per Piece & Volume Variable Cost	\$ 0.269		\$ 2,031,254,800
Cost Coverage			89.56%

RATE DESIGN INPUTS

3	BASE YEAR VOLUME	7,195,165,978	Spreadsheet USPS-T-38, RR-A
4	TY BEFORE RATES VOLUME	7,545,945,094	USPS-T-6, Table 1
5	TY BEFORE RATES TO BASE YEAR SCALING FACTOR	1.0487520533	TYBR Volume/Base Year Volume (Line4/Line3)
6	TY AFTER RATES VOLUME	7,351,808,127	USPS-T-6, Table 1
7	TYAR TO BASE YEAR SCALLING FACTOR	1.0217704705	TYAR Volume/Base Year Volume (Line6/Line3)
8	TYBR COST, WITHOUT CONTINGENCY	\$ 1,981,712,000	USPS-T-14, WPH, Table E
9	TYAR COST, WITHOUT CONTINGENCY	\$ 1,933,256,000	USPS-T-14, WPJ, Table E
10	CONTINGENCY FACTOR	102.50%	USPS-T-9
11	TYBR COST, (Including Contingency)	\$ 2,031,254,800	TYBR Cost * Contingency Factor (Line8*Line10)
12	TYAR COST, (Including Contingency)	\$ 1,981,587,400	TYAR Cost * Contingency Factor (Line9*Line10)
13	DESIRED COST COVERAGE	1.0145	USPS-T-32, Exhibit USPS-32B, p. 1
14	TYBR FEES	\$ 14,678,000	USPS-T-32, Exhibit USPS-32A, p. 2
15	TYAR FEES	\$ 15,429,000	USPS-T-32, Exhibit USPS-32B, p. 2
16	PROPORTION OF REVENUE TO GET FROM PIECE RATE	60.00%	INPUT
17	MULTIPLIER TO GET ACTUAL REVENUE	99.935%	Spreadsheet USPS-T-38, RR-A
18	TRANSPORTATION COST, W/O CONTINGENCY	\$ 309,912,000	USPS-T-14, WPH, Table D
19	TRANSPORTATION COST, W/ CONTINGENCY	\$ 317,659,800	Transportation Cost * Contingency Factor (Line18*Line10)
20	Proportion of transportation cost that is distance related	0.7491	LR-160, p. 9-10
21	Dist. Related Trans. Costs	\$ 237,958,956	Distance Related proportion * Transportation Cost
22	Editorial Percentage Piece Percentage	58.97%	Spreadsheet USPS-T-38, RR-A
23	Editorial Percentage Piece Discount	\$ 0.059	Spreadsheet USPS-T-38, RR-A

B	C	D	E	F	G	H	I	J
Non-transportation Cost Avoidances Per Piece				Editorial Piece Discounts		TYBR		TYBR Volume
					revenue	\$ 1,833,675,402	\$ 2,061,297,209	% Change
BY Pieces	7,545,945,094	Spreadsheet RR-E			pieces	7,545,945,094	7,545,945,094	
BY Pounds	3,755,014,379	Spreadsheet RR-E				0.243001424	0.273166208	0.12413419
Pieces/Pound	2.0095649	Derived			at -2% of the overall increase			1.10413419
	Cost					0.059	0.065	H8*J7
	Avoided	Avoided Cost						
	Per Piece	Per Pound						
DDU	0.0301	0.060487903	USPS-T-27, Fig. 4, p. 20					
DSCF	0.0172	0.034564516	USPS-T-27, Fig. 4, p. 20					

Flat Mail Processing Cost Estimates

	USPS-T-25, p. 8	USPS-T-28, p. 26	USPS-T-28, p. 26
Presort Discounts	Table II-2	Table 5	Table 5
	Mail Processing	Del. Nonauto	Total
Basic Nonautomation	22.781	8.359	31.14
3-Digit Nonautomation	18.332	8.359	26.691
5-Digit Nonautomation	13.133	8.359	21.492
Carrier Route	8.640	6.591	15.231

Barcode Discount	USPS-T-25, p. 8	Table II-2	Barcode Cost Savings	Barcode+Del. Cost	
	Nonautomation	Automation		Savings	
Basic	24.1150	21.9920	2.1230	2.8830	0.029 C27-D27+ (D20-F20) Rounded
3-Digit	19.2690	17.7550	1.5140	2.2740	0.023 C28-D28+ (D21-F21) Rounded
5-Digit	13.7200	13.4650	0.2550	1.0150	0.010 C29-D29+ (D22-F22) Rounded

Presort Savings	Rounded	
Basic to 3-Digit	0.044	E20-E21 Rounded
Basic to 5-Digit	0.096	E20-E22 Rounded
Basic to Carrier Route	0.159	E20-E23 Rounded

Carrier Route - Further Discounts Calculation for High Density & Saturation			
USPS-T-28, p. 29, Table 7			
	Total	Mail Processing	Delivery
Basic Carrier Route	9.33	2.739	6.591
High Density	5.973	0.904	5.069
Saturation	5.259	0.904	4.355
Cost Savings			
High Density	0.034	C40-C41 Rounded	
Saturation	0.041	C40-C43 Rounded	

			USPS-T-28, Tbl. 5, p. 26
Nonautomation Letters	Total	Mail Processing	Delivery
Basic	13.416	8.259	5.157
3/5 Digit	11.661	6.541	5.12
Automation Letters			
Basic	9.636	4.962	4.674
3-Digit	8.619	3.99	4.629
5-Digit	7.28	2.729	4.551
Cost Savings			
Basic Automation Letter	18.555	0.186	(E62-E63)+(C49-C52) Rounded
3-Digit Automation Letter	17.817	0.178	(E62-E63)+(C50-C53) Rounded
5-Digit Automation Letter	19.156	0.192	(E62-E63)+(C50-C54) Rounded

Letters - Shape Difference			
	Mail Processing	Delivery	Total
Basic Nonautomation Flat	22.781	8.359	31.14
Basic Nonautomation Letter	11.208	5.157	16.365

Line	B	C	D	E	F	G
	Regular Rate Pounds (From USPS T-38, Spreadsheet RR-E)					
	Advertising Pounds Combined RR, SOA, Comm					
4	Delivery Unit	12,601,768				
5	SCF RR+Comm	637,109,079				
6	Zones 1&2 + Comm	297,547,697				
7	Zone 3 RR+SOA	146,276,669				
8	Zone 4 RR+SOA	205,857,907				
9	Zone 5 RR+SOA	203,125,296				
10	Zone 6 RR+SOA	81,368,656				
11	Zone 7 RR+SOA	61,653,797				
12	Zone 8 RR+SOA	54,035,969				
13	Nonadvertising RR+SOA+ Comm	2,047,855,661				
14						
15	SOA Pounds for discounted Rate Cells (From USPS T-38, Spreadsheet RR-E)					
16						
17	Delivery Unit	33,585				
18	SCF	2,473,045				
19	Zones 1&2	5,075,249				
20						
21	Advertising Pounds		Proportion	Average Haul	Pound Miles	Proportion
22			of Weight	Input	Col. C * Col. E	of LB. Miles
23	Delivery Unit	12,601,768	0.74%			
24	SCF RR+Comm	637,109,079	37.32%			
25	Zones 1&2 + Comm	297,547,697	17.43%	189	57,195,736,813	6.97%
26	Zone 3 RR+SOA	146,276,669	8.57%	302	44,175,554,072	5.39%
27	Zone 4 RR+SOA	205,857,907	12.06%	593	122,073,738,751	14.88%
28	Zone 5 RR+SOA	203,125,296	11.90%	1,035	210,234,681,178	25.63%
29	Zone 6 RR+SOA	81,368,656	4.77%	1,501	122,134,352,328	14.89%
30	Zone 7 RR+SOA	61,653,797	3.61%	2,062	127,130,130,044	15.50%
31	Zone 8 RR+SOA	54,035,969	3.17%	2,541	137,305,398,085	16.74%
32	Total Advertising Pounds	1,707,158,718			820,249,591,269	100.00%
33						
34	Other Calculations used					
35	Total Editorial Pounds	2,047,855,661	From C13			
36	Total Pounds	3,755,014,379	C32+C35			
37	Ratio of Total Editorial Lbs. To Advertising Pounds	1.199569577	C35/C32			
38	Weight Per Piece	0.497620157	C36 Divided by B70 (Total Pieces), Spreadsheet RR-E			
39	Editorial Percent by Weight	54.54%	C35/C36			
40						
41	Calculation of Pound Rates					
42	Required Revenue	\$ 2,046,619,209	Spreadsheet RR-F, ((Line11*Line13)/Line17)-Line15			
43	Pound Rate Revenue @ 40%	\$ 818,647,684	C42*40 percent			
44	Revenue from Pound Rates after piece rates	\$ 815,424,116				
45	Transportation Cost w/contingency, No markup	\$ 317,659,800	Spreadsheet RR-F, Line19			
46	Distance Related Transportation Cost	\$ 237,958,956	Spreadsheet RR-F, Line21			
47	Non-Distance Related Transportation Cost	\$ 79,700,844	C45-C46			
48	Non-Distance Related Transportation Cost per Pound	0.021225177	C47/C36			
49						
50	Pound Rate Dropship Discounts	Cost Savings	Passthroughs	Discount		
51	DDU	0.060487903	30%	0.018	Spreadsheet RR-G, C11*Passthrough, Rounded	
52	DSCF	0.034564516	30%	0.01	Spreadsheet RR-G, C12*Passthrough, Rounded	

54					
55	Distance Related Transportation Allocated	Cost*Prop	Dist. Related Per/Pound	+N-Dist. Related	Revenue
56	Delivery Unit			-0.018	\$ (226,832)
57	SCF RR+Comm			0.011225177	\$ 7,151,662
58	Zones 1&2 + Comm	\$ 16,592,801	0.024927581	0.046152758	\$ 13,732,647
59	Zone 3 RR+SOA	\$ 12,815,573	0.039831372	0.061056549	\$ 8,931,149
60	Zone 4 RR+SOA	\$ 35,414,269	0.078211933	0.09943711	\$ 20,469,915
61	Zone 5 RR+SOA	\$ 60,990,247	0.136508181	0.157733357	\$ 32,039,635
62	Zone 6 RR+SOA	\$ 35,431,853	0.197969835	0.219195012	\$ 17,835,603
63	Zone 7 RR+SOA	\$ 36,881,156	0.271961225	0.293186402	\$ 18,076,055
64	Zone 8 RR+SOA	\$ 39,833,058	0.335137475	0.356362652	\$ 19,256,401
65					
66	Editorial Pound @ 75% of Zone 1 & 2			0.034614568	\$ 70,885,639
67					
68	Science of Agriculture				
69	Delivery Unit			-0.0135	-453.3922347
70	SCF			0.008418883	20820.27621
71	Zones 1&2			0.034614568	175677.5561
72					
73	Total Revenue this cut				\$ 208,347,919
74	Additional Revenue needed				\$ 607,076,197
75	Weighted Pounds				3,241,154,994
76	Add-on dollars per pound				0.187302427
77					
78	Final Pound Rates				
79		Rates	Rounded	Pounds	Revenues
80	Delivery Office Entry	0.169302427	0.169	12,601,768	\$ 2,129,699
81	SCF Entry	0.198527604	0.199	637,109,079	\$ 126,784,707
82	Zone 1 & 2	0.233455185	0.233	297,547,697	\$ 69,328,613
83	Zone 3	0.248358976	0.248	146,276,669	\$ 36,276,614
84	Zone 4	0.286739537	0.287	205,857,907	\$ 59,081,219
85	Zone 5	0.345035784	0.345	203,125,296	\$ 70,078,227
86	Zone 6	0.406497439	0.406	81,368,656	\$ 33,035,674
87	Zone 7	0.480488829	0.48	61,653,797	\$ 29,593,823
88	Zone 8	0.543665079	0.544	54,035,969	\$ 29,395,567
89					
90	Editorial Pound rate @ 0.75 of Zone 1&2	0.175091388	0.175	2,047,855,661	\$ 358,374,741
91					
92	Science of Agriculture @ 0.75				
93	Delivery Office Entry	0.12697682	0.127	33,585	\$ 4,265
94	SCF Entry	0.148895703	0.149	2,473,045	\$ 368,484
95	Zone 1 & 2	0.175091388	0.175	5,075,249	\$ 888,169
96					
97	Total Revenue				\$ 815,339,802
98	Target				\$ 815,424,116
99	Total less Target				\$ (84,314)
100	Total as a percent of target				99.99%

CALCULATION OF PIECE DISCOUNTS

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Spreadsheet RR-I
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For POIR 2

	B	C	D	E	F	G
2	Required Revenue	\$ 2,046,619,209	Spreadsheet RR-F, (Line11*Line13)/Line17)-Line15			
3	Piece Rate Required Revenue @ 60%	\$ 1,227,971,526	C2* 60 Percent			
4	Actual Piece Revenue Derived	\$ 1,231,195,093				
5	Revenue needed from Pound Rates	\$ 815,424,116				
6						
7	Presort Volumes & Calculation of Discounts	Volumes	Pct.		Rate	Revenue
8	Basic	883,614,462	11.71%		0.335 \$	296,010,845
9	3-Digit	1,514,984,742	20.08%		0.29 \$	439,345,575
10	5-Digit	2,196,262,322	29.11%		0.226 \$	496,355,285
11	Carrier Route	2,951,083,569	39.11%		0.140 \$	413,151,700
12		7,545,945,094	100.00%			
13						
14						
15	DISCOUNTS FROM BASIC		% of Presort	% of Tot.		
16	BARCODED LETTER SIZE	54,174,127	6.13%	0.72%	\$ (0.071) \$	(3,846,363)
17	BARCODED FLAT	86,488,307	9.79%	1.15%	\$ (0.051) \$	(4,410,904)
18	DISCOUNTS FROM 3-DIGIT					
19	BARCODED LETTER SIZE	42,189,268	2.78%	0.56%	\$ (0.055) \$	(2,320,410)
20	BARCODED FLAT	694,034,242	45.81%	9.20%	\$ (0.044) \$	(30,537,507)
21	DISCOUNTS FROM 5-DIGIT					
22	BARCODED LETTER SIZE	1,496,416	0.07%	0.02%	\$ (0.044) \$	(65,842)
23	BARCODED FLAT	1,505,400,541	68.54%	19.95%	\$ (0.033) \$	(49,678,218)
24	DISCOUNTS FROM CARRIER ROUTE					
25	HIGH DENSITY	21,268,573	0.72%	0.28%	\$ (0.026) \$	(552,983)
26	SATURATION	18,657,758	0.63%	0.25%	\$ (0.043) \$	(802,284)
27						
28	OTHER PIECE DISCOUNTS					
29	PER-PC EDITORIAL DISCOUNT	4,449,669,202		58.97%	\$ (0.065) \$	(289,228,498)
30	DELIVERY OFFICE ENTRY	45,891,045		0.61%	\$ (0.021) \$	(963,712)
31	SCF ENTRY	2,605,132,568		34.52%	\$ (0.012) \$	(31,261,591)
32						\$ 1,231,195,093

CALCULATION OF PIECE DISCOUNTS

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Spreadsheet RR-J
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For POIR 2

A	B	C	D
3	Piece Rates	Unit Cost Savings	Passthrough
4		Spreadsheet RR-G	
5	BASIC NONAUTOMATION	\$ -	(Benchmark unit cost)
6	BASIC AUTOMATION LETTER	\$ 0.186	38%
7	BASIC AUTOMATION FLAT	\$ 0.029	175%
8	3 DIGIT NONAUTOMATION	\$ 0.044	102%
9	3 DIGIT AUTOMATION LETTER	\$ 0.178	31%
10	3 DIGIT AUTOMATION FLAT	\$ 0.023	193%
11	5 DIGIT NONAUTOMATION	\$ 0.096	114%
12	5-DIGIT AUTOMATION LETTER	\$ 0.192	23%
13	5 DIGIT AUTOMATION FLAT	\$ 0.010	325%
14	CARRIER ROUTE	\$ 0.159	123%
15	HIGH DENSITY	\$ 0.034	75%
16	SATURATION	\$ 0.041	104%
17	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.0301	70%
18	WKSHARING DISCNT SCF ENTRY	\$ 0.0172	70%
19	Piece Rates	Unit Cost Savings	Notes
20	BASIC NONAUTOMATION	0	
21	BASIC AUTOMATION LETTER	\$ 0.071	Passthroughs Times Unit Cost Savings
22	BASIC AUTOMATION FLAT	\$ 0.051	Passthroughs Times Unit Cost Savings
23	3 DIGIT NONAUTOMATION	\$ 0.045	Passthroughs Times Unit Cost Savings
24	3 DIGIT AUTOMATION LETTER	\$ 0.055	Passthroughs Times Unit Cost Savings
25	3 DIGIT AUTOMATION FLAT	\$ 0.044	Passthroughs Times Unit Cost Savings
26	5 DIGIT NONAUTOMATION	\$ 0.109	Passthroughs Times Unit Cost Savings
27	5-DIGIT AUTOMATION LETTER	\$ 0.044	Passthroughs Times Unit Cost Savings
28	5 DIGIT AUTOMATION FLAT	\$ 0.033	Passthroughs Times Unit Cost Savings
29	CARRIER ROUTE	\$ 0.195	Passthroughs Times Unit Cost Savings
30	HIGH DENSITY	\$ 0.026	Passthroughs Times Unit Cost Savings
31	SATURATION	\$ 0.043	Passthroughs Times Unit Cost Savings
32	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.021	Passthroughs Times Unit Cost Savings
33	WKSHARING DISCNT SCF ENTRY	\$ 0.012	Passthroughs Times Unit Cost Savings
34	Editorial Percentage Piece Discount	\$ 0.065	From WP RR-H
35	Presort Discounts:	Base Yr. Rev. Leakage	
36	BASIC NONAUTOMATION	\$ -	
37	BASIC AUTOMATION LETTER	\$ 3,846,363	Final Discount times Volume
38	BASIC AUTOMATION FLAT	\$ 4,410,904	Final Discount times Volume
39	3 DIGIT NONAUTOMATION	\$ 68,174,313	Final Discount times Volume
40	3 DIGIT AUTOMATION LETTER	\$ 2,320,410	Final Discount times Volume
41	3 DIGIT AUTOMATION FLAT	\$ 30,537,507	Final Discount times Volume
42	5 DIGIT NONAUTOMATION	\$ 239,392,593	Final Discount times Volume
43	5-DIGIT AUTOMATION LETTER	\$ 65,842	Final Discount times Volume
44	5 DIGIT AUTOMATION FLAT	\$ 49,678,218	Final Discount times Volume
45	CARRIER ROUTE	\$ 575,461,296	Final Discount times Volume
46	HIGH DENSITY	\$ 552,983	Final Discount times Volume
47	SATURATION	\$ 802,284	Final Discount times Volume
48	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 963,712	Final Discount times Volume
49	WKSHARING DISCNT SCF ENTRY	\$ 31,261,591	Final Discount times Volume
50	Editorial Percent PieceDiscount	\$ 289,228,498	Final Discount times Volume
51	Total Discount Leakage	\$ 1,296,696,513	
52	Revenue Required from Pieces + Discount Leakages	\$ 2,524,668,039	Line 51 plus Cell C3 from RR-I
53	TYBR Pieces	\$ 7,545,945,094	Cell C12 from RR-I
54	Revenue Requirement + Leakage Per Piece (Base Rate)	\$ 0.335	Cell C52/Cell C53

Rate Element	Units	Billings	Revenue	Cost
	Pounds			
	Test Year			
Deliver Unit	Pounds	12,601,768	0.169	\$ 2,129,699
SC	Pounds	637,104,829	0.199	\$ 126,783,861
Zones 1&2	Pounds	297,517,875	0.233	\$ 69,321,665
Zone 3	Pounds	144,477,837	0.248	\$ 35,830,504
Zone 4	Pounds	204,865,585	0.287	\$ 58,796,423
Zone 5	Pounds	202,605,423	0.345	\$ 69,898,871
Zone 6	Pounds	81,288,136	0.406	\$ 33,002,983
Zone 7	Pounds	61,590,141	0.48	\$ 29,563,268
Zone 8	Pounds	53,994,387	0.544	\$ 29,372,946
Nonadvertising	Pounds	2,040,807,754	0.175	\$ 357,141,357
Science of Agriculture Pounds	Pounds			
	Test Year			
SCI. OF AGRICULTURE. DELIVERY OFFICE	Pounds	33,585	0.127	\$ 4,265
SCI. OF AGRICULTURE SCF	Pounds	2,473,045	0.149	\$ 368,484
SCI. OF AGRICULTURE ZONES 1&2	Pounds	5,075,249	0.175	\$ 888,169
SCI. OF AGRICULTURE ZONE 3	Pounds	1,798,832	0.248	\$ 446,110
SCI. OF AGRICULTURE ZONE 4	Pounds	992,322	0.287	\$ 284,796
SCI. OF AGRICULTURE ZONE 5	Pounds	519,873	0.345	\$ 179,356
SCI. OF AGRICULTURE ZONE 6	Pounds	80,520	0.406	\$ 32,691
SCI. OF AGRICULTURE ZONE 7	Pounds	63,656	0.48	\$ 30,555
SCI. OF AGRICULTURE ZONE 8	Pounds	41,583	0.544	\$ 22,621
SCI. OF AGRICULTURE - NONADVERTISING	Pounds	6,971,281	0.175	\$ 1,219,974
Science of Agriculture Commingled Pounds	Pounds			
	Test Year			
SCI OF AGI. COMMNGLD NONSBSCRBR SCF	Pounds	4,250	0.199	\$ 846
SCI OF AGI. COMMNGLD NONSBSCRBR ZONES 1&2	Pounds	29,822	0.233	\$ 6,948
SCI OF AGI. COMMNGLD NONSBSCRBR NONADVERTISING	Pounds	76,626	0.175	\$ 13,410
Regular Rate Pieces	Pieces			
	Test Year			
BASIC NON-AUTOMATION	Pieces	741,522,624	0.335	\$ 248,410,079
BASIC AUTOMATION LETTER	Pieces	54,161,537	0.264	\$ 14,298,646
BASIC AUTOMATION FLAT	Pieces	85,526,741	0.284	\$ 24,289,594
3-DIGIT NON-AUTOMATION	Pieces	776,484,582	0.29	\$ 225,180,529
3-DIGIT AUTOMATION LETTER	Pieces	42,175,526	0.235	\$ 9,911,249
3-DIGIT AUTOMATION FLAT	Pieces	692,501,123	0.246	\$ 170,355,276
5-DIGIT NON-AUTOMATION	Pieces	684,748,469	0.226	\$ 154,753,154
5-DIGIT AUTOMATION LETTER	Pieces	1,496,416	0.182	\$ 272,348
5-DIGIT AUTOMATION FLAT	Pieces	1,501,725,454	0.193	\$ 289,833,013
CARRIER ROUTE BASIC	Pieces	2,891,506,106	0.140	\$ 404,810,855
CARRIER ROUTE HIGH DENSITY	Pieces	21,268,089	0.114	\$ 2,424,562
CARRIER ROUTE SATURATION	Pieces	18,657,758	0.097	\$ 1,809,803
PERCENTAGE EDITORIAL DISCOUNT	Pieces	4,435,068,382	-0.065	\$ (288,279,445)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	Pieces	44,904,463	-0.021	\$ (942,994)
WKSHARING DISCNT SCF ENTRY	Pieces	2,598,028,200	-0.012	\$ (31,176,338)
Science of Agriculture - Pieces	Pieces			
SCI. OF AGRICULTURE - Basic Nonautomation	Pieces	1,275,047	0.335	\$ 427,141
SCI. OF AGRICULTURE - Basic Automation Letter	Pieces	12,590	0.264	\$ 3,324
SCI. OF AGRICULTURE - Basic Automation Flat	Pieces	961,567	0.284	\$ 273,085
SCI. OF AGRICULTURE - 3-Digit Nonautomation	Pieces	2,276,650	0.29	\$ 660,229
SCI. OF AGRICULTURE - 3-Digit Automation Letter	Pieces	13,742	0.235	\$ 3,229
SCI. OF AGRICULTURE - 3-Digit Automation Flat	Pieces	1,533,119	0.246	\$ 377,147
SCI. OF AGRICULTURE - 5-Digit Nonautomation	Pieces	4,616,895	0.226	\$ 1,043,418
SCI. OF AGRICULTURE - 5-Digit Automation Letter	Pieces	0	0.182	\$ -
SCI. OF AGRICULTURE - 5-Digit Automation Flat	Pieces	3,675,087	0.193	\$ 709,292
SCI. OF AGRICULTURE - Carrier Route	Pieces	19,651,132	0.14	\$ 2,751,158
SCI. OF AGRICULTURE - High Density	Pieces	484	0.114	\$ 55
SCI. OF AGRICULTURE - Saturation	Pieces	0	0.097	\$ -
SCI. OF AGRICULTURE - Editorial Discount	Pieces	14,586,460	-0.065	\$ (948,055)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit	Pieces	986,582	-0.021	\$ (20,718)
SCI. OF AGRICULTURE - Pc. Disc. SCF	Pieces	7,104,368	-0.012	\$ (85,252)
Science of Agriculture - Commingled Pieces	Pieces			
SCI OF AGI. COMMNGLD NONSBSCRBR PRESORT LEVEL A	Pieces	154,355	0.335	\$ 51,709
SCI OF AGI. COMMNGLD NONSBSCRBR EDITORIAL DISCOUNT	Pieces	15,360	-0.065	\$ (998)
SCI OF AGI. COMMNGLD NONSBSCRBR SCF DISCOUNT	Pieces	0		\$ -
Total Pieces & Calculated Revenue		7,545,945,094		\$ 2,046,534,895
TYE				\$ 14,678,000
Calculated Revenue+TYBR Fees				\$ 2,061,212,895
Target Revenue+TYBR Fees				\$ 2,061,297,209
Calculated Revenue as a Percent of Target Revenue				0.999959097
TYBR Cost				\$ 2,031,254,800
Cost Coverage after calculation of new rates				101%
Revenue per piece				0.27
Percent Increase from Test Year Before Rates				12.41%

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME

REGULAR RATE PERIODICALS

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Spreadsheet RR-L
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Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	12,277,559	\$ 0.169	\$ 2,074,907
SCF	620,713,827	\$ 0.199	\$ 123,522,052
Zones 1&2	289,863,537	\$ 0.233	\$ 67,538,204
Zone 3	140,760,809	\$ 0.248	\$ 34,908,681
Zone 4	199,594,942	\$ 0.287	\$ 57,283,748
Zone 5	197,392,928	\$ 0.345	\$ 68,100,560
Zone 6	79,196,810	\$ 0.406	\$ 32,153,905
Zone 7	60,005,592	\$ 0.480	\$ 28,802,684
Zone 8	52,605,256	\$ 0.544	\$ 28,617,259
Nonadvertising	1,988,303,233	\$ 0.175	\$ 347,953,066
Science of Agriculture Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
SCI. OF AGRICULTURE. DELIVERY OFFICE	32,721	\$ 0.127	\$ 4,156
SCI. OF AGRICULTURE SCF	2,409,420	\$ 0.149	\$ 359,004
SCI. OF AGRICULTURE ZONES 1&2	4,944,677	\$ 0.175	\$ 865,318
SCI. OF AGRICULTURE ZONE 3	1,752,553	\$ 0.248	\$ 434,633
SCI. OF AGRICULTURE ZONE 4	966,792	\$ 0.287	\$ 277,469
SCI. OF AGRICULTURE ZONE 5	506,498	\$ 0.345	\$ 174,742
SCI. OF AGRICULTURE ZONE 6	78,448	\$ 0.406	\$ 31,850
SCI. OF AGRICULTURE ZONE 7	62,018	\$ 0.480	\$ 29,769
SCI. OF AGRICULTURE ZONE 8	40,513	\$ 0.544	\$ 22,039
SCI. OF AGRICULTURE - NONADVERTISING	6,791,929	\$ 0.175	\$ 1,188,588
Science of Agriculture Commingled Pounds	Pounds	Rate	Postage
	TYAR		Rate*Pounds
SCI OF AGI. COMMINGLED NONSBSCRBR SCF	4,141	\$ 0.199	\$ 824
SCI OF AGI. COMMINGLED NONSBSCRBR ZONES 1&2	29,055	\$ 0.233	\$ 6,770
SCI OF AGI. COMMINGLED NONSBSCRBR NONADVERTISING	74,655	\$ 0.175	\$ 13,065
Regular Rate Pieces	Pieces	Rate	Postage
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	722,445,232	\$ 0.335	\$ 242,019,153
BASIC AUTOMATION LETTER	52,768,106	\$ 0.264	\$ 13,930,780
BASIC AUTOMATION FLAT	83,326,367	\$ 0.284	\$ 23,664,688
3-DIGIT NON-AUTOMATION	756,507,712	\$ 0.290	\$ 219,387,236
3-DIGIT AUTOMATION LETTER	41,090,463	\$ 0.235	\$ 9,656,259
3-DIGIT AUTOMATION FLAT	674,684,923	\$ 0.246	\$ 165,972,491
5-DIGIT NON-AUTOMATION	667,131,724	\$ 0.226	\$ 150,771,770
5-DIGIT AUTOMATION LETTER	1,457,917	\$ 0.182	\$ 265,341
5-DIGIT AUTOMATION FLAT	1,463,090,078	\$ 0.193	\$ 282,376,385
CARRIER ROUTE BASIC	2,817,115,394	\$ 0.140	\$ 394,396,155
CARRIER ROUTE HIGH DENSITY	20,720,918	\$ 0.114	\$ 2,362,185
CARRIER ROUTE SATURATION	18,177,744	\$ 0.097	\$ 1,763,241
PERCENTAGE EDITORIAL DISCOUNT	4,320,965,946	\$ (0.065)	\$ (280,862,786)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	43,749,191	\$ (0.021)	\$ (918,733)
WKSHARING DISCNT SCF ENTRY	2,531,187,889	\$ (0.012)	\$ (30,374,255)
Science of Agriculture - Pieces	Pieces	Rate	Postage
SCI. OF AGRICULTURE - Basic Nonautomation	1,242,244	\$ 0.335	\$ 416,152
SCI. OF AGRICULTURE - Basic Automation Letter	12,266	\$ 0.264	\$ 3,238
SCI. OF AGRICULTURE - Basic Automation Flat	936,828	\$ 0.284	\$ 266,059
SCI. OF AGRICULTURE - 3-Digit Nonautomation	2,218,078	\$ 0.290	\$ 643,243
SCI. OF AGRICULTURE - 3-Digit Automation Letter	13,388	\$ 0.235	\$ 3,146
SCI. OF AGRICULTURE - 3-Digit Automation Flat	1,493,676	\$ 0.246	\$ 367,444
SCI. OF AGRICULTURE - 5-Digit Nonautomation	4,498,115	\$ 0.226	\$ 1,016,574
SCI. OF AGRICULTURE - 5-Digit Automation Letter	0	\$ 0.182	\$ -
SCI. OF AGRICULTURE - 5-Digit Automation Flat	3,580,537	\$ 0.193	\$ 691,044
SCI. OF AGRICULTURE - Carrier Route	19,145,561	\$ 0.140	\$ 2,680,378
SCI. OF AGRICULTURE - High Density	471	\$ 0.114	\$ 54
SCI. OF AGRICULTURE - Saturation	0	\$ 0.097	\$ -
SCI. OF AGRICULTURE - Editorial Discount	14,210,215	\$ (0.065)	\$ (923,664)
SCI. OF AGRICULTURE - Pc. Disc. Delivery Unit	961,200	\$ (0.021)	\$ (20,185)
SCI. OF AGRICULTURE - Pc. Disc. SCF	6,921,591	\$ (0.012)	\$ (83,059)
Science of Agriculture - Commingled Pieces	Pieces	Rate	Postage
SCI OF AGI. COMMINGLED NONSBSCRBR PRESORT LEVEL A	150,384	\$ 0.335	\$ 50,379
SCI OF AGI. COMMINGLED NONSBSCRBR EDITORIAL DISCOUNT	14,965	\$ (0.065)	\$ (973)
SCI OF AGI. COMMINGLED NONSBSCRBR SCF DISCOUNT	0		
Total Pieces & Calculated Revenue	7,351,808,127		\$ 1,993,883,031
TYAR Fees			\$ 15,429,000
Calculated Revenue+TYAR Fees			\$ 2,009,312,031
Target Revenue+TYAR Fees			\$ 2,062,048,209
Calculated Revenue as a Percent of Target Revenue			97.44%
TYAR Cost			\$ 1,981,587,400
Cost Coverage after calculation of new rates			101%
Revenue per piece			0.27
Percent Increase from Base Year			12.47%

REGULAR RATE - POIR 2 Vs. CURRENT RATES

	POIR 2 Rate	Current Rate	Percent Change
Regular Rate Pounds			
Delivery Unit	\$ 0.169	\$ 0.155	9.03%
SCF	\$ 0.199	\$ 0.178	11.80%
Zones 1&2	\$ 0.233	\$ 0.215	8.37%
Zone 3	\$ 0.248	\$ 0.229	8.30%
Zone 4	\$ 0.287	\$ 0.263	9.13%
Zone 5	\$ 0.345	\$ 0.316	9.18%
Zone 6	\$ 0.406	\$ 0.371	9.43%
Zone 7	\$ 0.480	\$ 0.438	9.59%
Zone 8	\$ 0.544	\$ 0.495	9.90%
Nonadvertising	\$ 0.175	\$ 0.161	8.70%
Regular Rate Pieces			
BASIC NON-AUTOMATION	\$ 0.335	\$ 0.294	13.95%
BASIC AUTOMATION LETTER	\$ 0.264	\$ 0.232	13.79%
BASIC AUTOMATION FLAT	\$ 0.284	\$ 0.248	14.52%
3-DIGIT NON-AUTOMATION	\$ 0.290	\$ 0.253	14.62%
3-DIGIT AUTOMATION LETTER	\$ 0.235	\$ 0.206	14.08%
3-DIGIT AUTOMATION FLAT	\$ 0.246	\$ 0.214	14.95%
5-DIGIT NON-AUTOMATION	\$ 0.226	\$ 0.197	14.72%
5-DIGIT AUTOMATION LETTER	\$ 0.182	\$ 0.162	12.35%
5-DIGIT AUTOMATION FLAT	\$ 0.193	\$ 0.168	14.88%
CARRIER ROUTE BASIC	\$ 0.140	\$ 0.122	14.75%
CARRIER ROUTE HIGH DENSITY	\$ 0.114	\$ 0.103	10.68%
CARRIER ROUTE SATURATION	\$ 0.097	\$ 0.085	14.12%
PERCENTAGE EDITORIAL DISCOUNT	\$ (0.065)	\$ (0.059)	10.17%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.021)	\$ (0.013)	61.54%
WKSHARING DISCNT SCF ENTRY	\$ (0.012)	\$ (0.007)	71.43%

GFY 98 BILLING DETERMINANTS NONPROFIT PERIODICALS

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Regular Rate Pounds	Pounds	Rate	Postage
Delivery Unit	89,913	\$ 0.169	\$ 15,195
SCF	31,673,238	\$ 0.190	\$ 6,017,915
Zones 1&2	17,944,095	\$ 0.214	\$ 3,840,036
Zone 3	11,669,519	\$ 0.224	\$ 2,613,972
Zone 4	21,007,928	\$ 0.251	\$ 5,272,990
Zone 5	23,618,848	\$ 0.292	\$ 6,896,704
Zone 6	8,875,280	\$ 0.336	\$ 2,982,094
Zone 7	6,296,537	\$ 0.388	\$ 2,443,056
Zone 8	6,516,236	\$ 0.432	\$ 2,815,014
Nonadvertising	456,064,173	\$ 0.142	\$ 64,761,113
Commingle	Pounds	Rate	Postage
SCI. OF AGRICULTURE DELIVERY OFFICE	5	0.169	\$ 1
SCI. OF AGRICULTURE SCF	5,476	0.190	\$ 1,040
SCI. OF AGRICULTURE ZONES 1&2	48,649	0.214	\$ 10,411
SCI. OF AGRICULTURE ZONE 3	65,244	0.224	\$ 14,615
SCI. OF AGRICULTURE ZONE 4	122,271	0.251	\$ 30,690
SCI. OF AGRICULTURE ZONE 5	358,165	0.292	\$ 104,584
SCI. OF AGRICULTURE ZONE 6	82,390	0.336	\$ 27,683
SCI. OF AGRICULTURE ZONE 7	159,953	0.388	\$ 62,062
SCI. OF AGRICULTURE ZONE 8	2,976	0.432	\$ 1,286
SCI. OF AGRICULTURE - NONADVERTISING	500,900	0.161	\$ 80,645
Nonprofit (Regular) Pieces	Pieces	Rate	Postage
BASIC NON-AUTOMATION	194,161,717	\$ 0.217	\$ 42,133,093
BASIC AUTOMATION LETTER	40,553,978	\$ 0.187	\$ 7,583,594
BASIC AUTOMATION FLAT	115,862,413	\$ 0.193	\$ 22,361,446
3/5 NON-AUTOMATION	240,555,349	\$ 0.172	\$ 41,375,520
3/5 AUTOMATION LETTER	13,316,360	\$ 0.149	\$ 1,984,138
3/5 AUTOMATION FLAT	406,941,302	\$ 0.148	\$ 60,227,313
CARRIER ROUTE BASIC	1,062,502,283	\$ 0.105	\$ 111,562,740
CARRIER ROUTE HIGH DENSITY	52,462,245	\$ 0.098	\$ 5,141,300
CARRIER ROUTE SATURATION	7,468,628	\$ 0.084	\$ 627,365
PERCENTAGE EDITORIAL DISCOUNT	1,701,245,510	\$ (0.042)	\$ (71,452,311)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	2,618,880	\$ (0.012)	\$ (31,427)
WKSHARING DISCNT SCF ENTRY	455,820,677	\$ (0.006)	\$ (2,734,924)
Commingle - Pieces	Pieces	Rate	Postage
BASIC NON-AUTOMATION	646,169	\$ 0.240	\$ 155,080
BASIC AUTOMATION LETTER	0	\$ 0.194	\$ -
BASIC AUTOMATION FLAT	2,346	\$ 0.209	\$ 490
3/5 NON-AUTOMATION	1,801,924	\$ 0.202	\$ 363,989
3/5 AUTOMATION LETTER	0	\$ 0.173	\$ -
3/5 AUTOMATION FLAT	9,256	\$ 0.175	\$ 1,620
CARRIER ROUTE BASIC	641,789	\$ 0.119	\$ 76,373
CARRIER ROUTE HIGH DENSITY	1,458	\$ 0.111	\$ 162
CARRIER ROUTE SATURATION	0	\$ 0.095	\$ -
PERCENTAGE EDITORIAL DISCOUNT	1,313,115	\$ (0.057)	\$ (74,848)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	32	\$ (0.021)	\$ (1)
WKSHARING DISCNT SCF ENTRY	108,094	\$ (0.011)	\$ (1,189)
Pounds	585,101,796		
Pieces & Revenues	2,136,927,217		\$ 317,290,628
RPW Revenue			317,026,548
RPW Adjustment Factor			0.999167703

Delivery Unit Entry	2,618,912		(31,427)
SCF Entry	455,928,771		(2,736,113)
Editorial Content	1,702,558,625		(71,527,159)
Editorial Percentage	0.797		

Note: Postage amount is from Billing Determinants which are calculated on a quarterly basis and may not be equal to the product of rate X volume

FY99 PQ3 DATA ANALYZED TO ESTIMATE BASE YEAR WITH R97-1 STRUCTURE

	A	B	C	D	E	
		NP (Regular) FY98		Commingled		
1	Nonautomation pieces	434,717,066		2,448,093		Sum Basic Nonautomation & 3/5 Nonautomation pieces (GFY 98)
2	Automation Letter Pieces	53,870,338		0		Sum Basic Automation & 3/5 Automation Letters (GFY 98)
3	Automation Flat Pieces	522,803,715		11,602		Sum Basic Automation & 3/5 Automation Flats (GFY 98)
4						
5	Piece Data for PQ3 FY99					
6						
7	BASIC NON-AUTOMATION	23,509,856	31.13%	36,911	43.43%	C7=B7/B17 & E7=D7/D17
8	BASIC AUTOMATION LETTER	4,624,995	35.13%	0	0.00%	C8=B8/B18 & E8=E8/E18
9	BASIC AUTOMATION FLAT	5,001,944	3.78%	3,779	1.12%	C9=B9/B19 & E9=D9/D19
10	3-DIGIT NON-AUTOMATION	22,938,403	30.37%	18,234	21.45%	C10=B10/B17 & E10=D10/D17
11	3-DIGIT AUTOMATION LETTER	7,695,710	58.45%	0	0.00%	C11=B11/B18 & E11=D11/D18
12	3-DIGIT AUTOMATION FLAT	35,114,183	26.51%	69,162	20.45%	C12=B12/B19 & E12=D12/D19
13	5-DIGIT NON-AUTOMATION	29,084,700	38.51%	29,847	35.12%	C13=B13/B17 & E13=D13/D17
14	5-DIGIT AUTOMATION LETTER	845,016	6.42%	0	0.00%	C14=B14/B18 & E14=D14/D18
15	5-DIGIT AUTOMATION FLAT	92,347,200	69.72%	265,310	78.44%	C15=B15/B19 & E15=D15/D19
16						
17	Nonautomation pieces	75,532,959		84,992		B17=B7+B10+B13 & D17=D7+D10+D13
18	Automation Letter Pieces	13,165,721		0		B18=B8+B11+B14 & D18=D8+D11+D14
19	Automation Flat Pieces	132,463,327		338,251		B19=B9+B12+B15 & D19=D9+D12+D15

Note: Since R97-1 rates were implemented on January 10, 1999, FY99Q3 Billing Determinants are used to estimate the Base Year with R97-1 structure

**FY 98 BILLING DETERMINANTS - R97-1 RATES, BASE YEAR
NONPROFIT PERIODICALS**

Regular Rate Pounds					
	Pounds	Rate	Postage		
	FY98 BD	R97-1	Rate/Pounds		
Delivery Unit	89,913	\$ 0.155	\$ 13,936		
SCF	31,673,238	\$ 0.178	\$ 5,637,836		
Zones 1&2	17,944,095	\$ 0.215	\$ 3,857,990		
Zone 3	11,669,519	\$ 0.229	\$ 2,672,320		
Zone 4	21,007,928	\$ 0.263	\$ 5,525,085		
Zone 5	23,618,848	\$ 0.316	\$ 7,463,556		
Zone 6	8,875,280	\$ 0.371	\$ 3,292,729		
Zone 7	6,296,537	\$ 0.438	\$ 2,757,883		
Zone 8	6,516,236	\$ 0.495	\$ 3,225,537		
Nonadvertising	456,064,173	\$ 0.156	\$ 71,146,011		
Commingled	Pounds	Rate	Postage		
	FY98 BD	R97-1	Rate/Pounds		
Delivery Unit	5	\$ 0.155	\$ 1		
SCF	5,476	\$ 0.178	\$ 975		
Zones 1&2	48,649	\$ 0.215	\$ 10,460		
Zone 3	65,244	\$ 0.229	\$ 14,941		
Zone 4	122,271	\$ 0.263	\$ 32,157		
Zone 5	358,165	\$ 0.316	\$ 113,180		
Zone 6	82,390	\$ 0.371	\$ 30,567		
Zone 7	159,953	\$ 0.438	\$ 70,060		
Zone 8	2,976	\$ 0.495	\$ 1,473		
Nonadvertising	500,900	\$ 0.161	\$ 80,645		
Nonprofit (Regular) Pieces	Pieces	Rate	Postage		
		R97-1	Rate/Pieces		
BASIC NON-AUTOMATION	136,306,967	\$ 0.251	\$ 33,962,049		
BASIC AUTOMATION LETTER	18,924,147	\$ 0.189	\$ 3,576,664		
BASIC AUTOMATION FLAT	19,741,577	\$ 0.205	\$ 4,047,023		
3-DIGIT NON-AUTOMATION	132,018,067	\$ 0.208	\$ 27,459,758		
3-DIGIT AUTOMATION LETTER	31,486,629	\$ 0.161	\$ 5,069,669		
3-DIGIT AUTOMATION FLAT	138,587,983	\$ 0.184	\$ 25,500,189		
5-DIGIT NON-AUTOMATION	167,392,032	\$ 0.183	\$ 30,632,742		
5-DIGIT AUTOMATION LETTER	3,457,562	\$ 0.148	\$ 511,719		
5-DIGIT AUTOMATION FLAT	364,474,156	\$ 0.162	\$ 59,044,813		
CARRIER ROUTE BASIC	1,062,502,283	\$ 0.113	\$ 120,062,758		
CARRIER ROUTE HIGH DENSITY	52,462,245	\$ 0.094	\$ 4,931,451		
CARRIER ROUTE SATURATION	7,468,628	\$ 0.076	\$ 567,616		
PERCENTAGE EDITORIAL DISCOUNT	1,701,245,510	\$ (0.044)	\$ (74,854,802)		
WKS SHARING DISCNT DELIVERY OFFICE ENTRY	2,618,880	\$ (0.007)	\$ (16,332)		
WKS SHARING DISCNT SCF ENTRY	455,820,677	\$ (0.004)	\$ (1,823,283)		
Commingled - Pieces	Pieces	Rate	Postage		
BASIC NON-AUTOMATION	1,063,177	\$ 0.294	\$ 312,574		
BASIC AUTOMATION LETTER	0	\$ 0.232	\$ -		
BASIC AUTOMATION FLAT	130	\$ 0.248	\$ 32		
3-DIGIT NON-AUTOMATION	525,209	\$ 0.253	\$ 132,878		
3-DIGIT AUTOMATION LETTER	0	\$ 0.206	\$ -		
3-DIGIT AUTOMATION FLAT	2,372	\$ 0.214	\$ 508		
5-DIGIT NON-AUTOMATION	859,707	\$ 0.197	\$ 169,362		
5-DIGIT AUTOMATION LETTER	0	\$ 0.162	\$ -		
5-DIGIT AUTOMATION FLAT	9,100	\$ 0.168	\$ 1,529		
CARRIER ROUTE BASIC	641,789	\$ 0.122	\$ 78,288		
CARRIER ROUTE HIGH DENSITY	1,458	\$ 0.103	\$ 150		
CARRIER ROUTE SATURATION	0	\$ 0.085	\$ -		
PERCENTAGE EDITORIAL DISCOUNT	1,313,115	\$ (0.059)	\$ (77,474)		
WKS SHARING DISCNT DELIVERY OFFICE ENTRY	32	\$ (0.013)	\$ (0)		
WKS SHARING DISCNT SCF ENTRY	108,094	\$ (0.007)	\$ (757)		
Total Revenue	586,101,796		\$ 345,234,466		
Total Postage	2,136,927,217		\$ -		

Note: FY99 Q3 percents are from Workpaper

Note: FY99 Q3 percents are from Workpaper USPS T-38, NP-B

VOLUME FORECAST NONPROFIT PERIODICALS

	1998GFY			Test Year	
				Before Rates	
Nonprofit	2,136,927,217			1,954,452,907	
Percent Change				91.46%	
				Test Year	
				After Rates	
Nonprofit				2,052,207,958	
Percent Change				96.04%	

Note: USPS-T-6, Table 1

GFY 2001 BILLING DETERMINANTS - R97-1 RATES NONPROFIT PERIODICALS

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Regular Rate Pounds	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
Delivery Unit	82,235	\$ 0.155	\$ 12,746
SCF	28,968,629	\$ 0.178	\$ 5,156,416
Zones 1&2	16,411,831	\$ 0.215	\$ 3,528,544
Zone 3	10,673,047	\$ 0.229	\$ 2,444,128
Zone 4	19,214,040	\$ 0.263	\$ 5,053,293
Zone 5	21,602,012	\$ 0.316	\$ 6,826,236
Zone 6	8,117,411	\$ 0.371	\$ 3,011,560
Zone 7	5,758,870	\$ 0.438	\$ 2,522,385
Zone 8	5,959,809	\$ 0.495	\$ 2,950,105
Nonadvertising	417,120,406	\$ 0.156	\$ 65,070,783
Commingled	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
Delivery Unit	5	\$ 0.155	\$ 1
SCF	5,008	\$ 0.178	\$ 891
Zones 1&2	44,495	\$ 0.215	\$ 9,566
Zone 3	59,673	\$ 0.229	\$ 13,665
Zone 4	111,830	\$ 0.263	\$ 29,411
Zone 5	327,581	\$ 0.316	\$ 103,516
Zone 6	75,354	\$ 0.371	\$ 27,956
Zone 7	146,295	\$ 0.438	\$ 64,077
Zone 8	2,722	\$ 0.495	\$ 1,347
Nonadvertising	458,127	\$ 0.161	\$ 73,759
Nonprofit (Regular) Pieces	Pieces	Rate	Postage
	GFY2001	R97-1	Rate*Pieces
BASIC NON-AUTOMATION	123,752,973	\$ 0.251	\$ 31,061,996
BASIC AUTOMATION LETTER	17,308,196	\$ 0.189	\$ 3,271,249
BASIC AUTOMATION FLAT	18,055,824	\$ 0.205	\$ 3,701,444
3-DIGIT NON-AUTOMATION	120,744,915	\$ 0.208	\$ 25,114,942
3-DIGIT AUTOMATION LETTER	28,799,784	\$ 0.161	\$ 4,636,765
3-DIGIT AUTOMATION FLAT	126,753,819	\$ 0.184	\$ 23,322,703
5-DIGIT NON-AUTOMATION	153,098,262	\$ 0.183	\$ 28,016,982
5-DIGIT AUTOMATION LETTER	3,162,317	\$ 0.148	\$ 468,023
5-DIGIT AUTOMATION FLAT	333,351,350	\$ 0.162	\$ 54,002,919
CARRIER ROUTE BASIC	971,774,171	\$ 0.113	\$ 109,810,481
CARRIER ROUTE HIGH DENSITY	47,982,443	\$ 0.094	\$ 4,510,350
CARRIER ROUTE SATURATION	6,830,875	\$ 0.076	\$ 519,146
PERCENTAGE EDITORIAL DISCOUNT	1,555,974,488	\$ (0.044)	\$ (68,462,877)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	2,395,251	\$ (0.007)	\$ (16,767)
WKSHARING DISCNT SCF ENTRY	416,897,703	\$ (0.004)	\$ (1,667,591)
Commingled - Pieces	Pieces	Rate	Postage
BASIC NON-AUTOMATION	972,391	\$ 0.294	\$ 285,883
BASIC AUTOMATION LETTER	0	\$ 0.232	\$ -
BASIC AUTOMATION FLAT	119	\$ 0.248	\$ 29
3-DIGIT NON-AUTOMATION	480,360	\$ 0.253	\$ 121,531
3-DIGIT AUTOMATION LETTER	0	\$ 0.206	\$ -
3-DIGIT AUTOMATION FLAT	2,170	\$ 0.214	\$ 464
5-DIGIT NON-AUTOMATION	786,296	\$ 0.197	\$ 154,900
5-DIGIT AUTOMATION LETTER	0	\$ 0.162	\$ -
5-DIGIT AUTOMATION FLAT	8,323	\$ 0.168	\$ 1,398
CARRIER ROUTE BASIC	586,986	\$ 0.122	\$ 71,612
CARRIER ROUTE HIGH DENSITY	1,333	\$ 0.103	\$ 137
CARRIER ROUTE SATURATION	0	\$ 0.085	\$ -
PERCENTAGE EDITORIAL DISCOUNT	1,200,986	\$ (0.059)	\$ (70,858)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	29	\$ (0.013)	\$ (0)
WKSHARING DISCNT SCF ENTRY	98,863	\$ (0.007)	\$ (692)
Pounds	535,139,380		
Pieces & Revenue	1,954,452,907		\$ 315,754,556
Before Rate Fees			\$ 3,802,000
Revenue w Fees, Revenue Per Piece	\$ 0.164		\$ 319,556,556
Cost per Piece & Volume Variable Cost	\$ 0.189		\$ 370,280,225
Cost Coverage			85.27%

RATE DESIGN INPUTS		
3	BASE YEAR VOLUME	2,136,927,217 Spreadsheet USPS-T-38, NP-A
4	TY BEFORE RATES VOLUME	1,954,452,907 USPS-T-6, Table 1
5	TY BEFORE RATES TO BASE YEAR SCALING FACTOR	0.9146090196 TYBR Volume/Base Year Volume (Line4/Line3)
6	TY AFTER RATES VOLUME	2,052,207,958 USPS-T-6 Table 1
7	TYAR TO BASE YEAR SCALLING FACTOR	0.9603546352 TYAR Volume/Base Year Volume (Line6/Line3)
8	TYBR COST, WITHOUT CONTINGENCY	\$ 361,249,000 USPS-T-14, WPH, Table E
9	TYAR COST, WITHOUT CONTINGENCY	\$ 379,093,000 USPS-T-14, WPJ, Table E
10	CONTINGENCY FACTOR	102.50% USPS-T-9
11	TYBR COST, (Including Contingency)	\$ 370,280,225 TYBR Cost * Contingency Factor (Line8*Line10)
12	TYAR COST, (Including Contingency)	\$ 388,570,325 TYAR Cost * Contingency Factor (Line9*Line10)
13	DESIRED COST COVERAGE	1.00725 USPS-T-32, Exhibit USPS 32B, p. 1, 1/2 of RR
14	TYBR FEES	\$ 3,802,000 USPS-T-32, Exhibit USPS 32A, p. 2
15	TYAR FEES	\$ 4,307,000 USPS-T-32, Exhibit USPS 32B, p. 2
16	PROPORTION OF REVENUE TO GET FROM PIECE RATE	70.00% INPUT
17	MULTIPLIER TO GET ACTUAL REVENUE	99.917% Spreadsheet USPS-T-38, NP-A
18	TRANSPORTATION COST, W/O CONTINGENCY	\$ 58,069,000 USPS-T-14, WPH, Table D
19	TRANSPORTATION COST, W/ CONTINGENCY	\$ 59,520,725 Transportation Cost * Contingency Factor (Line18*Line10)
20	Proportion of transportation cost that is distance related	0.7376 LR-160, p. 9-10
21	Dist. Related Trans. Costs	\$ 43,902,487 Distance Related proportion * Transportation Cost
22	Editorial Percentage Piece Percentage	79.67% Spreadsheet USPS-T-38, NP-A
23	Editorial Percentage Piece Discount	\$ 0.044 Spreadsheet USPS-T-38, NP-A

B	C	D	E	F	G	H	I	J
2	Non-transportation Cost Avoidances Per Piece			Editorial Piece Discounts				
3						Base Year	Test Year	% Change
4					revenue	\$ 345,234,466	\$ 368,968,433	
5	BY Pieces	1,954,452,907	Spreadsheet NP-E		pieces	2,136,927,217	1,954,452,907	
6	BY Pounds	535,139,380	Spreadsheet NP-E			0.161556492	0.188783486	0.16852924
7	Pieces per Pound	3.652231512	Derived		at -2% of the overall increase			1.14852924
8		Cost				0.044	0.051	H6*J6
9		Avoided	Avoided Cost					
10		Per Piece	Per Pound					
11	DDU	0.0159	0.058070481	USPS-T-27, Fig. 4, p. 21				
12	DSCF	0.0091	0.033235307	USPS-T-27, Fig. 4, p. 21				

Flat Mail Processing Cost Estimates

16				
17		USPS-T-25, p. 4	USPS-T-26, p. 26	USPS-T-26, p. 26
18	Presort Discounts	Table II-2	Table 5	Table 5
19		Mail Processing	Del. Nonauto	Total
20	Basic Nonautomation	14.1570	7.004	21.1610
21	3-Digit Nonautomation	11.4380	7.004	18.4420
22	5-Digit Nonautomation	7.9560	7.004	14.9600
23	Carrier Route	5.0080	4.615	9.6230

25	Barcode Discount	USPS-T-25, p. 4	Table 5	Barcode Cost Savings	Barcode+Del. Cost	
26		Nonautomation	Automation	Savings		
27	Basic	14.3390	13.0920	1.2470	1.6100	0.016 C27-D27+ (D20-F20) Rounded
28	3-Digit	11.7330	10.6940	1.0390	1.4020	0.014 C28-D28+ (D21-F21) Rounded
29	5-Digit	8.1410	7.9580	0.1830	0.5460	0.005 C29-D29+ (D22-F22) Rounded

31	Presort Savings	Rounded	
32	Basic to 3-Digit	0.027	E20-E21 Rounded
33	Basic to 5-Digit	0.062	E20-E22 Rounded
34	Basic to Carrier Route	0.115	E20-E23 Rounded

37	Carrier Route - Further Discounts Calculation for High Density & Saturation		
38	USPS-T-28, p. 29, Table 7		
39		Total	Mail Processing
40	Basic Carrier Route	9.707	5.092
41	High Density	4.329	0.779
42	Saturation	3.828	0.779
43	Cost Savings		
44	High Density	0.054	C40-C41 Rounded
45	Saturation	0.059	C40-C42 Rounded

47				USPS-T-28, Tbl. 5, p. 26
48	Nonautomation Letters	Total	Mail Processing	Delivery
49	Basic	10.076	5.954	4.122
50	3/5 Digit	8.969	4.516	4.453
51	Automation Letters			
52	Basic	7.213	3.837	3.376
53	3-Digit	6.362	3.039	3.323
54	5-Digit	5.298	2.062	3.236
55	Cost Savings			
56	Basic Automation Letter	12.459	0.125	(E62-E63)+(C49-C52) Rounded
57	3-Digit Automatio Letter	12.203	0.122	(E62-E63)+(C50-C53) Rounded
58	5-Digit Automatio Letter	13.267	0.133	(E62-E63)+(C50-C54) Rounded

60	Letters - Shape Difference		
61		Mail Processing	Delivery
62	Basic Nonautomation Flat	14.157	7.004
63	Basic Nonautomation Letter	7.443	4.122

Line B C D E F G

	Nonprofit Pounds (From USPS T-38, Spreadsheet NP-E)	
	Advertising Pounds (Nonprofit Regular only - No Commingled)	
4	Delivery Unit	82,235
5	SCF	28,968,629
6	Zones 1&2	16,411,831
7	Zone 3 RR	10,673,047
8	Zone 4 RR	19,214,040
9	Zone 5 RR	21,602,012
10	Zone 6 RR	8,117,411
11	Zone 7 RR	5,758,870
12	Zone 8 RR	5,959,809
13	Nonadvertising	417,120,406

Advertising Pounds		Proportion of Weight	Average Haul Input	Pound Miles Col. C * Col. E	Proportion of LB. Miles
Delivery Unit	82,235	0.07%			
SCF	28,968,629	24.80%			
Zones 1&2	16,411,831	14.05%	189	3,101,836,133	3.91%
Zone 3	10,673,047	9.14%	302	3,223,260,263	4.07%
Zone 4	19,214,040	16.45%	593	11,393,925,875	14.37%
Zone 5	21,602,012	18.50%	1,035	22,358,081,984	28.20%
Zone 6	8,117,411	6.95%	1,501	12,184,234,369	15.37%
Zone 7	5,758,870	4.93%	2,062	11,874,789,256	14.98%
Zone 8	5,959,809	5.10%	2,541	15,143,873,845	19.10%
Total Advertising Pounds	116,787,884			79,280,001,725	100.00%

Other Calculations used	
Total Editorial Pounds	417,120,406 From C13
Total Pounds	533,908,290 C27+C30
Ratio of Total Editorial Lbs. To Advertising Pounds	3.57160684 C30/C27
Weight Per Piece	0.273175316 C31 Divided by B61 (Total Pieces), Spreadsheet NP-E
Editorial Percent by Weight	78.13% C30/C31

Calculation of Pound Rates	
Required Revenue	\$ 368,968,433 Spreadsheet NP-F, ((Line11*Line13)/Line17)-Line15
Pound Rate Revenue @ 30%	\$ 110,690,530 C37*30 percent
Revenue from Lb. Rts after pc. Rts- Comm Lb. Rev	\$ 111,150,440
Transportation Cost w/contingency, No markup	\$ 59,520,725 Spreadsheet NP-F, Line19
Distance Related Transportation Cost	\$ 43,902,487 Spreadsheet NP-F, Line21
Non-Distance Related Transportation Cost	\$ 15,618,238 C40-C41
Non-Distance Related Transportation Cost per Pound	0.029252661 C42/C31

Pound Rate Dropship Discounts	Cost Savings	Passthroughs	Discount
DDU	0.058070481	20%	0.012 Workpaper NP-G, D11*Passthrough, Rounded
DSCF	0.033235307	20%	0.007 Workpaper NP-G, D12*Passthrough, Rounded

		Dist. Related	+N-Dist. Related	Revenue
Distance Related Transportation Allocated	Cost*Prop	Per/Pound		
Delivery Unit			-0.012	\$ (987)
SCF			0.022252661	\$ 644,629
Zones 1&2	\$ 1,717,688	0.022893827	0.052146488	\$ 855,819
Zone 3	\$ 1,784,929	0.036581671	0.065834332	\$ 702,653
Zone 4	\$ 6,309,557	0.071830897	0.101083558	\$ 1,942,224
Zone 5	\$ 12,381,122	0.125370958	0.154623619	\$ 3,340,181
Zone 6	\$ 6,747,202	0.181818172	0.211070833	\$ 1,713,349
Zone 7	\$ 6,575,842	0.249772866	0.279025527	\$ 1,606,872
Zone 8	\$ 8,386,147	0.307794788	0.337047449	\$ 2,008,738
Editorial Pound @ 75% of Zone 1 & 2			0.039109866	\$ 16,313,523

Total Revenue this cut				\$ 29,127,001
Additional Revenue needed				\$ 82,023,439
Weighted Pounds				429,628,189
Add-on dollars per pound				0.190917266

Final Pound Rates

	Rates	Rounded	Pounds	Revenues
Delivery Office Entry	0.178917266	0.179	82,235	\$ 14,720
SCF Entry	0.213169927	0.213	28,968,629	\$ 6,170,318
Zone 1 & 2	0.243063754	0.243	16,411,831	\$ 3,988,075
Zone 3	0.256751598	0.257	10,673,047	\$ 2,742,973
Zone 4	0.292000824	0.292	19,214,040	\$ 5,610,500
Zone 5	0.345540885	0.346	21,602,012	\$ 7,474,296
Zone 6	0.401988099	0.402	8,117,411	\$ 3,263,199
Zone 7	0.469942793	0.47	5,758,870	\$ 2,706,669
Zone 8	0.527964714	0.528	5,959,809	\$ 3,146,779
Editorial Pound rate @ 0.75 of Zone 1&2	0.182297816	0.182	417,120,406	\$ 75,915,914

Total Revenue				\$ 111,033,443
Target				\$ 111,150,440
Total less Target				\$ (116,997)
Total as a percent of target				99.89%

CALCULATION OF PIECE DISCOUNTS

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Spreadsheet NP-I
Page 10
For POIR 2

	B	C	D	E	F	G
2	Required Revenue	\$	368,968,433	Workpaper NP-F, ((Line11*Line13)/Line17)-Line15		
3	Piece Rate Required Revenue @ 70%	\$	258,277,903	C2* 70 Percent		
4	Commingled Piece Revenue	\$	648,011			
5	Required Revenue minus Commingled Revenue	\$	257,629,892			
6	Actual Piece Revenue Derived Incl. Comm. Rev.	\$	257,464,250	G34+C4		
7	Revenue needed from Pound Rates	\$	111,504,183			
8						
9	Presort Volumes & Calculation of Discounts	Volumes	Pct.		Rate	Revenue
10	Basic	159,116,993	8.15%		0.277 \$	44,075,407
11	3-Digit	276,298,518	14.16%		0.247 \$	68,245,734
12	5-Digit	489,611,930	25.09%		0.215 \$	105,266,565
13	Carrier Route	1,026,587,489	52.60%		0.134 \$	137,562,724
14		1,951,614,929	100.00%			
15						
16						
17	DISCOUNTS FROM BASIC		% of Presort	% of Tot.		
18	BARCODED LETTER SIZE	17,308,196	10.88%	0.89%	\$ (0.053) \$	(917,334)
19	BARCODED FLAT	18,055,824	11.35%	0.93%	\$ (0.033) \$	(595,842)
20	DISCOUNTS FROM 3-DIGIT					
21	BARCODED LETTER SIZE	28,799,784	10.42%	1.48%	\$ (0.057) \$	(1,641,588)
22	BARCODED FLAT	126,753,819	45.88%	6.49%	\$ (0.028) \$	(3,549,107)
23	DISCOUNTS FROM 5-DIGIT					
24	BARCODED LETTER SIZE	3,162,317	0.65%	0.16%	\$ (0.043) \$	(135,980)
25	BARCODED FLAT	333,351,350	68.08%	17.08%	\$ (0.022) \$	(7,333,730)
26	DISCOUNTS FROM CARRIER ROUTE					
27	HIGH DENSITY	47,982,443	4.67%	2.46%	\$ (0.032) \$	(1,535,438)
28	SATURATION	6,830,875	0.67%	0.35%	\$ (0.047) \$	(321,051)
29						
30	OTHER PIECE DISCOUNTS					
31	PER-PC EDITORIAL DISCOUNT	1,555,974,488		79.73%	\$ (0.051) \$	(79,354,699)
32	DELIVERY OFFICE ENTRY	2,395,251		0.12%	\$ (0.013) \$	(31,138)
33	SCF ENTRY	416,897,703		21.36%	\$ (0.007) \$	(2,918,284)
34					\$	256,816,238

CALCULATION OF PIECE DISCOUNTS

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Spreadsheet NP-J
Page 11
For POIR 2

A	B	C	D
3	Piece Rates	Unit Cost Savings	Passthrough
4		Spreadsheet NP-G	
5	BASIC NONAUTOMATION	\$ -	(Benchmark unit cost)
6	BASIC AUTOMATION LETTER	\$ 0.125	42%
7	BASIC AUTOMATION FLAT	\$ 0.016	208%
8	3 DIGIT NONAUTOMATION	\$ 0.027	110%
9	3 DIGIT AUTOMATION LETTER	\$ 0.122	47%
10	3 DIGIT AUTOMATION FLAT	\$ 0.014	200%
11	5 DIGIT NONAUTOMATION	\$ 0.062	100%
12	5-DIGIT AUTOMATION LETTER	\$ 0.133	32%
13	5 DIGIT AUTOMATION FLAT	\$ 0.005	430%
14	CARRIER ROUTE	\$ 0.115	124%
15	HIGH DENSITY	\$ 0.054	60%
16	SATURATION	\$ 0.059	80%
17	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.0159	80%
18	WKSHARING DISCNT SCF ENTRY	\$ 0.0091	80%
19	Piece Rates	Unit Cost Savings	Notes
20	BASIC NONAUTOMATION	0	
21	BASIC AUTOMATION LETTER	\$ 0.053	Passthroughs Times Unit Cost Savings
22	BASIC AUTOMATION FLAT	\$ 0.033	Passthroughs Times Unit Cost Savings
23	3 DIGIT NONAUTOMATION	\$ 0.030	Passthroughs Times Unit Cost Savings
24	3 DIGIT AUTOMATION LETTER	\$ 0.057	Passthroughs Times Unit Cost Savings
25	3 DIGIT AUTOMATION FLAT	\$ 0.028	Passthroughs Times Unit Cost Savings
26	5 DIGIT NONAUTOMATION	\$ 0.062	Passthroughs Times Unit Cost Savings
27	5-DIGIT AUTOMATION LETTER	\$ 0.043	Passthroughs Times Unit Cost Savings
28	5 DIGIT AUTOMATION FLAT	\$ 0.022	Passthroughs Times Unit Cost Savings
29	CARRIER ROUTE	\$ 0.143	Passthroughs Times Unit Cost Savings
30	HIGH DENSITY	\$ 0.032	Passthroughs Times Unit Cost Savings
31	SATURATION	\$ 0.047	Passthroughs Times Unit Cost Savings
32	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.013	Passthroughs Times Unit Cost Savings
33	WKSHARING DISCNT SCF ENTRY	\$ 0.007	Passthroughs Times Unit Cost Savings
34	Editorial Percentage Piece Discount	\$ 0.051	Spreadsheet NP-G
35	Presort Discounts:	Base Yr. Rev. Leakage	
36	BASIC NONAUTOMATION	\$ -	
37	BASIC AUTOMATION LETTER	\$ 917,334	Final Discount times Volume
38	BASIC AUTOMATION FLAT	\$ 595,842	Final Discount times Volume
39	3 DIGIT NONAUTOMATION	\$ 8,288,956	Final Discount times Volume
40	3 DIGIT AUTOMATION LETTER	\$ 1,641,588	Final Discount times Volume
41	3 DIGIT AUTOMATION FLAT	\$ 3,549,107	Final Discount times Volume
42	5 DIGIT NONAUTOMATION	\$ 30,355,940	Final Discount times Volume
43	5-DIGIT AUTOMATION LETTER	\$ 135,980	Final Discount times Volume
44	5 DIGIT AUTOMATION FLAT	\$ 7,333,730	Final Discount times Volume
45	CARRIER ROUTE	\$ 146,802,011	Final Discount times Volume
46	HIGH DENSITY	\$ 1,535,438	Final Discount times Volume
47	SATURATION	\$ 321,051	Final Discount times Volume
48	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 31,138	Final Discount times Volume
49	WKSHARING DISCNT SCF ENTRY	\$ 2,918,284	Final Discount times Volume
50	Editorial Percent PieceDiscount	\$ 79,354,699	Final Discount times Volume
51	Total Discount Leakage	\$ 283,781,097	
52	Revenue Required from Pieces + Discount Leakages	\$ 541,410,989	Line 51 plus C5 from NP-I
53	TYBR Pieces	1,951,614,929	Cell C14 from NP-I
54	Revenue Requirement + Leakage Per Piece (Base Rate)	\$ 0.277	Cell C52/Cell C53

		Pounds		
		Test Year		
Delivery Unit	Pounds	82,235	0.169	\$ 13,898
SCF	Pounds	28,968,629	0.199	\$ 5,764,757
Zones 1&2	Pounds	16,411,831	0.233	\$ 3,823,957
Zone 3	Pounds	10,673,047	0.248	\$ 2,646,916
Zone 4	Pounds	19,214,040	0.287	\$ 5,514,430
Zone 5	Pounds	21,602,012	0.345	\$ 7,452,694
Zone 6	Pounds	8,117,411	0.406	\$ 3,295,669
Zone 7	Pounds	5,758,870	0.48	\$ 2,764,257
Zone 8	Pounds	5,959,809	0.544	\$ 3,242,136
Nonadvertising	Pounds	417,120,406	0.182	\$ 75,915,914
Commingle Pounds		Pounds		
		Test Year		
Delivery Unit	Pounds	5	0.169	\$ 1
SCF	Pounds	5,008	0.199	\$ 997
Zones 1&2	Pounds	44,495	0.233	\$ 10,367
Zone 3	Pounds	59,673	0.248	\$ 14,799
Zone 4	Pounds	111,830	0.287	\$ 32,095
Zone 5	Pounds	327,581	0.345	\$ 113,015
Zone 6	Pounds	75,354	0.406	\$ 30,594
Zone 7	Pounds	146,295	0.48	\$ 70,222
Zone 8	Pounds	2,722	0.544	\$ 1,481
Nonadvertising	Pounds	458,127	0.175	\$ 80,172
Nonprofit (Regular) Pieces		Pieces		
		Test Year		
BASIC NON-AUTOMATION	Pieces	123,752,973	0.277	\$ 34,279,573
BASIC AUTOMATION LETTER	Pieces	17,308,196	0.224	\$ 3,877,036
BASIC AUTOMATION FLAT	Pieces	18,055,824	0.244	\$ 4,405,621
3-DIGIT NON-AUTOMATION	Pieces	120,744,915	0.247	\$ 29,823,964
3-DIGIT AUTOMATION LETTER	Pieces	28,799,784	0.19	\$ 5,471,959
3-DIGIT AUTOMATION FLAT	Pieces	126,753,819	0.219	\$ 27,759,086
5-DIGIT NON-AUTOMATION	Pieces	153,098,262	0.215	\$ 32,916,126
5-DIGIT AUTOMATION LETTER	Pieces	3,162,317	0.172	\$ 543,919
5-DIGIT AUTOMATION FLAT	Pieces	333,351,350	0.193	\$ 64,336,811
CARRIER ROUTE BASIC	Pieces	971,774,171	0.134	\$ 130,217,739
CARRIER ROUTE HIGH DENSITY	Pieces	47,982,443	0.102	\$ 4,894,209
CARRIER ROUTE SATURATION	Pieces	8,830,875	0.087	\$ 594,286
PERCENTAGE EDITORIAL DISCOUNT	Pieces	1,555,974,488	-0.051	\$ (79,354,699)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	Pieces	2,395,251	-0.013	\$ (31,138)
WKSHARING DISCNT SCF ENTRY	Pieces	416,897,703	-0.007	\$ (2,918,284)
Commingle - Pieces		Pieces		
BASIC NON-AUTOMATION	Pieces	972,391	0.335	\$ 325,751
BASIC AUTOMATION LETTER	Pieces	0	0.264	\$ -
BASIC AUTOMATION FLAT	Pieces	119	0.284	\$ 34
3-DIGIT NON-AUTOMATION	Pieces	480,360	0.29	\$ 139,305
3-DIGIT AUTOMATION LETTER	Pieces	0	0.235	\$ -
3-DIGIT AUTOMATION FLAT	Pieces	2,170	0.246	\$ 534
5-DIGIT NON-AUTOMATION	Pieces	786,296	0.226	\$ 177,703
5-DIGIT AUTOMATION LETTER	Pieces	0	0.182	\$ -
5-DIGIT AUTOMATION FLAT	Pieces	8,323	0.193	\$ 1,606
CARRIER ROUTE BASIC	Pieces	586,966	0.14	\$ 82,178
CARRIER ROUTE HIGH DENSITY	Pieces	1,333	0.114	\$ 152
CARRIER ROUTE SATURATION	Pieces	0	0.097	\$ -
PERCENTAGE EDITORIAL DISCOUNT	Pieces	1,200,986	-0.065	\$ (78,064)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	Pieces	29	-0.021	\$ (1)
WKSHARING DISCNT SCF ENTRY	Pieces	98,863	-0.012	\$ (1,186)
Total Pieces & Calculated Revenue		1,954,452,907		\$ 368,252,619
TYBR Fees				\$ 3,802,000
Calculated Revenue+TYBR Fees				\$ 372,054,619
Target Revenue+TYBR Fees				\$ 372,770,433
Calculated Revenue as a Percent of Target Revenue				0.998079748
TYBR Cost				\$ 370,280,225
Cost Coverage after calculation of new rates				100.5%
Revenue per piece				0.19
Percent Increase from Base Year				16.43%

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME NONPROFIT PERIODICALS

Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	86,348	\$ 0.169	\$ 14,593
SCF	30,417,541	\$ 0.199	\$ 6,053,091
Zones 1&2	17,232,695	\$ 0.233	\$ 4,015,218
Zone 3	11,206,877	\$ 0.248	\$ 2,779,305
Zone 4	20,175,061	\$ 0.287	\$ 5,790,242
Zone 5	22,682,470	\$ 0.345	\$ 7,825,452
Zone 6	8,523,416	\$ 0.406	\$ 3,460,507
Zone 7	6,046,909	\$ 0.480	\$ 2,902,516
Zone 8	6,257,898	\$ 0.544	\$ 3,404,296
Nonadvertising	437,983,342	\$ 0.182	\$ 79,712,968
Commingled Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	5	\$ 0.169	\$ 1
SCF	5,259	\$ 0.199	\$ 1,046
Zones 1&2	46,720	\$ 0.233	\$ 10,886
Zone 3	62,657	\$ 0.248	\$ 15,539
Zone 4	117,423	\$ 0.287	\$ 33,700
Zone 5	343,965	\$ 0.345	\$ 118,668
Zone 6	79,123	\$ 0.406	\$ 32,124
Zone 7	153,612	\$ 0.480	\$ 73,734
Zone 8	2,858	\$ 0.544	\$ 1,555
Nonadvertising	481,041	\$ 0.175	\$ 84,182
Nonprofit (Regular) Pieces	Pieces	Rate	Postage
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	129,942,673	\$ 0.277	\$ 35,994,121
BASIC AUTOMATION LETTER	18,173,893	\$ 0.224	\$ 4,070,952
BASIC AUTOMATION FLAT	18,958,915	\$ 0.244	\$ 4,625,975
3-DIGIT NON-AUTOMATION	126,784,163	\$ 0.247	\$ 31,315,688
3-DIGIT AUTOMATION LETTER	30,240,250	\$ 0.190	\$ 5,745,648
3-DIGIT AUTOMATION FLAT	133,093,612	\$ 0.219	\$ 29,147,501
5-DIGIT NON-AUTOMATION	180,755,713	\$ 0.215	\$ 38,562,478
5-DIGIT AUTOMATION LETTER	3,320,486	\$ 0.172	\$ 571,124
5-DIGIT AUTOMATION FLAT	350,024,445	\$ 0.193	\$ 67,554,718
CARRIER ROUTE BASIC	1,020,378,992	\$ 0.134	\$ 136,730,785
CARRIER ROUTE HIGH DENSITY	50,382,360	\$ 0.102	\$ 5,139,001
CARRIER ROUTE SATURATION	7,172,532	\$ 0.087	\$ 624,010
PERCENTAGE EDITORIAL DISCOUNT	1,633,799,011	\$ (0.051)	\$ (83,323,750)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	2,515,053	\$ (0.013)	\$ (32,696)
WKSHARING DISCNT SCF ENTRY	437,749,500	\$ (0.007)	\$ (3,064,247)
Nonprofit - Commingled	Pieces	Rate	Postage
BASIC NON-AUTOMATION	1,021,027	\$ 0.335	\$ 342,044
BASIC AUTOMATION LETTER	0	\$ 0.264	\$ -
BASIC AUTOMATION FLAT	124	\$ 0.284	\$ 35
3-DIGIT NON-AUTOMATION	504,386	\$ 0.290	\$ 146,272
3-DIGIT AUTOMATION LETTER	0	\$ 0.235	\$ -
3-DIGIT AUTOMATION FLAT	2,278	\$ 0.246	\$ 560
5-DIGIT NON-AUTOMATION	825,624	\$ 0.226	\$ 186,591
5-DIGIT AUTOMATION LETTER	0	\$ 0.182	\$ -
5-DIGIT AUTOMATION FLAT	8,739	\$ 0.193	\$ 1,687
CARRIER ROUTE BASIC	618,345	\$ 0.140	\$ 86,288
CARRIER ROUTE HIGH DENSITY	1,400	\$ 0.114	\$ 160
CARRIER ROUTE SATURATION	0	\$ 0.097	\$ -
PERCENTAGE EDITORIAL DISCOUNT	1,261,056	\$ (0.065)	\$ (81,969)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	31	\$ (0.021)	\$ (1)
WKSHARING DISCNT SCF ENTRY	103,808	\$ (0.012)	\$ (1,246)
Total Pieces & Calculated Revenue	2,052,207,958		\$ 386,671,356
TYAR Fees			\$ 4,307,000
Calculated Revenue+TYAR Fees			\$ 390,978,356
Target Revenue+TYAR Fees			\$ 373,275,433
Calculated Revenue as a Percent of Target Revenue			104.74%
TYAR Cost			\$ 388,570,325
Cost Coverage after calculation of new rates			101%
Revenue per piece			0.188417238
Percent Increase from Base Year			15.24%

NONPROFIT - POIR 2 Vs. CURRENT RATES

	POIR 2 Rate	Current Rate	Percent Change
Regular Rate Pounds			
Delivery Unit	\$ 0.169	\$ 0.155	9.03%
SCF	\$ 0.199	\$ 0.178	11.80%
Zones 1&2	\$ 0.233	\$ 0.215	8.37%
Zone 3	\$ 0.248	\$ 0.229	8.30%
Zone 4	\$ 0.287	\$ 0.263	9.13%
Zone 5	\$ 0.345	\$ 0.316	9.18%
Zone 6	\$ 0.406	\$ 0.371	9.43%
Zone 7	\$ 0.480	\$ 0.438	9.59%
Zone 8	\$ 0.544	\$ 0.495	9.90%
Nonadvertising	\$ 0.182	\$ 0.156	16.67%
Regular Rate Pieces			
BASIC NON-AUTOMATION	\$ 0.277	\$ 0.251	10.36%
BASIC AUTOMATION LETTER	\$ 0.224	\$ 0.189	18.52%
BASIC AUTOMATION FLAT	\$ 0.244	\$ 0.205	19.02%
3-DIGIT NON-AUTOMATION	\$ 0.247	\$ 0.208	18.75%
3-DIGIT AUTOMATION LETTER	\$ 0.190	\$ 0.161	18.01%
3-DIGIT AUTOMATION FLAT	\$ 0.219	\$ 0.184	19.02%
5-DIGIT NON-AUTOMATION	\$ 0.215	\$ 0.183	17.49%
5-DIGIT AUTOMATION LETTER	\$ 0.172	\$ 0.148	16.22%
5-DIGIT AUTOMATION FLAT	\$ 0.193	\$ 0.162	19.14%
CARRIER ROUTE BASIC	\$ 0.134	\$ 0.113	18.58%
CARRIER ROUTE HIGH DENSITY	\$ 0.102	\$ 0.094	8.51%
CARRIER ROUTE SATURATION	\$ 0.087	\$ 0.076	14.47%
PERCENTAGE EDITORIAL DISCOUNT	\$ (0.051)	\$ (0.044)	15.91%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.013)	\$ (0.013)	0.00%
WKSHARING DISCNT SCF ENTRY	\$ (0.007)	\$ (0.007)	0.00%

**CALCULATION OF COMMINGLED REVENUE USING REGULAR RATE
 TO BE SUBTRACTED FROM REVENUE REQUIREMENTS**

Commingled	Pounds	POIR 2	Postage
Pounds	GFY2001	RR Rates	Rate*Vol.
Delivery Unit	5	0.169	\$ 1
SCF	5,008	0.199	\$ 997
Zones 1&2	44,495	0.233	\$ 10,367
Zone 3	59,673	0.248	\$ 14,799
Zone 4	111,830	0.287	\$ 32,095
Zone 5	327,581	0.345	\$ 113,015
Zone 6	75,354	0.406	\$ 30,594
Zone 7	146,295	0.48	\$ 70,222
Zone 8	2,722	0.544	\$ 1,481
Nonadvertising	458,127	0.175	\$ 80,172
Total Pound Revenue			\$ 353,743
Commingled Pieces			
BASIC NON-AUTOMATION	972,391	0.335	\$ 325,751
BASIC AUTOMATION LETTER	0	0.264	\$ -
BASIC AUTOMATION FLAT	119	0.284	\$ 34
3-DIGIT NON-AUTOMATION	480,360	0.29	\$ 139,305
3-DIGIT AUTOMATION LETTER	0	0.235	\$ -
3-DIGIT AUTOMATION FLAT	2,170	0.246	\$ 534
5-DIGIT NON-AUTOMATION	786,296	0.226	\$ 177,703
5-DIGIT AUTOMATION LETTER	0	0.182	\$ -
5-DIGIT AUTOMATION FLAT	8,323	0.193	\$ 1,606
CARRIER ROUTE BASIC	586,986	0.14	\$ 82,178
CARRIER ROUTE HIGH DENSITY	1,333	0.114	\$ 152
CARRIER ROUTE SATURATION	0	0.097	\$ -
PERCENTAGE EDITORIAL DISCOUNT	1,200,986	-0.065	\$ (78,064)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	29	-0.021	\$ (1)
WKSHARING DISCNT SCF ENTRY	98,863	-0.012	\$ (1,186)
Piece Revenue			\$ 648,011
Total Revenue			\$ 1,001,754

GFY 98 BILLING DETERMINANTS CLASSROOM PERIODICALS

Pounds	Pounds	Rate	Postage
Delivery Unit	7	\$ 0.169	\$ 1
SCF	88,378	\$ 0.190	\$ 16,792
Zones 1&2	458,919	\$ 0.214	\$ 98,209
Zone 3	598,202	\$ 0.224	\$ 133,997
Zone 4	981,909	\$ 0.251	\$ 246,459
Zone 5	948,993	\$ 0.292	\$ 277,106
Zone 6	201,386	\$ 0.336	\$ 67,666
Zone 7	241,586	\$ 0.388	\$ 93,735
Zone 8	297,154	\$ 0.432	\$ 128,370
Nonadvertising	27,867,019	\$ 0.143	\$ 3,905,725
Pieces	Pieces	Rate	Postage
BASIC NON-AUTOMATION	15,694,636	\$ 0.211	\$ 3,259,549
BASIC AUTOMATION LETTER	55,516	\$ 0.191	\$ 10,604
BASIC AUTOMATION FLAT	4,870,063	\$ 0.184	\$ 887,487
3-DIGIT NON-AUTOMATION	15,713,094	\$ 0.160	\$ 2,478,682
3-DIGIT AUTOMATION LETTER	18,765	\$ 0.148	\$ 2,777
3/5 AUTOMATION FLAT	6,717,990	\$ 0.142	\$ 947,107
5-DIGIT AUTOMATION LETTER	2,791	\$ 0.140	\$ 391
CARRIER ROUTE BASIC	17,641,688	\$ 0.115	\$ 2,002,299
CARRIER ROUTE HIGH DENSITY	21,130	\$ 0.113	\$ 2,388
CARRIER ROUTE SATURATION	57,468	\$ 0.107	\$ 6,149
PERCENTAGE EDITORIAL DISCOUNT	56,219,655	\$ (0.042)	\$ (2,331,465)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	534	\$ (0.006)	\$ (3)
WKSHARING DISCNT SCF ENTRY	1,768,419	\$ (0.004)	\$ (6,339)
Pounds	31,683,553		
Pieces & Revenues	60,793,141		\$ 12,227,686
RPW Revenue			12,229,249
RPW Adjustment Factor			1.000127825

Discount Pieces			
Delivery Unit Entry	534		(3)
SCF Entry	1,768,419		(6,339)
Editorial Content	56,219,655		(2,331,465)
Editorial Percentage	0.925		

Note: Postage amount is from Billing Determinants which are calculated on a quarterly basis and may not be equal to the product of rate X volume

FY99 PQ3 DATA ANALYZED TO ESTIMATE BASE YEAR WITH R97-1 STRUCTURE

A		B	C
		Classroom FY98	
1	Nonautomation pieces	31,407,730	Sum Basic Nonautomation & 3/5 Nonautomation pieces (GFY 98)
2	Automation Letter Pieces	77,072	Sum Basic Automation & 3/5 Automation Letters (GFY 98)
3	Automation Flat Pieces	11,588,053	Sum Basic Automation & 3/5 Automation Flats (GFY 98)
4			
5	Piece Data for PQ3 FY99		
6			
7	BASIC NON-AUTOMATION	1,896,416	41.27% C7=B7/B17
8	BASIC AUTOMATION LETTER	0	100.00% C8=B8/B18
9	BASIC AUTOMATION FLAT	369,399	6.37% C9=B9/B19
10	3-DIGIT NON-AUTOMATION	1,698,179	36.95% C10=B10/B17
11	3-DIGIT AUTOMATION LETTER	0	0.00% C11=B11/B18
12	3-DIGIT AUTOMATION FLAT	2,163,635	37.29% C12=B12/B19
13	5-DIGIT NON-AUTOMATION	1,000,999	21.78% C13=B13/B17
14	5-DIGIT AUTOMATION LETTER	0	0.00% C14=B14/B18
15	5-DIGIT AUTOMATION FLAT	3,269,240	56.34% C15=B15/B19
16			
17	Nonautomation pieces	4,595,594	B17=B7+B10+B13
18	Automation Letter Pieces	0	B18=B8+B11+B14
19	Automation Flat Pieces	5,802,274	B19=B9+B12+B15

Note: Since R97-1 rates were implemented on January 10, 1999, FY99Q3 Billing Determinants are used to estimate the Base Year with R97-1 structure

GFY 98 BILLING DETERMINANTS - R97-1 RATES, BASE YEAR CLASSROOM PERIODICALS

Regular Rate Pounds	Pounds	Rate	Postage
	FY98 BD	R97-1	Rate*Pounds
Delivery Unit	7	\$ 0.155	\$ 1
SCF	88,378	\$ 0.178	\$ 15,731
Zones 1&2	458,919	\$ 0.215	\$ 98,668
Zone 3	598,202	\$ 0.229	\$ 136,988
Zone 4	981,909	\$ 0.263	\$ 258,242
Zone 5	948,993	\$ 0.316	\$ 299,882
Zone 6	201,386	\$ 0.371	\$ 74,714
Zone 7	241,586	\$ 0.438	\$ 105,815
Zone 8	297,154	\$ 0.495	\$ 147,091
Nonadvertising	27,867,019	\$ 0.158	\$ 4,347,255
Pieces	Rate	Postage	
	R97-1	Rate*Pieces	
BASIC NON-AUTOMATION	12,960,701	\$ 0.251	\$ 3,253,136
BASIC AUTOMATION LETTER	77,072	\$ 0.189	\$ 14,587
BASIC AUTOMATION FLAT	737,748	\$ 0.205	\$ 151,238
3-DIGIT NON-AUTOMATION	11,605,868	\$ 0.208	\$ 2,414,025
3-DIGIT AUTOMATION LETTER	0	\$ 0.161	\$ -
3-DIGIT AUTOMATION FLAT	4,321,119	\$ 0.184	\$ 795,086
5-DIGIT NON-AUTOMATION	6,841,141	\$ 0.183	\$ 1,251,929
5-DIGIT AUTOMATION LETTER	0	\$ 0.148	\$ -
5-DIGIT AUTOMATION FLAT	6,529,186	\$ 0.162	\$ 1,057,728
CARRIER ROUTE BASIC	17,641,688	\$ 0.113	\$ 1,993,511
CARRIER ROUTE HIGH DENSITY	21,130	\$ 0.094	\$ 1,986
CARRIER ROUTE SATURATION	57,468	\$ 0.078	\$ 4,368
PERCENTAGE EDITORIAL DISCOUNT	56,219,655	\$ (0.044)	\$ (2,473,665)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	534	\$ (0.007)	\$ (4)
WKSHARING DISCNT SCF ENTRY	1,768,419	\$ (0.004)	\$ (7,074)
Pounds	31,683,553		
Pieces & Revenue	60,793,141		\$ 13,941,218

Note: FY99 Q3 percents are from Workpaper USPS T-38, CR-B

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 Volume multiplied by FY99 Q3 percent

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

FY98 BD

VOLUME FORECAST CLASSROOM PERIODICALS

	1998GFY			Test Year	
				Before Rates	
Classroom	60,793,141			56,153,133	
Percent Change				92.37%	
				Test Year	
				After Rates	
Classroom				55,089,061	
Percent Change				90.62%	

Source: USPS-T-6, Table 1

GFY 2001 BILLING DETERMINANTS - R97-1 RATES CLASSROOM PERIODICALS

Pounds	Pounds	Rate	Postage
	GFY2001	R97-1	Rate*Pounds
Delivery Unit	6	\$ 0.155	\$ 1
SCF	81,633	\$ 0.178	\$ 14,531
Zones 1&2	423,892	\$ 0.215	\$ 91,137
Zone 3	552,545	\$ 0.229	\$ 126,533
Zone 4	906,966	\$ 0.263	\$ 238,532
Zone 5	876,561	\$ 0.316	\$ 276,993
Zone 6	186,015	\$ 0.371	\$ 69,012
Zone 7	223,147	\$ 0.438	\$ 97,738
Zone 8	274,474	\$ 0.495	\$ 135,864
Nonadvertising	25,740,082	\$ 0.156	\$ 4,015,453
Pieces	Pieces	Rate	Postage
	GFY2001	R97-1	Rate*Pieces
BASIC NON-AUTOMATION	11,971,482	\$ 0.251	\$ 3,004,842
BASIC AUTOMATION LETTER	71,190	\$ 0.189	\$ 13,455
BASIC AUTOMATION FLAT	681,440	\$ 0.205	\$ 139,695
3-DIGIT NON-AUTOMATION	10,720,074	\$ 0.208	\$ 2,229,775
3-DIGIT AUTOMATION LETTER	0	\$ 0.161	\$ -
3-DIGIT AUTOMATION FLAT	3,991,312	\$ 0.184	\$ 734,401
5-DIGIT NON-AUTOMATION	6,318,994	\$ 0.183	\$ 1,156,376
5-DIGIT AUTOMATION LETTER	0	\$ 0.148	\$ -
5-DIGIT AUTOMATION FLAT	6,030,849	\$ 0.162	\$ 976,998
CARRIER ROUTE BASIC	16,295,195	\$ 0.113	\$ 1,841,357
CARRIER ROUTE HIGH DENSITY	19,517	\$ 0.094	\$ 1,835
CARRIER ROUTE SATURATION	53,082	\$ 0.076	\$ 4,034
PERCENTAGE EDITORIAL DISCOUNT	51,928,717	\$ (0.044)	\$ (2,284,864)
WKSHARING DISCNT DELIVERY OFFICE ENTRY	493	\$ (0.007)	\$ (3)
WKSHARING DISCNT SCF ENTRY	1,633,445	\$ (0.004)	\$ (6,534)
Pounds	29,265,321		
Pieces & Revenue	56,153,133		\$ 12,877,161
TYBR Fees			\$ 109,000
Revenue w Fees & Revenue Per Piece	\$ 0.231		\$ 12,986,161
Cost per Piece & Volume Variable Cost	\$ 0.254		\$ 14,284,400
Cost Coverage			90.15%

RATE DESIGN INPUTS			
Line No.	Item	Amount	Source / Notes
3	BASE YEAR VOLUME	60,793,141	Spreadsheet USPS-T-38, CR-A
4	TY BEFORE RATES VOLUME	56,153,133	USPS-T-6, Table 1
5	TY BEFORE RATES TO BASE YEAR SCALING FACTOR	0.9236754721	TYBR Volume/Base Year Volume (Line4/Line3)
6	TY AFTER RATES VOLUME	55,089,061	USPS-T-6, Table 1
7	TYAR TO BASE YEAR SCALING FACTOR	0.9061723117	TYAR Volume/Base Year Volume (Line6/Line3)
8	TYBR COST, WITHOUT CONTINGENCY	\$ 13,936,000	USPS-T-14, WPH, Table E
9	TYAR COST, WITHOUT CONTINGENCY	\$ 13,692,000	USPS-T-14, WPJ, Table E
10	CONTINGENCY FACTOR	102.50%	USPS-T-9
11	TYBR COST, (Including Contingency)	\$ 14,284,400	TYBR Cost * Contingency Factor (Line8*Line10)
12	TYAR COST, (Including Contingency)	\$ 14,034,300	TYAR Cost * Contingency Factor (Line9*Line10)
13	DESIRED COST COVERAGE	1.00725	USPS-T-32, Exhibit USPS 32B, p. 1, 1/2 of RR
14	TYBR FEES	\$ 109,000	USPS-T-32, Exhibit USPS 32A, p. 2
15	TYAR FEES	\$ 116,000	USPS-T-32, Exhibit USPS 32B, p. 2
16	PROPORTION OF REVENUE TO GET FROM PIECE RATE	62.00%	INPUT
17	MULTIPLIER TO GET ACTUAL REVENUE	100.013%	Spreadsheet USPS-T-38, CR-A
18	TRANSPORTATION COST, W/O CONTINGENCY	\$ 2,232,000	USPS-T-14, WPH, Table D
19	TRANSPORTATION COST, W/ CONTINGENCY	\$ 2,287,800	Transportation Cost * Contingency Factor (Line18*Line10)
20	Proportion of transportation cost that is distance related	0.7263	LR-160, p. 9-10
21	Dist. Related Trans. Costs	\$ 1,661,629	Distance Related proportion * Transportation Cost
22	Editorial Percentage Piece Percentage	92.48%	Spreadsheet USPS-T-38, CR-A
23	Editorial Percentage Piece Discount	\$ 0.044	Spreadsheet USPS-T-38, CR-A

B	C	D	E	F	G	H	I	J
2	Non-transportation Cost Avoidances Per Piece			Editorial Piece Discounts				
3						Base Year	Test Year	% Change
4					revenue	\$ 13,941,218	\$ 14,270,123	
5	BY Pieces	56,153,133	Spreadsheet NP-E		pieces	60,793,141	56,153,133	
6	BY Pounds	29,265,321	Spreadsheet NP-E			0.229322216	0.254128705	0.10817307
7	Pieces per Pound	1.918760216	Derived		at -2% of the overall increase			1.08817307
8		Cost				0.044	0.048	H8*J7
9		Avoided	Avoided Cost					
10		Per Piece	Per Pound					
11	DDU	0.0159	0.030508287	USPS-T-27, Fig.4, p. 21				
12	DSCF	0.0091	0.017460718	USPS-T-27, Fig.4, p. 21				

15 Flat Mail Processing Cost Estimates

16				
17		USPS-T-25, p. 4	USPS-T-28, p. 26	USPS-T-28, p. 26
18	Presort Discounts	Table II-2	Table 5	Table 5
19		Mail Processing	Del. Nonauto	Total
20	Basic Nonautomation	14.1570	7.004	21.1610
21	3-Digit Nonautomation	11.4380	7.004	18.4420
22	5-Digit Nonautomation	7.9560	7.004	14.9600
23	Carrier Route	5.0080	4.615	9.6230

25	Barcode Discount	USPS-T-25, p. 4	Table 5	Barcode Cost Savings	Barcode+Del. Cost	
26		Nonautomation	Automation		Savings	
27	Basic	14.3390	13.0920	1.2470	1.6100	0.016 C27-D27+ (D20-F20) Rounded
28	3-Digit	11.7330	10.6940	1.0390	1.4020	0.014 C28-D28+ (D21-F21) Rounded
29	5-Digit	8.1410	7.9580	0.1830	0.5460	0.005 C29-D29+ (D22-F22) Rounded

31	Presort Savings	Rounded	
32	Basic to 3-Digit	0.027	E20-E21 Rounded
33	Basic to 5-Digit	0.062	E20-E22 Rounded
34	Basic to Carrier Route	0.115	E20-E23 Rounded

37	Carrier Route - Further Discounts Calculation for High Density & Saturation		
38	USPS-T-28, p. 29, Table 7		
39		Total	Mail Processing
40	Basic Carrier Route	9.707	5.092
41	High Density	4.329	0.779
42	Saturation	3.828	0.779
43	Cost Savings		
44	High Density	0.054	C40-C41 Rounded
45	Saturation	0.059	C40-C43 Rounded

47			USPS-T-28, Tbl. 5, p. 26
48	Nonautomation Letters	Total	Mail Processing
49	Basic	10.076	5.954
50	3/5 Digit	8.969	4.516
51	Automation Letters		
52	Basic	7.213	3.837
53	3-Digit	6.362	3.039
54	5-Digit	5.298	2.062
55	Cost Savings		
56	Basic Automation Letter	12.459	0.125 (E62-E63)+(C49-C52) Rounded
57	3-Digit Automatio Letter	12.203	0.122 (E62-E63)+(C50-C53) Rounded
58	5-Digit Automatio Letter	13.267	0.133 (E62-E63)+(C50-C54) Rounded

60	Letters - Shape Difference		
61		Mail Processing	Delivery
62	Basic Nonautomation Flat	14.157	7.004
63	Basic Nonautomation Letter	7.443	4.122

Line

B

C

D

E

F

G

Classroom Pounds (From USPS T-38, Spreadsheet CR-E)	
Advertising Pounds	
Delivery Unit	6
SCF	81,633
Zones 1&2	423,892
Zone 3 RR	552,545
Zone 4 RR	906,966
Zone 5 RR	876,561
Zone 6 RR	186,015
Zone 7 RR	223,147
Zone 8 RR	274,474
Nonadvertising	25,740,082

Advertising Pounds		Proportion of Weight	Average Haul Input	Pound Miles Col. C * Col. E	Proportion of LB. Miles
Delivery Unit	6	0.00%			
SCF	81,633	2.32%			
Zones 1&2	423,892	12.02%	189	80,115,667	2.56%
Zone 3	552,545	15.67%	302	166,868,555	5.33%
Zone 4	906,966	25.73%	593	537,830,598	17.19%
Zone 5	876,561	24.87%	1,035	907,241,013	29.00%
Zone 6	186,015	5.28%	1,501	279,208,599	8.92%
Zone 7	223,147	6.33%	2,062	460,129,573	14.71%
Zone 8	274,474	7.79%	2,541	697,437,614	22.29%
Total Advertising Pounds	3,525,239			3,128,831,620	100.00%

Other Calculations used		
Total Editorial Pounds	25,740,082	From C13
Total Pounds	29,265,321	C27+C30
Ratio of Total Editorial Lbs. To Advertising Pounds	7.301655893	C30/C27
Weight Per Piece	0.521169864	C31 Divided by B61 (Total Pieces), Spreadsheet CR-E
Editorial Percent by Weight	87.95%	C30/C31

Calculation of Pound Rates		
Required Revenue	\$ 14,270,123	Spreadsheet CR-F, ((Line11*Line13)/Line17)-Line15
Pound Rate Revenue @ 30%	5,422,647	(1-cell C16 (CR-F))*C37
Revenue from Lb. Rts after pc. Rts	\$ 5,442,819	
Transportation Cost w/contingency, No markup	\$ 2,287,800	Spreadsheet CR-F, Line19
Distance Related Transportation Cost	\$ 1,661,629	Spreadsheet CR-F, Line21
Non-Distance Related Transportation Cost	\$ 626,171	C40-C41
Non-Distance Related Transportation Cost per Pound	0.021396344	C42/C31

Pound Rate Dropship Discounts	Cost Savings	Passthroughs	Discount	
DDU	0.030508287	20%	0.006	Spreadsheet CR-G, D11*Passthrough, Rounded
DSCF	0.017460718	20%	0.003	Spreadsheet CR-G, D12*Passthrough, Rounded

49			Dist. Related	+N-Dist. Related	Revenue
50	Distance Related Transportation Allocated	Cost*Prop	Per/Pound		
51	Delivery Unit			-0.006	\$ (0)
52	SCF			0.018396344	\$ 1,502
53	Zones 1&2	\$ 42,547	0.012090632	0.033488975	\$ 14,195
54	Zone 3	\$ 88,619	0.019319422	0.040715766	\$ 22,497
55	Zone 4	\$ 285,626	0.037935157	0.0593315	\$ 53,812
56	Zone 5	\$ 481,809	0.066210603	0.087606946	\$ 76,793
57	Zone 6	\$ 148,279	0.096021367	0.11741771	\$ 21,841
58	Zone 7	\$ 244,361	0.131909432	0.153305776	\$ 34,210
59	Zone 8	\$ 370,388	0.162551827	0.183948171	\$ 50,489
60					
61	Editorial Pound @ 75% of Zone 1 & 2			0.025115232	\$ 646,468
62					
63					
64	Total Revenue this cut				\$ 921,807
65	Additional Revenue needed				\$ 4,521,012
66	Weighted Pounds				22,830,300
67	Add-on dollars per pound				0.198026834
68					
69	Final Pound Rates				
70		Rates	Rounded	Pounds	Revenues
71	Delivery Office Entry	0.192026834	0.192	6	\$ 1
72	SCF Entry	0.216423178	0.216	81,633	\$ 17,633
73	Zone 1 & 2	0.23151381	0.232	423,892	\$ 98,343
74	Zone 3	0.2387426	0.239	552,545	\$ 132,058
75	Zone 4	0.257358335	0.257	906,966	\$ 233,090
76	Zone 5	0.285633781	0.286	876,561	\$ 250,697
77	Zone 6	0.315444545	0.315	186,015	\$ 58,595
78	Zone 7	0.35133261	0.351	223,147	\$ 78,325
79	Zone 8	0.381975005	0.382	274,474	\$ 104,849
80					
81	Editorial Pound rate @ 0.75 of Zone 1&2	0.173635357	0.174	25,740,082	\$ 4,478,774
82					
83					
84	Total Revenue				\$ 5,452,384
85	Target				\$ 5,442,619
86	Total less Target				\$ 9,546
87	Total as a percent of target				100.18%

CALCULATION OF PIECE DISCOUNTS

USPS T-38
Spreadsheet CR-I
Page 10
For POIR 2

	B	C	D	E	F	G
2	Required Revenue	\$	14,270,123	Spreadsheet CR-F, ((Line11*Line13)/Line17)-Line15		
3	Piece Rate Required Revenue @ 70%	\$	8,847,476	cell C16 (CR-F)*cell C2		
4	Commingled Piece Revenue (Does not apply to CR)	\$	-			
5	Required Revenue minus Commingled Revenue	\$	8,847,476			
6	Actual Piece Revenue Derived	\$	8,827,304			
7	Revenue needed from Pound Rates	\$	5,442,819			
8						
9	Presort Volumes & Calculation of Discounts	Volumes	Pct.		Rate	Revenue
10	Basic	12,724,111	22.66%		0.277 \$	3,524,579
11	3-Digit	14,711,385	26.20%		0.236 \$	3,471,887
12	5-Digit	12,349,843	21.99%		0.206 \$	2,544,068
13	Carrier Route	16,367,794	29.15%		0.127 \$	2,078,710
14		56,153,133	100.00%			
15						
16						
17	DISCOUNTS FROM BASIC		% of Presort	% of Tot.		
18	BARCODED LETTER SIZE	71,190	0.56%	0.13%	\$ (0.065) \$	(4,627)
19	BARCODED FLAT	681,440	5.36%	1.21%	\$ (0.044) \$	(29,983)
20	DISCOUNTS FROM 3-DIGIT					
21	BARCODED LETTER SIZE	0	0.00%	0.00%	\$ (0.056) \$	-
22	BARCODED FLAT	3,991,312	27.13%	7.11%	\$ (0.028) \$	(111,757)
23	DISCOUNTS FROM 5-DIGIT					
24	BARCODED LETTER SIZE	0	0.00%	0.00%	\$ (0.040) \$	-
25	BARCODED FLAT	6,030,849	48.83%	10.74%	\$ (0.023) \$	(138,710)
26	DISCOUNTS FROM CARRIER ROUTE					
27	HIGH DENSITY	19,517	0.12%	0.03%	\$ (0.026) \$	(507)
28	SATURATION	53,082	0.32%	0.09%	\$ (0.044) \$	(2,336)
29						
30	OTHER PIECE DISCOUNTS					
31	PER-PC EDITORIAL DISCOUNT	51,928,717		92.48%	\$ (0.048) \$	(2,492,578)
32	DELIVERY OFFICE ENTRY	493		0.00%	\$ (0.013) \$	(6)
33	SCF ENTRY	1,633,445		2.91%	\$ (0.007) \$	(11,434)
34					\$	8,827,304

CALCULATION OF PIECE DISCOUNTS

USPS T-38
Spreadsheet CR-J
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For POIR 2

A	B	C	D
3	Piece Rates	Unit Cost Savings	Passthrough
4		Spreadsheet CR-G	
5	BASIC NONAUTOMATION	\$ -	{Benchmark unit cost}
6	BASIC AUTOMATION LETTER	\$ 0.125	52%
7	BASIC AUTOMATION FLAT	\$ 0.016	275%
8	3 DIGIT NONAUTOMATION	\$ 0.027	150%
9	3 DIGIT AUTOMATION LETTER	\$ 0.122	46%
10	3 DIGIT AUTOMATION FLAT	\$ 0.014	200%
11	5 DIGIT NONAUTOMATION	\$ 0.062	115%
12	5-DIGIT AUTOMATION LETTER	\$ 0.133	30%
13	5 DIGIT AUTOMATION FLAT	\$ 0.005	450%
14	CARRIER ROUTE	\$ 0.115	130%
15	HIGH DENSITY	\$ 0.054	48%
16	SATURATION	\$ 0.059	75%
17	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.0159	80%
18	WKSHARING DISCNT SCF ENTRY	\$ 0.0091	80%
19	Piece Rates	Unit Cost Savings	Notes
20	BASIC NONAUTOMATION	0	
21	BASIC AUTOMATION LETTER	\$ 0.065	Passthroughs Times Unit Cost Savings
22	BASIC AUTOMATION FLAT	\$ 0.044	Passthroughs Times Unit Cost Savings
23	3 DIGIT NONAUTOMATION	\$ 0.041	Passthroughs Times Unit Cost Savings
24	3 DIGIT AUTOMATION LETTER	\$ 0.056	Passthroughs Times Unit Cost Savings
25	3 DIGIT AUTOMATION FLAT	\$ 0.028	Passthroughs Times Unit Cost Savings
26	5 DIGIT NONAUTOMATION	\$ 0.071	Passthroughs Times Unit Cost Savings
27	5-DIGIT AUTOMATION LETTER	\$ 0.040	Passthroughs Times Unit Cost Savings
28	5 DIGIT AUTOMATION FLAT	\$ 0.023	Passthroughs Times Unit Cost Savings
29	CARRIER ROUTE	\$ 0.150	Passthroughs Times Unit Cost Savings
30	HIGH DENSITY	\$ 0.026	Passthroughs Times Unit Cost Savings
31	SATURATION	\$ 0.044	Passthroughs Times Unit Cost Savings
32	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 0.013	Passthroughs Times Unit Cost Savings
33	WKSHARING DISCNT SCF ENTRY	\$ 0.007	Passthroughs Times Unit Cost Savings
34	Editorial Percentage Piece Discount	\$ 0.048	Spreadsheet CR-G
35	Presort Discounts:	Base Yr. Rev. Leakage	
36	BASIC NONAUTOMATION	\$ -	
37	BASIC AUTOMATION LETTER	\$ 4,627	Final Discount times Volume
38	BASIC AUTOMATION FLAT	\$ 29,983	Final Discount times Volume
39	3 DIGIT NONAUTOMATION	\$ 603,167	Final Discount times Volume
40	3 DIGIT AUTOMATION LETTER	\$ -	Final Discount times Volume
41	3 DIGIT AUTOMATION FLAT	\$ 111,757	Final Discount times Volume
42	5 DIGIT NONAUTOMATION	\$ 876,839	Final Discount times Volume
43	5-DIGIT AUTOMATION LETTER	\$ -	Final Discount times Volume
44	5 DIGIT AUTOMATION FLAT	\$ 138,710	Final Discount times Volume
45	CARRIER ROUTE	\$ 2,455,169	Final Discount times Volume
46	HIGH DENSITY	\$ 507	Final Discount times Volume
47	SATURATION	\$ 2,336	Final Discount times Volume
48	WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ 6	Final Discount times Volume
49	WKSHARING DISCNT SCF ENTRY	\$ 11,434	Final Discount times Volume
50	Editorial Percent PieceDiscount	\$ 2,492,578	Final Discount times Volume
51	Total Discount Leakage	\$ 6,727,114	
52	Revenue Required from Pieces + Discount Leakages	\$ 15,574,590	Line 51 plus C5 from CR-I
53	TYBR Pieces	56,153,133	Cell C14 from CR-I
54	Revenue Requirement + Leakage Per Piece (Base Rate)	\$ 0.277	Cell C52/Cell C53

Rate Element	Type	Billing Det.	Rates	Revenue
		Pounds		
		Test Year		
Delivery Unit	Pounds	6	\$ 0.169	\$ 1
SCF	Pounds	81,633	\$ 0.199	\$ 16,245
Zones 1&2	Pounds	423,892	\$ 0.233	\$ 98,767
Zone 3	Pounds	552,545	\$ 0.248	\$ 137,031
Zone 4	Pounds	906,966	\$ 0.287	\$ 260,299
Zone 5	Pounds	878,581	\$ 0.345	\$ 302,414
Zone 6	Pounds	186,015	\$ 0.406	\$ 75,522
Zone 7	Pounds	223,147	\$ 0.480	\$ 107,111
Zone 8	Pounds	274,474	\$ 0.544	\$ 149,314
Nonadvertising	Pounds	25,740,082	\$ 0.174	\$ 4,478,774
Pieces		Pieces		
		Test Year		
BASIC NON-AUTOMATION	Pieces	11,971,482	\$ 0.277	\$ 3,316,101
BASIC AUTOMATION LETTER	Pieces	71,190	\$ 0.212	\$ 15,092
BASIC AUTOMATION FLAT	Pieces	681,440	\$ 0.233	\$ 158,775
3-DIGIT NON-AUTOMATION	Pieces	10,720,074	\$ 0.236	\$ 2,529,937
3-DIGIT AUTOMATION LETTER	Pieces	0	\$ 0.180	\$ -
3-DIGIT AUTOMATION FLAT	Pieces	3,991,312	\$ 0.208	\$ 830,193
5-DIGIT NON-AUTOMATION	Pieces	6,318,994	\$ 0.206	\$ 1,301,713
5-DIGIT AUTOMATION LETTER	Pieces	0	\$ 0.166	\$ -
5-DIGIT AUTOMATION FLAT	Pieces	6,030,849	\$ 0.183	\$ 1,103,645
CARRIER ROUTE BASIC	Pieces	16,295,195	\$ 0.127	\$ 2,069,490
CARRIER ROUTE HIGH DENSITY	Pieces	19,517	\$ 0.101	\$ 1,971
CARRIER ROUTE SATURATION	Pieces	53,082	\$ 0.083	\$ 4,406
PERCENTAGE EDITORIAL DISCOUNT	Pieces	51,928,717	\$ (0.048)	\$ (2,492,578)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	Pieces	493	\$ (0.013)	\$ (6)
WKSHARING DISCNT SCF ENTRY	Pieces	1,633,445	\$ (0.007)	\$ (11,434)
Total Pieces & Calculated Revenue		56,153,133		\$ 14,452,782
TYBR Fees				\$ 109,000
Calculated Revenue+TYBR Fees				\$ 14,561,782
Target Revenue+TYBR Fees				\$ 14,379,123
Calculated Revenue as a Percent of Target Revenue				1.012703052
TYBR Cost				\$ 14,284,400
Cost Coverage after calculation of new rates				101.9%
Revenue per piece				0.28
Percent Increase from Base Year				12.13%

TYAR BILLING DETERMINANTS - AFTER RATES & VOLUME CLASSROOM PERIODICALS

Regular Rate Pounds	Pounds	POIR 2	Postage
	TYAR	Rates	Rate*Pounds
Delivery Unit	6	\$ 0.169	\$ 1
SCF	80,086	\$ 0.199	\$ 15,937
Zones 1&2	415,860	\$ 0.233	\$ 96,895
Zone 3	542,074	\$ 0.248	\$ 134,434
Zone 4	889,779	\$ 0.287	\$ 255,367
Zone 5	859,951	\$ 0.345	\$ 296,683
Zone 6	182,490	\$ 0.406	\$ 74,091
Zone 7	218,919	\$ 0.480	\$ 105,081
Zone 8	269,273	\$ 0.544	\$ 146,484
Nonadvertising	25,252,321	\$ 0.174	\$ 4,393,904
Regular Rate Pieces	Pieces	Rate	Postage
	TYAR		Rate*Pieces
BASIC NON-AUTOMATION	11,744,629	\$ 0.277	\$ 3,253,262
BASIC AUTOMATION LETTER	69,841	\$ 0.212	\$ 14,806
BASIC AUTOMATION FLAT	668,527	\$ 0.233	\$ 155,767
3-DIGIT NON-AUTOMATION	10,516,934	\$ 0.236	\$ 2,481,996
3-DIGIT AUTOMATION LETTER	0	\$ 0.180	\$ -
3-DIGIT AUTOMATION FLAT	3,915,678	\$ 0.208	\$ 814,461
5-DIGIT NON-AUTOMATION	6,199,252	\$ 0.206	\$ 1,277,046
5-DIGIT AUTOMATION LETTER	0	\$ 0.166	\$ -
5-DIGIT AUTOMATION FLAT	5,916,567	\$ 0.183	\$ 1,082,732
CARRIER ROUTE BASIC	15,986,409	\$ 0.127	\$ 2,030,274
CARRIER ROUTE HIGH DENSITY	19,148	\$ 0.101	\$ 1,934
CARRIER ROUTE SATURATION	52,076	\$ 0.083	\$ 4,322
PERCENTAGE EDITORIAL DISCOUNT	50,944,695	\$ (0.048)	\$ (2,445,345)
WKSHARING DISCNTDELIVERY OFFICE ENTRY	484	\$ (0.013)	\$ (6)
WKSHARING DISCNT SCF ENTRY	1,602,492	\$ (0.007)	\$ (11,217)
Total Pieces & Calculated Revenue	55,089,061		\$ 14,178,909
TYAR Fees			\$ 116,000
Calculated Revenue+TYAR Fees			\$ 14,294,909
Target Revenue+TYAR Fees			\$ 14,386,123
Calculated Revenue as a Percent of Target Revenue			99.37%
TYAR Cost			\$ 14,034,300
Cost Coverage after calculation of new rates			101.86%
Revenue per piece			0.257381573
Percent Increase from Base Year			11.29%

CLASSROOM - POIR 2 Vs. CURRENT RATES

	POIR 2 Rate	Current Rate	Percent Change
Pounds			
Delivery Unit	\$ 0.169	\$ 0.155	9.03%
SCF	\$ 0.199	\$ 0.178	11.80%
Zones 1&2	\$ 0.233	\$ 0.215	8.37%
Zone 3	\$ 0.248	\$ 0.229	8.30%
Zone 4	\$ 0.287	\$ 0.263	9.13%
Zone 5	\$ 0.345	\$ 0.316	9.18%
Zone 6	\$ 0.406	\$ 0.371	9.43%
Zone 7	\$ 0.480	\$ 0.438	9.59%
Zone 8	\$ 0.544	\$ 0.495	9.90%
Nonadvertising	\$ 0.174	\$ 0.156	11.54%
Pieces			
BASIC NON-AUTOMATION	\$ 0.277	\$ 0.251	10.36%
BASIC AUTOMATION LETTER	\$ 0.212	\$ 0.189	12.17%
BASIC AUTOMATION FLAT	\$ 0.233	\$ 0.205	13.66%
3-DIGIT NON-AUTOMATION	\$ 0.236	\$ 0.208	13.46%
3-DIGIT AUTOMATION LETTER	\$ 0.180	\$ 0.161	11.80%
3-DIGIT AUTOMATION FLAT	\$ 0.208	\$ 0.184	13.04%
5-DIGIT NON-AUTOMATION	\$ 0.206	\$ 0.183	12.57%
5-DIGIT AUTOMATION LETTER	\$ 0.166	\$ 0.148	12.16%
5-DIGIT AUTOMATION FLAT	\$ 0.183	\$ 0.162	12.96%
CARRIER ROUTE BASIC	\$ 0.127	\$ 0.113	12.39%
CARRIER ROUTE HIGH DENSITY	\$ 0.101	\$ 0.094	7.45%
CARRIER ROUTE SATURATION	\$ 0.083	\$ 0.076	9.21%
PERCENTAGE EDITORIAL DISCOUNT	\$ (0.048)	\$ (0.044)	9.09%
WKSHARING DISCNTDELIVERY OFFICE ENTRY	\$ (0.013)	\$ (0.013)	0.00%
WKSHARING DISCNT SCF ENTRY	\$ (0.007)	\$ (0.007)	0.00%