# CURRICULUM VITÆ

## Stephen E. Siwek

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| **Background** | Born in 1951 in Jersey City, New Jersey.<br>Attended Catholic Parochial Schools.<br>Married, 1978 to the former Marilyn Levine.<br>Two Children:   Jessica Leigh (1981),<br>Andrea Jean (1988) |
| **Education** | B.A. (Economics) Boston College, 1973<br>M.B.A. George Washington University, 1975 |
| **Present Position** | Principal<br>Economists Incorporated |
| **Previous Employment** | Senior Consultant,<br>Snavely, King & Associates Inc.  (1975-1983) |
| **Consulting Specialties** | Development and provision of expert witness testimony in connection with economic, financial and accounting issues for regulated industries including communications, energy and postal concerns.<br><br>Economic and financial consulting and expert witness testimony in antitrust, contract and bankruptcy litigation.  Particular emphasis on the estimation of lost profit damages.<br><br>Economic analysis of international trade issues relating to media and copyright industries. |

**Books**

*International Trade in Computer Software*, Stephen E. Siwek and Harold W. Furchtgott-Roth, Quorum Books, Westport, Connecticut, London, 1993, ISBN: 0-89930-711-6.

*International Trade in Films and Television Programs*, (Steven S. Wildman and Stephen E. Siwek), American Enterprise Institute/Ballinger Publishing Company, Cambridge, Massachusetts, 1988, ISBN:0-88730-240-8.

**Papers and Articles**

"Telecommunications and Entertainment: Trade in Films and Television Programming" (with Steven S. Wildman) presented at *Trade in Services and the Uruguay Round Negotiations*, the Civils, London, England, July 8, 1987 and Centre D'Etudes Pratiques De La Negociation Internationale, Geneva, Switzerland, July 10, 1987.

"The Privatization of European Television: Effects on International Markets for Programs" (with Steven S. Wildman), *Columbia Journal of World Business*, Vol. XXII, No. 3, Fall 1987.

"Europe 1992 and Beyond: Prospects for U.S. Film and Television Employment" presented at *EC 1992: Implications for U.S. Workers*, U.S. Department of Labor, Bureau of International Labor Affairs and The Center for Strategic and International Studies, Washington, D.C., March 19, 1990.

"The Dimensions of the Export of American Mass Culture" presented at *The New Global Popular Culture*, American Enterprise Institute for Public Policy Research, March 10, 1992. Broadcast on "C-Span," reported in AP Wire Service, *Business Week*, *The American Enterprise*, follow-up radio interview etc.

"Competing with Pirates: Economic Implications for the Entertainment Strategist," (with Harold Furchtgott-Roth) *The Ernst & Young Entertainment Business Journal*, Volume 3, 1992, P. 18.

**Papers and Articles (continued)**

"The Economics of Trade in Recorded Media Products in Multilingual World: Implications for National Media Policies," (with Steven S. Wildman) in *The International Market in Film and Television Programs*, Ablex Publishing Corporation, Norwood, New Jersey, 1993, ISBN: 0-89391-545-9.

"Changing Course: Meaningful Trade Liberalization for Entertainment Products in GATS" Presented at *World Services Congress* 1999, November 1, 1999.

**Selected Studies**

*Copyright Industries in the U.S. Economy*, by Stephen E. Siwek and Harold W. Furchtgott-Roth, for the International Intellectual Property Alliance, November 1990.

*Copyright Industries in the U.S. Economy: 1977-1990*, by Stephen E. Siwek and Harold W. Furchtgott-Roth, for the International Intellectual Property Alliance, September 1992.

*The U.S. Software Industry: Economic Contribution in the U.S. and World Markets*, by Stephen E. Siwek and Harold W. Furchtgott-Roth, for the Business Software Alliance, March 1993.

*Copyright Industries in the U.S. Economy: 1993 Perspective*, by Stephen E. Siwek and Harold W. Furchtgott-Roth, for the International Intellectual Property Alliance, October, 1993.

*Copyright Industries in the U.S. Economy: 1977-1993,* by Stephen E. Siwek and Harold W. Furchtgott-Roth, for the International Intellectual Property Alliance, January 1995.

*Billing and Collection for 900-Number Calls: A Competitive Analysis*, by Stephen E. Siwek and Gale Mosteller for the Billing Reform Task Force, September, 1999.

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|---|---|
| **Continuing Legal Education Programs** | Panelist, *Basic Antitrust Law*, D.C. Bar/George Washington University National Law Center |
| | Panelist, *Monopolization Issues Affecting Computer Software*, D.C. Bar, Antitrust, Trade Regulation and Consumer Affairs Section, June 21, 1994. |
| **Other** | Panelist, *The Economics of Counterfeiting: A Supply and Demand Look into this Multi Billion Dollar Problem*, International Anti-Counterfeiting Coalition, Annual Conference, May 21, 1999. |
| | Moderator, *Economic Loss Panel*, International Anticounterfeiting Coalition, Fall Meetings, Washington, D.C. November 14, 1994. |

## COURT TESTIMONY AND APPEARANCES

| Jurisdiction | Case | Subject |
|---|---|---|
| U.S. District Court for Eastern District of Virginia Alexandria Division | Eden Hannon & Co. v. Sumitomo Trust & Banking Co. (USA) Civil Action No. 89-0312A | Analysis of Financial Models, Cash Flow Analysis |
| Circuit Court for Pinellas County, Florida | Home Shopping Network Inc. v. GTE, GTE FLA., Inc. and GTE Communications Corp. CT. Civ. 87-014199-7 | Relevance of Planning & Budgeting Reports to the Analysis of Damages |
| U.S. District Court for Western District of Oklahoma | Banner Industries, Inc. v. Pepsico, Inc. CIV-85-449-R | Financial Plans Financial Viability (Deposition Testimony Only) |
| Circuit Court for Baltimore City | Pulse One Communications Inc. v. Bell Atlantic Mobile Systems Inc. Case No. 90108057/CC112199 | Damages (Deposition Testimony Only) |

## COURT TESTIMONY AND APPEARANCES (continued)

| Jurisdiction | Case | Subject |
|---|---|---|
| Supreme Court of the State of New York County of New York | Scandinavian Gourmet Provisions, d/b/a Fredricksen & Johannesen<br>v.<br>Jurgela, aka Al Jurgela, aka Constantine Jurgela, aka C.R. Jurgela, Valco Equities Ltd. Charles Earle, Valco Development Corp., Chase Manhattan Bank, Clinton Barrow, Franklin Investors, and Harold L. Goerlich Index No. 22891/90 | Damages |
| Chancery Court of Davidson County, Tennessee | MCI Telecommunications Corp.<br>v.<br>Dudley W. Taylor etc. et. al. No. 88-1227-III | Tax Treatment of Telephone Access Charges |
| Superior Court of the District of Columbia Civil Division | Robert H. Kressin, General Partner, Cellular Phone Stores Limited Partnership<br>v.<br>Bell Atlantic Mobile Systems, Inc. Civil Action No. 02258-91 | Damages, Cellular Telephone Industry |
| Court of Common Pleas First Judicial District of Pennsylvania | Shared Communications Service of 1800 - 80 JFK Boulevard Inc.<br>v.<br>Bell Atlantic Properties, Inc. et. al. September Term 1900, No. 775 | Damages, Telecommunications Industry |
| Superior Court of New Jersey, Law Division, Essex County | Bell Atlantic Network Services, Inc.<br>v.<br>P. M. Video Corp., Docket No. L-6602-91 | Damages (Deposition Testimony Only) |
| U.S. District for the District of Columbia | FreBon International Corp.<br>v.<br>Bell Atlantic Corp. et al. Civil Action No. 94-324 | Damages (Deposition Testimony Only) |

## COURT TESTIMONY AND APPEARANCES (continued)

| Jurisdiction | Case | Subject |
|---|---|---|
| U.S. District Court for the Eastern District of New York | Universal Contact Communications Inc. v. PageMart Inc. | Damages (Deposition Testimony Only) |
| U.S. District Court for District of Maryland | Integrated Consulting Services, Inc. v. LDDS | Damages (Deposition Testimony Only) |
| U.S. District Court Eastern District of Virginia Alexandria Division | Mexinox, S.A. et al. v. Acerinox | Antitrust Damages (Deposition Testimony Only) |
| U.S. District Court Eastern District of North Carolina | Broad Band Technologies, Inc. v. General Instrument Corp. | Patent Damages (Deposition Testimony Only) |
| International Chamber of Commerce International Court of Arbitration | WorldSpan L.P. v. Abacus Distribution Systems Pte Ltd. And Others Case No. 9833/FMS | Damages and License Valuation |
| US District Court for Western District of Washington at Seattle Case No. C97-10732 | Arbitration between Electric Lightwave, Inc., Plaintiff v. USWest Inc., Defendant | Damages |

## REGULATORY COMMISSION TESTIMONY AND APPEARANCES

| Commission | Docket No. | Subject |
|---|---|---|
| Arizona | U-3021-96-448 et al. | Cost of Local Service |
| Utah | 94-999-01 | Investigation in to colocation and expanded interconnection |
| Connecticut | 96-02-22 | Cost of Local Service |

**REGULATORY COMMISSION TESTIMONY AND APPEARANCES**
**(continued)**

| Commission | Docket No. | Subject |
|---|---|---|
| Wyoming | 70000-TR-96-323 | US WEST Phase II Price Regulation Plan |
| Pennsylvania | 1-00960066 | Financial Analysis |
| Pennsylvania | A-310203 F0002 et al. | Cost of Local Service |
| West Virginia | 96-1516-T-PC et al. | Cost of Local Service |
| Minnesota | P-442, 5321 et al. | Generic Investigation of US WESTs Communications Costs |
| Iowa | RPU-96-9 | Generic Investigation of US WESTs Communications Costs |
| Illinois | 80-0511 | Rate Base, Expenses, Forecasting |
| Maryland | 7222 | Power Plant Certificate Issues |
| District of Columbia[*] | 777 | Telephone Advertising and Parent Company Transactions |
| Illinois | 82-0082 | Gas Rate Design |
| Pennsylvania | M-810294 | Energy Costs and Rate Design |
| Pennsylvania | R-822169 | Nuclear Plant Economics |
| New Jersey | 8011-827 | Water and Sewerage Forecast |
| District of Columbia | 798 | Telephone Price Elasticity, Centralized Costs, Working Capital |
| California | 83-06-65 | Telephone Access Charges |
| Illinois | 83-0142 | Telephone Access Charges |

[*]Prefiled but not sworn.  Case Settled April, 1982.

## REGULATORY COMMISSION TESTIMONY AND APPEARANCES
### (continued)

| Commission | Docket No. | Subject |
|---|---|---|
| U.S. International Trade Commission | 731-TA-457 | Handtools from People's Republic of China |
| U.S. Postal Rate Commission | R 83-1 | Financial Viability for Electronic Mail Service |
| U.S. Postal Rate Commission | R 84-1 | Class Revenue Requirement, Demand Projections |
| U. S. Postal Rate Commission | R 87-1 | Pricing of Third Class Mail |
| U.S. Postal Rate Commission | R 90-1 | Pricing of Third Class Mail |
| Maryland | 6807, Phase I | Utility Forecasting |
| New Jersey | 762-194 | Utility Forecasting |
| District of Columbia | 685 | Utility Forecasting |
| District of Columbia | 827 | Econometric Demand Modeling for Coin Telephone Service |
| Maryland | 7149 | Utility Forecasting & Promotional Activities |
| Maryland | 7300 | Utility Forecasting |
| Maryland | 7348 | Utility Forecasting |
| Maryland | 7427 | Utility Forecasting |
| District of Columbia | 737 | Utility Forecasting |
| Maryland | 7305 | Telephone Advertising |
| Maryland | 7163 | Service Terminations |
| Maryland | 7070 | Utility Promotional Activities |
| District of Columbia | 729 | Telephone Advertising & Parent Company Transactions |

# REGULATORY COMMISSION TESTIMONY AND APPEARANCES
## (continued)

| Commission | Docket No. | Subject |
|---|---|---|
| Maryland | 6807, Phase II | Utility Emergency Procedures |
| Maryland | 7467 | Telephone Advertising, Parent Company Transactions |
| Maryland | 7466 | Gas Utility Advertising |
| New Hampshire | 79-18 | Industrial Conservation |
| Maryland | 7236 | Utility Promotional Activities |
| District of Columbia | 834 | Electric Utility Load Management Evaluation |
| California | 85-01-034 | Telephone Rate Design, Cost of Service |
| Massachusetts | 86-213 | Paging Company; Financial Viability, Pricing Analysis |
| District of Columbia | 869 | Fuel Price and Electric Demand Forecasts |
| Louisiana | U-17949 B | Customer Owned Coin Operated Telephones |
| New Jersey | TO92030358 | Yellow Pages/Directory Services |
| Delaware | 41 | Development of Rules for the Implementation of Price Cap Regulation |
| Utah | 94-999-01 | Cost of Local Service |
| Connecticut | 97-04-10 | Cost of Local Service |
| New Mexico | 97-35-TC | Cost of Local Service |
| Maine | 97-505 | Cost of Local Service |

**REGULATORY COMMISSION TESTIMONY AND APPEARANCES**
**(continued)**

| Commission | Docket No. | Subject |
| --- | --- | --- |
| Vermont | 5713 | Cost of Local Service |
| New York | 94-C-0095 | Access Charges/ Financial Analysis |
| New Jersey | TX95120631 | Access Charges/ Financial Analysis |
| New Hampshire | DE97-171 | Cost of Local Service |
| Colorado | 97F-175T | Access Charges/Financial Analysis |
| Utah | 97-049-08 | Access Charges/Financial Analysis |
| Rhode Island | 2681 | Cost of Local Service |
| Arkansas | 99-015-U | Arbitration of Interconnection Rates |

**WRITTEN TESTIMONY ONLY**

| Jurisdiction | Case | Subject |
| --- | --- | --- |
| U.S. District Court for Southern District of New York | In Re "Apollo" Air Passenger Computer Reservation System (CRS) MDL DKT. No. 760 M-21-49-MP | Liquidated Damages, Actual Damages |
| Supreme Court of the Republic of Palau | Orion Telecommunications, Ltd. v. Palau National Communications Corporations, Civil Action No. 835-88. | Lost Profit Damages |

## WRITTEN TESTIMONY ONLY (continued)

| Jurisdiction | Case | Subject |
| --- | --- | --- |
| U.S. District Court for the District of Columbia | A&S Council Oil Company, Inc., et al.<br>v.<br>Patricia Saiki, et al. Civil, Action No. 87-1969-OG | Damages |
| U.S. District Court for Eastern District of Texas | R & D Business Systems, et.al.<br>v.<br>Xerox Corp. Civil Action No. 2: 92-CV-042 | Valuation of Non- Monetary Provisions of Stipulation of Settlement |
| U.S. District Court Eastern District of Michigan, Southern Division | Little Caesar Enterprises, Inc.<br>v.<br>Gary G. Smith, et al. Civic No. 93-CV-73354-DT | Class Certification (Joint Declaration with Philip Nelson) |
| FCC | Various | Cellular Radio Pricing: Critique of Competing Applications for Cellular in Seattle, Miami, Denver and Detroit |
| FCC Pricing | 83-1145 | Directory Data Base and Access |
| U.S. District Court for the District of Columbia | American Association of Cruise Passengers<br>v.<br>Host Marriott Corp. et al. | Damages |
| U.S. District Court for Eastern District of Texas | Jason R. Searcy et al.<br>v.<br>Philips Electronics North America Corp. et al. Consolidated Civil Action No. 1:95-CV 363,364. | Damages |
| U.S. District Court for Eastern District of Texas Beaumont Division | USA ex. rel. Lloyd Bortner<br>v.<br>Phillips Electronics | Penalties under False Claims Act |

## SELECTED OTHER MATTERS

| Jurisdiction | Case | Subject |
| --- | --- | --- |
| United States of America v. United Kingdom of Great Britain and Northern Ireland | U.S. - U.K. Arbitration Concerning Heathrow Airport User Changes | Participant in Negotiations Leading to Settlement of Arbitration and Related Litigation |

**BOUND PRINTED MATTER**

**USPS Recommended
Pass-Through of Cost Savings**

| Discount | Savings | Per-Piece Discount | Pass-Through | Savings | Per-Pound Discount | Pass-Through |
|---|---|---|---|---|---|---|
| DBMC | | | | | | |
| Zones 1&2 | 0.38 | 0.062 | 16% | 0.047 | 0.004 | 9% |
| Zone 3 | 0.38 | 0.062 | 16% | 0.018 | 0.006 | 33% |
| Zone 4 | 0.38 | 0.062 | 16% | 0.003 | 0.006 | 200% |
| Zone 5 | 0.38 | 0.062 | 16% | -0.1 | 0.008 | -8% |
| DSCF | 0.529 | 0.246 | 47% | 0.064 | 0.029 | 45% |
| DDU | 0.656 | 0.297 | 45% | 0.088 | 0.031 | 35% |
| Carrier Route | 0.077 | 0.077 | 100% | 0 | 0 | |
| Barcode | 0.029 | 0.03 | 103% | 0 | 0 | |

Source: Attachment to Response to AAP/USPS-T37-12 (Revised)

## CORRECTED BMC VARIABILITIES*

### Volume Variable Costs for Bound Printed Matter by 1998

| Cost Pool | USPS Proposed Pool Total By 1998 | USPS Proposed BPM Distribution By 1998 | Pool Total at DOCKET No. R97-1 Variability By 1998 | BPM Total at Docket No. R97-1 Variability By 1998 |
|---|---|---|---|---|
| PLA | $196,718 | $19,998 | $110,836 | $11,272 |
| OTHR | $248,565 | $23,623 | $152,363 | $14,480 |
| PSM | $92,698 | $16,526 | $84,541 | $15,072 |
| SSM | $34,213 | $2,217 | $33,905 | $2,197 |
| SPB | $64,180 | $2,412 | $47,236 | $1,775 |
| NMO | $33,824 | $3,090 | $22,730 | $2,077 |
| **Total** | **$670,198** | **$67,866** | **$451,610** | **$46,873** |

| | |
|---|---|
| Proposed BMC Costs for BPM | $67,866 |
| Adjusted BMC Costs for BPM | $46,878 |
| Overstatement - Costs | **$20,988** |
| Overstatement - Percent | **30.9%** |

*Corrected to Reflect Application of USPS witness Bradley's Docket No. R97-1
Volume Variability Factors.

Source:
USPS Response to AAP/USPS--T15-6 and USPS-T-17 (Var-Ty-Smith), Tab 193,

## ALTERNATIVE MODS VARIABILITIES

### Mail Processing Volume Variable Costs
### for Bound Printed Matter By 1998

| Cost Pool | USPS Proposed Pool Volume-Variable Cost (1) | USPS Proposed BPM Volume-Variable Cost (2) | Alternating Pool Volume Volume-Variable Cost (1) | Alternating BPM Volume Volume-Variable Cost (1) |
|---|---|---|---|---|
| 1PLATFRM | $943,115 | $6,105 | $571,554 | $3,700 |
| 1OPPREF | $683,028 | $4,144 | $456,775 | $2,771 |
| 1OPBULK | $305,417 | $2,496 | $173,782 | $1,420 |
| 1POUCHING | $446,331 | $1,747 | $307,968 | $1,205 |
| **Total** | **$2,377,891** | **$14,492** | **$1,510,079** | **$9,096** |
| | Overstatement - Costs | | | **$5,396** |
| | Overstatement - Percent | | | **37.2%** |

Source:
(1)USPS Response to AAP/USPS-T16-7
(2)USPS Response to AAP/USPS-T17-7(b)

## <u>REMOVAL OF OVERHEAD COMPONENT</u>

### Mail Processing Volume Variable Costs
### for Bound Printed Matter By 1998

| Cost Groups | USPS Claimed BPM Volume Variable Costs | BPM "Overhead" Volume Variable Costs | BPM Volume Variable Costs Excluding Overhead |
|---|---|---|---|
| MODS | $41,331 | $12,499 | $28,832 |
| Non-MODS | $19,321 | $3,861 | $15,460 |
| BMC | $67,866 | $20,989 | $46,877 |
| **Total** | **$128,518** | **$37,349** | **$91,169** |
| Overstatement - Costs | | | **$37,349** |
| Overstatement - Percent | | | **29.1%** |

Source:
**USPS Response to AAP/USPS-T17-7(b)**

# CRA OVERSTATEMENT

## Mail Processing Volume Variable Costs
## for Bound Printed Matter FY 1998

| Cost Pool | Percent by 1998 BPM Distribution (1) | Dollar by 1998 BPM Distribution (2) | Percent FY 1998 CRA BPM (1) | Dollar FY 1998 BPM |
|---|---|---|---|---|
| 1Bulk Pr | 0.32% | $37 | 0.13% | $15 |
| 1SackS-m | 1.00% | $513 | 1.76% | $903 |
| 1OpBulk | 0.85% | $2,496 | 1.25% | $3,671 |
| 1OpPref | 0.61% | $4,144 | 0.76% | $5,163 |
| 1Platform | 0.65% | $6,105 | 1.01% | $9,486 |
| 1Pouching | 0.41% | $1,747 | 0.37% | $1,577 |
| 1SackS_h | 0.86% | $1,451 | 1.49% | $2,514 |
| 1SCAN | 0.28% | $130 | 0.00% | $0 |
| | | $16,623 | | $23,329 |

| | | |
|---|---|---|
| CRA Overstatement - Costs | | **$6,706** |
| CRA Overstatement - Percent | | **28.7%** |

Source:
(1) USPS  Response to AAP/USPS-T16-8
(2) USPS Response to AAP/USPS-T17-7(b).

## BOUND PRINTED MATTER

### Adjusted Pass-Through of Cost Savings

| Discount | Savings | Pass-Through | Per-Piece Discount |
|---|---|---|---|
| DBMC | | ` | |
| Zone 1 + 2 | 0.38 | 33.9% | 0.129 |
| Zone 3 | 0.38 | 33.9% | 0.129 |
| Zone 4 | 0.38 | 33.9% | 0.129 |
| Zone 5 | 0.38 | 33.9% | 0.129 |
| | | | |
| DSCF | 0.529 | 24.4% | 0.129 |
| DDU | 0.656 | 19.7% | 0.129 |
| Carrier Route | 0.077 | 100.0% | 0.077 |
| Bar Code | 0.03 | 100.0% | 0.03 |

### Combined Destination and Carrier Route Presort

| Discount | Savings | Pass-Through | Per-Piece Discount |
|---|---|---|---|
| DBMC† | | | |
| Zone 1 + 2 | 0.457 | 45.1% | 0.206 |
| Zone 3 | 0.457 | 45.1% | 0.206 |
| Zone 4 | 0.457 | 45.1% | 0.206 |
| Zone 5 | 0.457 | 45.1% | 0.206 |
| | | | |
| DSCF† | 0.606 | 34.0% | 0.206 |
| DDU† | 0.733 | 28.1% | 0.206 |

† Includes Carrier Route Discount

**BOUND PRINTED MATTER**

**Rate Schedule**

**with Adjusted Pass-Through of Cost Savings**
**and Target Cost Coverage=117.6%**

| | Per Piece Rate | Per Pound Rate | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
| Single Piece | 1.58 | 0.08 | 0.11 | 0.16 | 0.23 | 0.3 | 0.39 | 0.46 |
| Basic Presort | | | | | | | | |
| Origin Entry | 0.905 | 0.064 | 0.092 | 0.138 | 0.209 | 0.286 | 0.376 | 0.45 |
| DBMC | 0.776 | 0.06 | 0.086 | 0.132 | 0.201 | - | - | - |
| DSCF | 0.776 | 0.035 | - | - | - | - | - | - |
| DDU | 0.776 | 0.033 | - | - | - | - | - | - |
| Carrier Route Presort | | | | | | | | |
| Origin Entry | 0.828 | 0.064 | 0.092 | 0.138 | 0.209 | 0.286 | 0.376 | 0.45 |
| DBMC | 0.699 | 0.06 | 0.086 | 0.132 | 0.201 | - | - | - |
| DSCF | 0.699 | 0.035 | - | - | - | - | - | - |
| DDU | 0.699 | 0.033 | - | - | - | - | - | - |
| Barcode Discount | 0.03 | | | | | | | |

**BOUND PRINTED MATTER**

**Preliminary Rate Schedule**
**with Adjusted Pass-Through of Cost Savings**
**and Target Cost Coverage=105%**

| | Per Piece Rate | Per Pound Rate | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
| Single Piece | $1.42 | $0.07 | $0.09 | $0.14 | $0.20 | $0.27 | $0.35 | $0.41 |
| Basic Presort | | | | | | | | |
| Origin Entry | $0.825 | $0.056 | $0.077 | $0.119 | $0.186 | $0.258 | $0.343 | $0.408 |
| DBMC | $0.697 | $0.052 | $0.071 | $0.113 | $0.178 | - | - | - |
| DSCF | $0.697 | $0.027 | - | - | - | - | - | - |
| DDU | $0.697 | $0.025 | - | - | - | - | - | - |
| Carrier Route Presort | | | | | | | | |
| Origin Entry | $0.748 | $0.056 | $0.077 | $0.119 | $0.186 | $0.258 | $0.343 | $0.408 |
| DBMC | $0.620 | $0.052 | $0.071 | $0.113 | $0.178 | - | - | - |
| DSCF | $0.620 | $0.027 | - | - | - | - | - | - |
| DDU | $0.620 | $0.025 | - | - | - | - | - | - |
| Barcode Discount | $0.03 | | | | | | | |

**BOUND PRINTED MATTER**

**Final Proposed Rate Schedule**

**with Adjusted Pass-Through of Cost Savings
and Target Cost Coverage=105%**

| | Per Piece Rate | Per Pound Rate | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
| Single Piece | $1.42 | $0.07 | $0.09 | $0.14 | $0.20 | $0.27 | $0.35 | $0.41 |
| Basic Presort | | | | | | | | |
| Origin Entry | $0.865 | $0.060 | $0.085 | $0.129 | $0.197 | $0.272 | $0.359 | $0.429 |
| DBMC | $0.670 | $0.051 | $0.070 | $0.112 | $0.177 | - | - | - |
| DSCF | $0.670 | $0.026 | - | - | - | - | - | - |
| DDU | $0.670 | $0.024 | - | - | - | - | - | - |
| Carrier Route Presort | | | | | | | | |
| Origin Entry | $0.788 | $0.060 | $0.085 | $0.129 | $0.197 | $0.272 | $0.359 | $0.429 |
| DBMC | $0.593 | $0.051 | $0.070 | $0.112 | $0.177 | - | - | - |
| DSCF | $0.593 | $0.026 | - | - | - | - | - | - |
| DDU | $0.593 | $0.024 | - | - | - | - | - | - |
| Barcode Discount | $0.03 | | | | | | | |

**BOUND PRINTED MATTER**
**FINAL PROPOSED RATES**
**WORKPAPERS**

### Table of Contents

## Major Input Assumptions for
## Proposed Rate Schedule Determination

| Type of Assumption | Input Assumption | Notes | Value |
|---|---|---|---|
| **Target / Adjustment Factors** | **Target Cost Coverage (Including Contingency)** | **[1]** | **117.60%** |
| | **Cost Coverage Markup Factor (In Addition to Contingency)** | **[2]** | **104.92%** |
| | **Contingency Factor** | **[3]** | **2.50%** |
| | | | |
| | **RPW Revenue Adjustment Factors** | | |
| | **Single Piece** | **[4]** | **1.03193146** |
| | **Presort** | **[5]** | **0.99871330** |
| **Volume Forecasts** | **TYBR Total Volume Forecast** | **[6]** | **541,975,772** |
| | | | |
| | **Barcoded Volume Shares** | | |
| | **Single Piece** | **[7]** | **7.25%** |
| | **Basic Presort** | **[8]** | **35.68%** |
| | | | |
| | **Dropshipment Volume Shares** | **[9]** | |
| | **DBMC** | | |
| | **Zones 1&2** | **[a]** | **36.33%** |
| | **Zone 3** | **[b]** | **6.50%** |
| | **Zone 4** | **[c]** | **1.88%** |
| | **Zone 5** | **[d]** | **0.04%** |
| | **DBMC--ASF Share** | **[e]** | **0.67%** |
| | **DSCF** | **[f]** | **15.60%** |
| | **DDU** | **[g]** | **7.20%** |
| | | | |
| | **TYAR Total Volume Forecast** | **[10]** | **524,742,871** |
| **Costs** | **TYBR Total Adjusted Volume Variable Costs** | **[11]** | **$481,389,000** |
| | | | |
| | **Transportation Costs** | **[12]** | |
| | **Origin Entry Mail Unit Transportation Costs ($/Pound)** | | |
| | **Zones 1&2** | **[a]** | **$0.0930** |
| | **Zone 3** | **[b]** | **$0.1090** |
| | **Zone 4** | **[c]** | **$0.1290** |
| | **Zone 5** | **[d]** | **$0.1620** |
| | **Zone 6** | **[e]** | **$0.1950** |
| | **Zone 7** | **[f]** | **$0.2330** |
| | **Zone 8** | **[g]** | **$0.3080** |
| | | | |
| | **Destination Entry Mail** | | |
| | **DBMC Unit Transportation Costs ($/Pound)** | | |
| | **Zones 1&2** | **[h]** | **$0.0460** |
| | **Zone 3** | **[j]** | **$0.0910** |
| | **Zone 4** | **[k]** | **$0.1260** |
| | **Zone 5** | **[m]** | **$0.2620** |
| | **DSCF Unit Transportation Costs ($/Pound)** | **[n]** | **$0.0290** |
| | **DDU Unit Transportation Costs ($/Pound)** | **[o]** | **$0.0050** |
| | | | |
| | **Non-Transportation Costs and Cost Savings** | **[13]** | |
| | **Non-Transportation Weight Related Costs ($/Pound)** | **[a]** | **$0.02** |
| | **DBMC Per Piece Savings Relative to** | | |
| | **Origin-Entered Mail** | **[b]** | **$0.190** |
| | **DSCF Per Piece Savings Relative to DBMC** | **[c]** | |
| | **DDU Per Piece Savings Relative to DSCF** | **[d]** | |
| | | | |
| | **Other Cost Savings** | **[14]** | |
| | **Carrier Route Presort Savings Per Piece** | **[a]** | **$0.077** |
| | **Barcoding Cost Savings Per Piece** | **[b]** | **$0.029** |
| | | | |
| | **TYAR Volume Variable Costs** | **[15]** | **$467,516,000** |

## Major Input Assumptions for
## Proposed Rate Schedule Determination

| Type of Assumption | Input Assumption | Notes | Value |
|---|---|---|---|
| **Fees** | **TYBR Fees** | **[16]** | **$647,000** |
| | **TYAR Fees** | **[17]** | **$698,000** |
| **Current Rates** | **Current Rates per Pound** | | |
| | **Single Piece** | **[18]** | |
| |    **Local** | | **$0.039** |
| |    **Zones 1&2** | | **$0.064** |
| |    **Zone 3** | | **$0.087** |
| |    **Zone 4** | | **$0.126** |
| |    **Zone 5** | | **$0.184** |
| |    **Zone 6** | | **$0.246** |
| |    **Zone 7** | | **$0.321** |
| |    **Zone 8** | | **$0.385** |
| | **Presort** | **[19]** | |
| |    **Local** | | **$0.028** |
| |    **Zones 1&2** | | **$0.051** |
| |    **Zone 3** | | **$0.073** |
| |    **Zone 4** | | **$0.112** |
| |    **Zone 5** | | **$0.171** |
| |    **Zone 6** | | **$0.233** |
| |    **Zone 7** | | **$0.307** |
| |    **Zone 8** | | **$0.371** |
| | **Current Rates Per Piece** | | |
| | **Single Piece** | **[20]** | |
| |    **Local** | **[a]** | **$1.08** |
| |    **All Other Zones** | **[b]** | **$1.44** |
| | **Presort** | **[21]** | |
| |    **Local** | **[a]** | **$0.54** |
| |    **All Other Zones** | **[b]** | **$0.72** |
| | **Current Discounts** | | |
| |   **Carrier Route Per Piece** | **[22]** | **$0.077** |
| |   **Barcoding Per Piece** | **[23]** | **$0.03** |

**Notes**

1 From USPS-T-32 (Testimony of Virginia Mayes).
2 Factor used with contingency to mark up costs to achieve target cost coverage.
3 From USPS-T-9 (Testimony of William Tayman).
4 From FY1998 Billing Determinants for single piece mail.
5 From FY1998 Billing Determinants for presort mail.
6 From USPS-T-7 (Testimony of Thomas Thress).
7 Barcode shares calculated from RPW data.
8 Barcode shares calculated from RPW data.
9 Calculated from entry profile volume data in Library Reference LR-I-109.
10 From USPS-T-7 (Testimony of Thomas Thress).
11 From USPS-T-14, Workpaper H, Table E (Testimony of Cameron Kashani).
12 From USPS-T-27, Attachment K, Table 6 (Testimony of Charles Crum).
13 [a]: Factor accounting for portion of Non-transportation costs that are weight-related.
   [b]: From USPS-T-27, Attachment I, Table 3 (Testimony of Charles Crum).
   [c], [d]: Calc. from source data from workpapers of Charles Crum, See USPS-T-27, Att. J, Tables 1,2.
14 [a]: From USPS-T-27, Section IV (Testimony of Charles Crum).
   [b]: From USPS-T-26, Attachment B, page 1, row 2 (Testimony of Jennifer Eggleston).
15 From USPS-T-14, Workpaper J, Table E (Testimony of Cameron Kashani).
16 From USPS-T-32, Exhibit 32A (Testimony of Virginia Mayes).
17 From USPS-T-32, Exhibit 32B (Testimony of Virginia Mayes).
18 DMCS, Rate Schedule 322.3A.
19 DMCS, Rate Schedule 322.3B.
20 DMCS, Rate Schedule 322.3A.
21 DMCS, Rate Schedule 322.3B.
22 DMCS, Rate Schedule 322.3B.
23 DMCS, Rate Schedules 322.3A, Footnote 2, and 322.3B, Footnote 3.

## FY 1998 Billing Determinants--Presort Bound Printed Matter

**RPW Data**

| | Pieces | Pounds | Revenue (Excluding Fees) |
|---|---|---|---|
| | 459,792,628 | 1,132,646,866 | $378,782,964 |

**Billing Determinants**

| Zone | Pieces | | | Total Pounds | Revenue (Excluding Fees) |
|---|---|---|---|---|---|
| | Basic Presort | Carrier Route Presort | Total Presort | | |
| Local | 14,889,148 | 50,222,810 | 65,111,957 | 167,106,149 | $35,188,742 |
| 1&2 | 189,677,334 | 41,025,603 | 230,702,937 | 591,658,996 | $184,348,780 |
| 3 | 56,499,330 | 4,499,682 | 60,999,012 | 152,902,857 | $52,048,708 |
| 4 | 38,910,173 | 2,391,952 | 41,302,126 | 97,851,056 | $38,448,050 |
| 5 | 28,256,572 | 1,377,831 | 29,634,403 | 61,136,830 | $29,950,077 |
| 6 | 11,218,643 | 524,071 | 11,742,714 | 22,398,370 | $12,868,143 |
| 7 | 8,518,538 | 420,544 | 8,939,082 | 17,380,915 | $11,045,376 |
| 8 | 11,041,377 | 319,019 | 11,360,397 | 22,211,693 | $15,373,097 |
| Total | 359,011,117 | 100,781,511 | 459,792,628 | 1,132,646,866 | $379,270,972 |

| | |
|---|---|
| Adjustment Factor to convert calculated revenue to RPW revenue: | 0.9987132989 |

## FY 1998 Billing Determinants--Single Piece Bound Printed Matter

**RPW Data**

| | Pieces | Pounds | Revenue (Excluding Fees) | |
|---|---|---|---|---|
| [a] | 28,619,945 | 65,736,805 | $49,044,181 | |

**Billing Determinants**

| | | | | | Pieces | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] | [J] |
| | Weight (Pounds) | Local | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 | Total |
| [b] | 1.0 - 1.5 | 628,095 | 3,926,715 | 796,817 | 1,342,967 | 1,113,339 | 563,727 | 367,840 | 592,239 | 9,331,738 |
| [c] | 1.5 - 2.0 | 183,300 | 2,577,342 | 645,190 | 1,125,167 | 765,452 | 350,964 | 208,982 | 296,271 | 6,152,667 |
| [d] | 2.0 - 2.5 | 173,171 | 2,807,319 | 279,672 | 416,628 | 635,952 | 232,364 | 140,874 | 179,402 | 4,865,382 |
| [e] | 2.5 - 3.0 | 47,673 | 1,160,074 | 168,710 | 298,149 | 306,089 | 275,233 | 123,917 | 128,662 | 2,508,507 |
| [f] | 3.0 - 3.5 | 55,164 | 731,257 | 206,754 | 207,600 | 313,954 | 114,307 | 99,908 | 99,754 | 1,828,697 |
| [g] | 3.5 - 4.0 | 19,425 | 612,983 | 79,356 | 168,278 | 189,992 | 76,319 | 32,116 | 87,156 | 1,265,625 |
| [h] | 4.0 - 4.5 | 19,454 | 302,990 | 76,090 | 95,356 | 140,791 | 36,372 | 29,242 | 41,910 | 742,204 |
| [j] | 4.5 - 5.0 | 7,577 | 201,924 | 47,309 | 73,480 | 91,097 | 31,312 | 29,221 | 30,700 | 512,620 |
| [k] | 5.0 - 6.0 | 39,205 | 174,028 | 44,937 | 65,576 | 122,163 | 45,479 | 53,522 | 32,032 | 576,942 |
| [m] | 6.0 - 7.0 | 5,996 | 113,378 | 27,005 | 42,026 | 50,628 | 34,668 | 11,222 | 25,127 | 310,049 |
| [n] | 7.0 - 8.0 | 6,897 | 87,240 | 24,580 | 19,098 | 36,928 | 13,657 | 12,536 | 18,650 | 219,586 |
| [o] | 8.0 - 9.0 | 5,911 | 35,269 | 32,771 | 41,318 | 30,513 | 13,213 | 6,783 | 21,374 | 187,151 |
| [p] | 9.0 - 10.0 | 9,764 | 38,495 | 2,876 | 10,787 | 25,031 | 6,031 | 13,058 | 12,735 | 118,776 |
| [q] | Total | 1,201,629 | 12,769,015 | 2,432,068 | 3,906,429 | 3,821,929 | 1,793,645 | 1,129,219 | 1,566,011 | 28,619,945 |

### Calculation of Single Piece Total Pounds by Zone

**RPW Data** [1]

| | Pieces | Pounds | Revenue (Excluding Fees) | |
|---|---|---|---|---|
| [a] | 28,619,945 | 65,736,805 | $49,044,181 | |

**Calculated Total Pounds** [2]

| | Weight (Pounds) [A] | Local [B] | Zones 1&2 [C] | Zone 3 [D] | Zone 4 [E] | Zone 5 [F] | Zone 6 [G] | Zone 7 [H] | Zone 8 [J] | Total [K] |
|---|---|---|---|---|---|---|---|---|---|---|
| [b] | 1.0 - 1.5 | 942,142 | 5,890,072 | 1,195,225 | 2,014,450 | 1,670,009 | 845,590 | 551,759 | 888,358 | 13,997,606 |
| [c] | 1.5 - 2.0 | 366,599 | 5,154,684 | 1,290,381 | 2,250,334 | 1,530,903 | 701,928 | 417,963 | 592,541 | 12,305,334 |
| [d] | 2.0 - 2.5 | 432,927 | 7,018,297 | 699,180 | 1,041,570 | 1,589,881 | 580,909 | 352,186 | 448,506 | 12,163,455 |
| [e] | 2.5 - 3.0 | 143,018 | 3,480,223 | 506,131 | 894,447 | 918,267 | 825,698 | 371,750 | 385,987 | 7,525,520 |
| [f] | 3.0 - 3.5 | 193,072 | 2,559,399 | 723,639 | 726,599 | 1,098,838 | 400,075 | 349,678 | 349,140 | 6,400,440 |
| [g] | 3.5 - 4.0 | 77,699 | 2,451,932 | 317,424 | 673,112 | 759,968 | 305,275 | 128,464 | 348,625 | 5,062,499 |
| [h] | 4.0 - 4.5 | 87,544 | 1,363,457 | 342,405 | 429,103 | 633,558 | 163,674 | 131,587 | 188,593 | 3,339,920 |
| [j] | 4.5 - 5.0 | 37,886 | 1,009,621 | 236,547 | 367,398 | 455,485 | 156,561 | 146,104 | 153,498 | 2,563,100 |
| [k] | 5.0 - 6.0 | 235,227 | 1,044,171 | 269,623 | 393,454 | 732,979 | 272,873 | 321,134 | 192,193 | 3,461,655 |
| [m] | 6.0 - 7.0 | 41,969 | 793,646 | 189,033 | 294,184 | 354,393 | 242,679 | 78,554 | 175,888 | 2,170,346 |
| [n] | 7.0 - 8.0 | 55,173 | 697,922 | 196,643 | 152,780 | 295,426 | 109,256 | 100,290 | 149,199 | 1,756,689 |
| [o] | 8.0 - 9.0 | 53,200 | 317,417 | 294,937 | 371,860 | 274,619 | 118,918 | 61,043 | 192,366 | 1,684,360 |
| [p] | 9.0 - 10.0 | 97,637 | 384,952 | 28,762 | 107,870 | 250,309 | 60,305 | 130,577 | 127,348 | 1,187,760 |
| [q] | Total [3] | 2,764,093 | 32,165,793 | 6,289,930 | 9,717,162 | 10,564,636 | 4,783,741 | 3,141,089 | 4,192,242 | 73,618,685 |
| [r] | Adjusted Total [4] | 2,468,159 | 28,722,008 | 5,616,507 | 8,676,808 | 9,433,548 | 4,271,577 | 2,804,793 | 3,743,405 | 65,736,805 |

| | | |
|---|---|---|
| [s] | Adjustment Factor to convert calculated pounds to RPW pounds: [5] | 0.892936416 |

**Notes**

[1]   Source: Revenue, Pieces and Pounds are from 1998 Single Piece Billing Determinants (WP-BPM-3), row [a].
[2]   Calculation:  Number of pieces times the upper weight in each weight range.  Examples:
    [Bb] = (High end of weight range in column [A], row [b]) * (1998 Single Piece Billing Determinants (WP-BPM-3), cell [Ab]),
    [Bc] = (High end of weight range in column [A], row [c]) * (1998 Single Piece Billing Determinants (WP-BPM-3), cell [Ac]),
        etc.,
    [Cb] = (High end of weight range in column [A], row [b]) * (1998 Single Piece Billing Determinants (WP-BPM-3), cell [Bb]),
        etc.,
    [Kp] = (High end of weight range in column [A]) * (1998 Single Piece Billing Determinants (WP-BPM-3), cell [Jp]).
[3]   Calculation: Sum of rows [b] to [p] in columns [B] to [K].
[4]   Calculation: Totals in row [q] multiplied by RPW Pound Adjustment Factor in row [s].
[5]   Calculation: (RPW Pounds in row [a]) / (Calculated Total Pounds in cell [Kq]).

## FY 1998 Calculated Revenue--Single Piece Bound Printed Matter

**1998 Rate Data [1]**

| | Rate | Local [A] | Zones 1&2 [B] | Zone 3 [C] | Zone 4 [D] | Zone 5 [E] | Zone 6 [F] | Zone 7 [G] | Zone 8 [H] | |
|---|---|---|---|---|---|---|---|---|---|---|
| [a] | Per Piece | $1.060 | $1.410 | $1.410 | $1.410 | $1.410 | $1.410 | $1.410 | $1.410 | |
| [b] | Per Pound | $0.031 | $0.054 | $0.075 | $0.110 | $0.164 | $0.220 | $0.288 | $0.346 | |

**Calculated Revenue [2]**

| | Weight (Pounds) | Local [A] | Zones 1&2 [B] | Zone 3 [C] | Zone 4 [D] | Zone 5 [E] | Zone 6 [F] | Zone 7 [G] | Zone 8 [H] | Total [3] [J] |
|---|---|---|---|---|---|---|---|---|---|---|
| [c] | 1.0 - 1.5 | $691,860 | $5,820,679 | $1,203,556 | $2,091,448 | $1,814,367 | $960,967 | $660,548 | $1,109,520 | $14,352,946 |
| [d] | 1.5 - 2.0 | $204,445 | $3,882,604 | $996,136 | $1,807,520 | $1,303,475 | $632,750 | $402,150 | $600,811 | $9,829,890 |
| [e] | 2.0 - 2.5 | $195,545 | $4,296,732 | $441,161 | $689,752 | $1,129,518 | $441,750 | $289,203 | $391,526 | $7,875,186 |
| [f] | 2.5 - 3.0 | $54,492 | $1,803,516 | $271,777 | $508,245 | $566,058 | $550,283 | $270,324 | $300,667 | $4,325,362 |
| [g] | 3.0 - 3.5 | $63,818 | $1,154,483 | $339,986 | $364,085 | $603,590 | $239,766 | $230,795 | $248,522 | $3,245,045 |
| [h] | 3.5 - 4.0 | $22,741 | $982,535 | $133,150 | $303,387 | $379,180 | $167,580 | $78,320 | $230,600 | $2,297,492 |
| [j] | 4.0 - 4.5 | $23,045 | $492,960 | $130,218 | $176,600 | $291,294 | $83,437 | $75,070 | $117,359 | $1,389,984 |
| [k] | 4.5 - 5.0 | $9,080 | $333,396 | $82,548 | $139,693 | $195,149 | $74,906 | $78,774 | $90,711 | $1,004,257 |
| [m] | 5.0 - 6.0 | $48,068 | $295,728 | $81,418 | $131,108 | $279,589 | $117,730 | $158,051 | $104,545 | $1,216,237 |
| [n] | 6.0 - 7.0 | $7,517 | $198,132 | $50,736 | $88,153 | $123,283 | $96,556 | $36,024 | $89,771 | $690,171 |
| [o] | 7.0 - 8.0 | $8,838 | $156,662 | $47,828 | $41,934 | $95,332 | $40,719 | $43,467 | $72,392 | $507,171 |
| [p] | 8.0 - 9.0 | $7,738 | $65,034 | $65,959 | $94,783 | $83,239 | $41,991 | $25,262 | $89,570 | $473,577 |
| [q] | 9.0 - 10.0 | $13,052 | $72,840 | $5,982 | $25,805 | $71,949 | $20,350 | $51,991 | $57,301 | $319,270 |
| [r] | Total [4] | $1,350,240 | $19,555,300 | $3,850,454 | $6,462,514 | $6,936,022 | $3,468,786 | $2,399,979 | $3,503,294 | $47,526,588 |

| [s] | **Adjustment Factor to convert calculated revenue to RPW revenue: [5]** | 1.031931456 |
|---|---|---|

**Notes**

[1]   Source: DMCS, Rate Schedule 322.3A.
[2]   Calculation:  Columns [A]-[H], rows [c]-[q]: Number of pieces (from Single Piece Billing Determinants (WP-BPM-3)) times the per piece rate (row [a]),
        plus the number of pounds (from the Single Piece Pounds workpaper (WP-BPM-4)),
        adjusted by the Pounds Adjustment Factor (Single Piece Pounds workpaper (WP-BPM-4), cell [Ks]), times the per pound rate (row [b]).  Examples:
            [Ac] = (Single Piece Billing Determinants (WP-BPM-3), [Ab]) *  [Aa] +
                      (Single Piece Pounds (WP-BPM-4), [Bb]) * (Single Piece Pounds (WP-BPM-4), [Ks]) * [Ab],
            …etc,
[3]   Calculation: Sum of columns [A] to [H] in rows  [c] to [q].
[4]   Calculation: Sum of rows [c] to [q] in columns [A] to [J].
[5]   Calculation: (RPW Revenue: 1998 Single Piece Billing Determinants (WP-BPM-3)) / (Calculated Total Revenue in cell [Jr]).

## Calculation of Pounds Distribution Factors

| | Zone | Pounds [1] | | | Pounds Distribution Factors [2] | | |
|---|---|---|---|---|---|---|---|
| | | Single Piece [A] | Presort [B] | Total Pounds [C] | Single Piece [D] | Presort [E] | Total [F] |
| [a] | Local | 2,468,159 | 167,106,149 | 169,574,309 | 0.0375 | 0.1475 | 0.1415 |
| [b] | 1&2 | 28,722,008 | 591,658,996 | 620,381,004 | 0.4369 | 0.5224 | 0.5177 |
| [c] | 3 | 5,616,507 | 152,902,857 | 158,519,365 | 0.0854 | 0.1350 | 0.1323 |
| [d] | 4 | 8,676,808 | 97,851,056 | 106,527,864 | 0.1320 | 0.0864 | 0.0889 |
| [e] | 5 | 9,433,548 | 61,136,830 | 70,570,378 | 0.1435 | 0.0540 | 0.0589 |
| [f] | 6 | 4,271,577 | 22,398,370 | 26,669,946 | 0.0650 | 0.0198 | 0.0223 |
| [g] | 7 | 2,804,793 | 17,380,915 | 20,185,707 | 0.0427 | 0.0153 | 0.0168 |
| [h] | 8 | 3,743,405 | 22,211,693 | 25,955,098 | 0.0569 | 0.0196 | 0.0217 |
| [j] | Total | 65,736,805 | 1,132,646,866 | 1,198,383,671 | 1.0000 | 1.0000 | 1.0000 |

**Notes**

[1]    Source:  Column [A]: 1998 Single Piece Pounds workpaper (WP-BPM-4), row [r], transposed.
        Column [B]: 1998 Presort Billing Determinants (WP-BPM-2), Total Pounds column.
    Calculation:  Column [C] = column [A] + column [B].

[2]    Calculation:  Rows [a] to [h]: column [D] = column [A] / cell [Aj];
        Cell [Dj] = sum of [Da] to [Dh].
        Rows [a] to [h]: column [E] = column [B] / cell [Bj];
        Cell [Ej] = sum of [Ea] to [Eh].
        Rows [a] to [h]: column [F] = column [C] / cell [Cj];
        Cell [Fj] = sum of [Fa] to [Fh].

## Calculation of Pieces Distribution Factors

| | Zone | Pieces [1] | | | Single Pieces Distribution Factors [2] [D] | Basic Presort Pieces Distribution Factors [3] [E] | Carrier Route Presort Pieces Distribution Factors [4] [F] | Total Presort Pieces Distribution Factors [5] [G] |
|---|---|---|---|---|---|---|---|---|
| | | Single Piece [A] | Basic Presort [B] | Carrier Route Presort [C] | | | | |
| [a] | Local | 1,201,629 | 14,889,148 | 50,222,810 | 0.0420 | 0.0415 | 0.4983 | 0.1416 |
| [b] | 1&2 | 12,769,015 | 189,677,334 | 41,025,603 | 0.4462 | 0.5283 | 0.4071 | 0.5018 |
| [c] | 3 | 2,432,068 | 56,499,330 | 4,499,682 | 0.0850 | 0.1574 | 0.0446 | 0.1327 |
| [d] | 4 | 3,906,429 | 38,910,173 | 2,391,952 | 0.1365 | 0.1084 | 0.0237 | 0.0898 |
| [e] | 5 | 3,821,929 | 28,256,572 | 1,377,831 | 0.1335 | 0.0787 | 0.0137 | 0.0645 |
| [f] | 6 | 1,793,645 | 11,218,643 | 524,071 | 0.0627 | 0.0312 | 0.0052 | 0.0255 |
| [g] | 7 | 1,129,219 | 8,518,538 | 420,544 | 0.0395 | 0.0237 | 0.0042 | 0.0194 |
| [h] | 8 | 1,566,011 | 11,041,377 | 319,019 | 0.0547 | 0.0308 | 0.0032 | 0.0247 |
| [j] | Total | 28,619,945 | 359,011,117 | 100,781,511 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| [k] | Shares of Total Pieces | 0.0586 | 0.7351 | 0.2063 | | | | |

**Notes**

[1]   Source:  Column [A] (rows [a] to [j]): 1998 Single Piece Billing Determinants (WP-BPM-3), row [q], transposed.
Columns [B] and [C] (rows [a] to [j]): 1998 Presort Billing Determinants (WP-BPM-2).
Calculation:  [Ak] = [Aj] / Sum of [Aj] to [Cj];
[Bk] = [Bj] / Sum of [Aj] to [Cj];
[Ck] = [Cj] / Sum of [Aj] to [Cj].
[2]   Calculation:  Rows [a] to [j]: column [D] = column [A] / cell [Aj].
[3]   Calculation:  Rows [a] to [j]: column [E] = column [B] / cell [Bj].
[4]   Calculation:  Rows [a] to [j]: column [F] = column [C] / cell [Cj].
[5]   Calculation:  Rows [a] to [j]: column [G] = (column [B] + column [C]) / (cell [Bj] + cell [Cj]).

## Calculation of TYBR Pieces and Pounds

| | Zone | Pieces [1] | | | | | Pounds [2] | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Presort | | | | |
| | | Total [A] | Single Piece [B] | Total [C] | Basic [D] | Carrier Route [E] | Total [F] | Single Piece [G] | Presort [H] |
| [a] | All Zones | 541,975,772 | 31,758,635 | 510,217,137 | 398,383,125 | 111,834,011 | 1,329,807,935 | 72,946,025 | 1,256,861,910 |
| [b] | Local | 73,586,061 | 1,333,409 | 72,252,651 | 16,522,010 | 55,730,642 | 188,171,173 | 2,738,837 | 185,432,336 |
| [c] | 1&2 | 270,173,019 | 14,169,367 | 256,003,652 | 210,478,856 | 45,524,796 | 688,416,909 | 31,871,891 | 656,545,018 |
| [d] | 3 | 70,387,435 | 2,698,788 | 67,688,648 | 62,695,495 | 4,993,152 | 175,903,856 | 6,232,458 | 169,671,398 |
| [e] | 4 | 50,166,483 | 4,334,839 | 45,831,645 | 43,177,372 | 2,654,273 | 118,210,555 | 9,628,376 | 108,582,180 |
| [f] | 5 | 37,125,419 | 4,241,072 | 32,884,347 | 31,355,412 | 1,528,935 | 78,309,685 | 10,468,106 | 67,841,580 |
| [g] | 6 | 15,020,864 | 1,990,350 | 13,030,514 | 12,448,969 | 581,545 | 29,594,784 | 4,740,032 | 24,854,753 |
| [h] | 7 | 11,172,471 | 1,253,058 | 9,919,413 | 9,452,749 | 466,664 | 22,399,432 | 3,112,389 | 19,287,044 |
| [j] | 8 | 14,344,020 | 1,737,753 | 12,606,268 | 12,252,262 | 354,005 | 28,801,540 | 4,153,937 | 24,647,603 |

**Notes**

[1]    Source:  [Aa]: Inputs Workpaper (WP-BPM-1), Input [6].
Calculation:  Total forecast volume is apportioned to Single Piece, Basic Presort, and Carrier Route Presort categories based on
    shares of total pieces from the Pieces Distribution Factors workpaper, row [k]:
        [Ba] = [Aa] * (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Ak]);
        [Da] = [Aa] * (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Bk]);
        [Ea] = [Aa] * (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Ck]);
Calculation:  Column total pieces are apportioned to zones based on the Pieces Distribution Factors workpaper (WP-BPM-7), (columns [D] to [F]).
    Rows [b] to [j]:  column [B] = cell [Ba] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [D]);
                column [D] = cell [Da] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [E]);
                column [E] = cell [Ea] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [F]);
                column [C] = sum of columns [D] to [E].
                column [A] = sum of columns [B], [D], [E].
[2]    Calculation:  Total forecast pounds for single piece and presort are calculated from total forecast pieces
    using the Base Year ratios of total single piece pounds to total single piece pieces
    and total presort pounds to total presort pieces (from Pieces and Pounds Distribution Factors workpapers).
    [Ga] = (Pounds Distribution Factors workpaper (WP-BPM-6), cell [Aj]) / (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Aj]) * [Ba];
    [Ha] = (Pounds Distribution Factors workpaper (WP-BPM-6), cell [Bj]) / (Pieces Distribution Factors workpaper (WP-BPM-7), cells [Bj] + [Cj]) * [Ca].
Calculation:  Column total pounds are apportioned to zones based on the Pounds Distribution Factors workpaper (WP-BPM-6), (columns [D] and [E]).
    Rows [b] to [j]:  column [G] = cell [Ga] * (Pounds Distribution Factors workpaper (WP-BPM-6), column [D]);
                column [H] = cell [Ha] * (Pounds Distribution Factors workpaper (WP-BPM-6), column [E]);
                column [F] = column [G] + column [H].

**Calculation of Test Year Drop-Shipment Non-Transportation Cost Savings**

| | | Cost Savings Per Piece [1] | | | Drop-Shipped Pieces [2] | | | Total Non-Transportation Drop-Shipment Cost Savings [3] | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | DBMC [A] | DSCF [B] | DDU [C] | DBMC [D] | DSCF [E] | DDU [F] | DBMC [G] | DSCF [H] | DDU [J] |
| [a] | Total Weight and Non-Weight-Related Costs | $0.190 | $0.190 | $0.190 | 228,348,700 | 79,593,873 | 36,735,634 | $43,386,253 | $15,122,836 | $6,979,770 |

**Notes**

[1] Source: Inputs workpaper (WP-BPM-1), Cost section, Input [13]. DSCF and DDU cost savings from the Input Workpaper are aggregated to total savings relative to origin-entered mail.

[2] Calculation: Forecast number of drop-shipped pieces is calculated from the current presort volume times the drop-ship shares from the Inputs workpaper, Forecast section.
   Cell [Da] = (TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ca]) * Sum(Inputs workpaper (WP-BMC-1), Inputs [9a] to [9d]);
   Cell [Ea] = (TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ca]) * (Inputs workpaper (WP-BPM-1), Input [9f]);
   Cell [Fa] = (TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ca]) * (Inputs workpaper (WP-BPM-1), Input [9g]).

[3] Calculation: Cell [G] = cell [D] * cell [A];
   Cell [H] = cell [E] * cell [B];
   Cell [J] = cell [F] * cell [C].

**Distribution of Test Year Transportation Costs**

| | | Pounds | | | | | Single Piece Transpor-tation Costs [6] | Presort Transportation Costs | | | | |
| | | Single Piece [1] [A] | Presort | | | | | Total [7] [G] | Non-Drop-Shipped [8] [H] | DBMC [9] [J] | DSCF [10] [K] | DDU [11] [L] |
| | | | Non-Drop Shipped [2] [B] | DBMC [3] [C] | DSCF [4] [D] | DDU [5] [E] | [F] | | | | | |
| | **Zone Distribution of Costs** | | | | | | | | | | | |
| [a] | Zones 1&2 | 34,610,728 | 68,120,668 | 475,471,522 | 204,158,269 | 94,226,894 | $3,218,798 | $34,598,636 | $6,335,222 | $21,871,690 | $5,920,590 | $471,134 |
| [b] | Zone 3 | 6,232,458 | 86,539,465 | 83,131,933 | | | $679,338 | $16,997,808 | $9,432,802 | $7,565,006 | --- | --- |
| [c] | Zone 4 | 9,628,376 | 85,866,739 | 22,715,440 | | | $1,242,060 | $13,938,955 | $11,076,809 | $2,862,145 | --- | --- |
| [d] | Zone 5 | 10,468,106 | 67,373,174 | 468,405 | | | $1,695,833 | $11,037,176 | $10,914,454 | $122,722 | --- | --- |
| [e] | Zone 6 | 4,740,032 | 24,854,753 | | | | $924,306 | $4,846,677 | $4,846,677 | --- | --- | --- |
| [f] | Zone 7 | 3,112,389 | 19,287,044 | | | | $725,187 | $4,493,881 | $4,493,881 | --- | --- | --- |
| [g] | Zone 8 | 4,153,937 | 24,647,603 | | | | $1,279,413 | $7,591,462 | $7,591,462 | --- | --- | --- |
| [h] | **Totals** | 72,946,025 | 376,689,447 | 581,787,301 | 204,158,269 | 94,226,894 | $9,764,934 | $93,504,595 | $54,691,307 | $32,421,564 | $5,920,590 | $471,134 |

**Notes**

[1]   Source:  Rows [a] to [g]: TYBR Pieces and Pounds Workpaper (WP-BPM-8),  column [G]; cell [Aa] is the sum of Local plus Zones 1&2;
       Calculation:  [Ah] = Sum of [Aa] to [Ag];
[2]   Calculation:  [Ba] = (TYBR Pieces and Pounds Workpaper (WP-BPM-8),  cells [Hb] + [Hc]) -[Ca] -[Da] - [Ea];
                [Bb] = (TYBR Pieces and Pounds Workpaper (WP-BPM-8),  cell [Hd]) -[Cb];
                [Bc] = (TYBR Pieces and Pounds Workpaper (WP-BPM-8),  cell [He]) -[Cc];
                [Bd] = (TYBR Pieces and Pounds Workpaper (WP-BPM-8),  cell [Hf]) -[Cd];
       Source: Rows [e] to [g]: column [B] =  TYBR Pieces and Pounds Workpaper (WP-BPM-8),  column [H], rows [g] to [j];
       Calculation:  [Bh] = Sum of rows [Ba] to [Bg].
[3]   Calculation:  [Ca] = (Inputs Workpaper (WP-BPM-1), Input [9a]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cells [Hb] + [Hc]) / (WP-BPM-8, cells [Cb] + [Cc]);
                [Cb] = (Inputs Workpaper (WP-BPM-1), Input [9b]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cell [Hd]) / (WP-BPM-8, cell [Cd]);
                [Cc] = (Inputs Workpaper (WP-BPM-1), Input [9c]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cell [He]) / (WP-BPM-8, cell [Ce]);
                [Cd] = (Inputs Workpaper (WP-BPM-1), Input [9d]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cell [Hf]) / (WP-BPM-8, cell [Cf]);
                [Ch] = Sum of rows [Ca] to [Cd].
[4]   Calculation:  [Da] = (Inputs Workpaper (WP-BPM-1), Input [9f]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cells [Hb] + [Hc]) / (WP-BPM-8, cells [Cb] + [Cc]);
                [Dh] = [Da].
[5]   Calculation:  [Ea] = (Inputs Workpaper (WP-BPM-1), Input [9g]) * (WP-BPM-8, cell [Ca]) * (WP-BPM-8,  cells [Hb] + [Hc]) / (WP-BPM-8, cells [Cb] + [Cc]);
                [Eh] = [Ea].
[6]   Calculation: Rows [a] to [g]:  [F] = [A] * (Inputs Workpaper, (WP-BPM-1), Inputs [12a] to [12g]);
                [Fh] = Sum of rows [Fa] to [Fg].
[7]   Calculation:  Rows [a] to [g]:  [G] = Sum of columns [H], [J], [K], [L].
                [Gh] = Sum of rows [Ga] to [Gg].
[8]   Calculation: Rows [a] to [g]:  [H] = [B] * (Inputs Workpaper, (WP-BPM-1), Inputs [12a] to [12g]);
                [Hh] = Sum of rows [Ha] to [Hg].
[9]   Calculation: Rows [a] to [d]:  [J] = [C] * (Inputs Workpaper, (WP-BPM-1), Inputs [12h] to [12m]);
                [Jh] = Sum of rows [Ja] to [Jd].
[10]   Calculation: [Ka] = [Da] * (Inputs Workpaper, (WP-BPM-1), Input [12n]);
                [Kh] = [Ka].
[11]   Calculation: [La] = [Ea] * (Inputs Workpaper, (WP-BPM-1), Input [12o]);
                [Lh] = [La].

### Distribution of Test Year Non-Transportation Costs

| | | Total [1] [A] | Total Weight-Related Costs [2] [B] | Single Piece Weight-Related Costs [3] [C] | Presort Weight-Related Costs | | | Total Non-Weight-Related Costs [6] [G] | Single Piece Non-Weight-Related Costs [7] [H] | Presort Non-Weight-Related Costs | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Total [3] [D] | Drop-Shipped [4] [E] | Non-Drop-Shipped [5] [F] | | | Total [7] [J] | Drop-Shipped [8] [K] | Non-Drop-Shipped [9] [L] |
| [a] | Volume Variable Costs | $378,119,470 | $26,596,159 | $2,766,107 | $23,830,051 | $16,688,035 | $7,142,017 | $351,523,312 | $38,916,615 | $312,606,696 | $189,934,349 | $122,672,347 |
| | **Zone Distribution of Costs** | | | | | | | | | | | |
| [b] | Zones 1&2 | --- | $17,531,762 | $1,312,436 | $15,963,857 | $14,672,292 | $1,291,565 | --- | --- | --- | --- | --- |
| [c] | Zone 3 | --- | $3,518,077 | $236,334 | $3,216,963 | $1,576,178 | $1,640,785 | --- | --- | --- | --- | --- |
| [d] | Zone 4 | --- | $2,364,211 | $365,107 | $2,058,714 | $430,684 | $1,628,030 | --- | --- | --- | --- | --- |
| [e] | Zone 5 | --- | $1,566,194 | $396,950 | $1,286,274 | $8,881 | $1,277,393 | --- | --- | --- | --- | --- |
| [f] | Zone 6 | --- | $591,896 | $179,742 | $471,245 | $0 | $471,245 | --- | --- | --- | --- | --- |
| [g] | Zone 7 | --- | $447,989 | $118,022 | $365,682 | $0 | $365,682 | --- | --- | --- | --- | --- |
| [h] | Zone 8 | --- | $576,031 | $157,517 | $467,318 | $0 | $467,318 | --- | --- | --- | --- | --- |

**Notes**

[1]  Calculation:  [Aa] = Inputs Workpaper (WP-BPM-1), Input [11] - (TY Transportation Costs Workpaper (WP-BPM-10), [Fh] + [Gh] ).
[2]  Calculation:  [Ba] = (Inputs Workpaper (WP-BPM-1), Input [13a]) * (TYBR Pieces and Pounds Workpaper (WP-BPM-8), cell [Fa]);
    [Bb] = [Ba] * (Pounds Distribution Factors Workpaper (WP-BPM-6), cells [Fa] + [Fb]);
    Rows [c] to [h]:  [B] = [Ba] * (Pounds Distribution Factors Workpaper (WP-BPM-6),  [F]);
[3]  Calculation:  Total Non-Transportation Weight-Related Costs are apportioned between single piece (cell [Ca]) and presort (cell [Da]), based on  total pounds,
    with single piece costs per pound weighted at twice the presort cost per pound;
    [Ca] = [Ba] *  (2* WP-BPM-6, cell [Aj]) / (WP-BPM-6, 2* cell [Aj] + WP-BPM-6 cell [Bj]);
    [Da] = [Ba] - [Ca];
    [Cb] = [Ca] *  (WP-BPM-6, cells [Da] + [Db]);
    [Db] = [Da] *  (WP-BPM-6, cells [Ea] + [Eb]);
    Rows [c] to [h]: [C] = [Ca] *  (WP-BPM-6, [D], rows [c] to [h]);
    Rows [c] to [h]: [D] = [Da] *  (WP-BPM-6, [E], rows [c] to [h]).
[4]  Calculation:  [Ea] = [Da] * (WP-BPM-10, sum of [Ch] to [Eh]) / (WP-BPM-10, sum of [Bh] to [Eh]);
    [Eb] = [Ea] *  (WP-BPM-10, sum of [Ca] to [Ea]) / (WP-BPM-10, sum of [Ch] to [Eh]);
    [Ec] = [Ea] *  (WP-BPM-10, [Cb]) / (WP-BPM-10, sum of [Ch] to [Eh]);
    [Ed] = [Ea] *  (WP-BPM-10, [Cc]) / (WP-BPM-10, sum of [Ch] to [Eh]);
    [Ee] = [Ea] *  (WP-BPM-10, [Cd]) / (WP-BPM-10, sum of [Ch] to [Eh]).
[5]  Calculation:   [F] = [D] - [E].
[6]  Calculation:   [G] = [A] - [B].
[7]  Calculation:  Total Non-Transportation Non-Weight-Related Costs are apportioned between single piece (cell [Ha]) and presort (cell [Ja]), based on  total pieces,
    with single piece costs per piece weighted at twice the presort cost per piece;
    [H] = [G] *  (2* WP-BPM-7, cell [Aj]) / (WP-BPM-7, 2* cell [Aj] + WP-BPM-7 cell [Bj] + WP-BPM-7 cell [Cj]).
    [J] = [G] *  (WP-BPM-7, cell [Bj] + WP-BPM-7, cell [Cj]) / (WP-BPM-7, 2* cell [Aj] + WP-BPM-7 cell [Bj] + WP-BPM-7 cell [Cj]).
[8]  Calculation:   [K] = ([J] + WP-BPM-9, sum of [G], [H], [J]) * (Inputs Workpaper (WP-BPM-1), Sum of Inputs [9a], [9b], [9c], [9d], [9f], [9g]) - (WP-BPM-9, sum of [G], [H], [J]).
[9]  Calculation:   [L] = [J] - [K].

## TYBR Revenue Leakages

| | Revenue Leakage At 100% Pass-Through | Per Piece Component | | | Per Pound Component | | | Total Lost Revenue [7] [G] |
|---|---|---|---|---|---|---|---|---|
| | | Pieces [1] [A] | Per Piece Rate [2] [B] | Lost Revenue [3] [C] | Pounds [4] [D] | Per Pound Rate [5] [E] | Lost Revenue [6] [F] | |
| [a] | Carrier Route Discount | 111,834,011 | $0.077 | $8,611,219 | --- | --- | --- | $8,611,219 |
| | Barcode Discount | | | | --- | --- | --- | |
| [b] |   Single Piece | 2,301,680 | $0.030 | $69,050 | --- | --- | --- | $69,050 |
| [c] |   Basic Presort | 109,308,858 | $0.030 | $3,279,266 | --- | --- | --- | $3,279,266 |
| | DBMC Discount | | | | | | | |
| [d] |   Zones 1&2 | 185,369,029 | $0.190 | $35,220,115 | 475,471,522 | $0.047 | $22,347,162 | $57,567,277 |
| [e] |   Zone 3 | 33,164,624 | $0.190 | $6,301,279 | 83,131,933 | $0.018 | $1,496,375 | $7,797,653 |
| [f] |   Zone 4 | 9,588,000 | $0.190 | $1,821,720 | 22,715,440 | $0.003 | $68,146 | $1,889,866 |
| [g] |   Zone 5 | 227,047 | $0.190 | $43,139 | 468,405 | -$0.100 | -$46,841 | -$3,702 |
| [h] | DSCF Discount | 79,593,873 | $0.190 | $15,122,836 | 204,158,269 | $0.064 | $13,066,129 | $28,188,965 |
| [j] | DDU Discount | 36,735,634 | $0.190 | $6,979,770 | 94,226,894 | $0.088 | $8,291,967 | $15,271,737 |
| | All Discounts | | | | | | | |
| [k] |   Single Piece Total | | | $69,050 | --- | | $0 | $69,050 |
| [m] |   Presort Total | | | $77,379,344 | 880,172,464 | | $45,222,938 | $122,602,282 |

### Notes

[1]  Source:  [Aa]: TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ea];
    Calculation:  [Ab] = (TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ba]) * (Inputs Workpaper (WP-BPM-1), Input [7]);
      [Ac]: calculated from the number of basic presort pieces, less drop-shipped basic presort pieces not eligible for barcode discounts.
      [Ac] = ((WP-BPM-8, cell [Da]) -
        (WP-BPM-8, cells [Da] / [Ca]) * (Sum of [Ad] to [Ag]) * ((Inputs Workpaper (WP-BPM-1), Input [9e]) + [Ah] + [Aj])) *
        (Inputs Workpaper (WP-BPM-1), Input [8]);
      Rows [d] to [j]: column [A] = (TYBR Pieces and Pounds workpaper (WP-BPM-8), cell [Ca]) *
        (Inputs Workpaper (WP-BPM-1), Inputs [9a] to [9d], [9f], [9g]).
[2]  Source:  [Ba]:  Inputs Workpaper (WP-BPM-1), Input [14a];
      [Bb], [Bc]:  Inputs Workpaper (WP-BPM-1), Input [14b], rounded to whole cents;
      [Bd] to [Bg]:  Inputs Workpaper (WP-BPM-1), Input [13b];
    Calculation:  [Bh] = [Bd] +  (Inputs Workpaper (WP-BPM-1), Input [13c]);
    Calculation:  [Bj] = [Bh] +  (Inputs Workpaper (WP-BPM-1), Input [13d]).
[3]  Calculation:  Rows [a] to [j]:  [C] = [A] * [B];
      [Ck] = [Cb];
      [Cm] = Sum of [Ca], [Cc], and [Cd] to [Cj].
[4]  Source:  Rows [d] to [g]: (WP-BPM-10, column [C], rows [a] to [d];
      [Dh]: (WP-BPM-10, [Da]);
      [Dj]: (WP-BPM-10, [Ea]);
      [Dm]: Sum of [Dd] to [Dj].
[5]  Calculation:  Average cost of non-drop-shipped presort pieces less the average cost of drop-shipped presort pieces;
      [Ed] = (WP-BPM-10, [Ha] + WP-BPM-11, [Fb]) / ((WP-BPM-8, [Hb]) + (WP-BPM-8, [Hc]) - [Dd] -[Dh] -Dj]) -
        (WP-BPM-10, [Ja] + WP-BPM-11, [Eb]) *(WP-BPM-10, [Ca]) / sum of (WP-BPM-10, [Ca to Ea])) / [Dd];
      [Ee] = (WP-BPM-10, [Hb] + WP-BPM-11, [Fc]) / ((WP-BPM-8, [Hd]) - [De]) - (WP-BPM-10, [Jb] + WP-BPM-11, [Ec]) / [De];
      [Ef] = (WP-BPM-10, [Hc] + WP-BPM-11, [Fd]) / ((WP-BPM-8, [He]) - [Df]) - (WP-BPM-10, [Jc] + WP-BPM-11, [Ed]) / [Df];
      [Eg] = (WP-BPM-10, [Hd] + WP-BPM-11, [Fe]) / ((WP-BPM-8, [Hf]) - [Dg]) - (WP-BPM-10, [Jd] + WP-BPM-11, [Ee]) / [Dg];
      [Eh] = (WP-BPM-10, [Ha] + WP-BPM-11, [Fb]) / ((WP-BPM-8, [Hb]) + (WP-BPM-8, [Hc]) - [Dd] -[Dh] -Dj]) -
        (WP-BPM-10, [Ka] + (WP-BPM-11, [Eb]) *(WP-BPM-10, [Da]) / sum of (WP-BPM-10, [Ca to Ea])) / [Dh];
      [Ej] = (WP-BPM-10, [Ha] + WP-BPM-11, [Fb]) / ((WP-BPM-8, [Hb]) + (WP-BPM-8, [Hc]) - [Dd] -[Dh] -Dj]) -
        (WP-BPM-10, [La] + (WP-BPM-11, [Eb]) *(WP-BPM-10, [Ea]) / sum of (WP-BPM-10, [Ca to Ea]) / [Dj].
[6]  Calculation:  Rows [d] to [j]:  [F] = [D] * [E];
      [Fm] = Sum of [Fd] to [Fj].
[7]  Calculation:  Rows [a] to [j]:  [G] = [C] + [F];
      [Gk] = [Gb];
      [Gm] = Sum of [Ga], [Gc] to [Gj].

### Calculation of TYBR Revenue

**Single Piece Bound Printed Matter**

| | Zone | Per Piece Component [1] | | | Per Pound Component [2] | | | Total Revenue [3] |
| | | Pieces [A] | Per Piece Rate [B] | Revenue [C] | Pounds [D] | Per Pound Rate [E] | Revenue [F] | [G] |
|---|---|---|---|---|---|---|---|---|
| [a] | Local | 1,333,409 | $1.08 | $1,440,082 | 2,738,837 | $0.039 | $106,815 | $1,546,897 |
| [b] | 1&2 | 14,169,367 | $1.44 | $20,403,888 | 31,871,891 | $0.064 | $2,039,801 | $22,443,689 |
| [c] | 3 | 2,698,788 | $1.44 | $3,886,254 | 6,232,458 | $0.087 | $542,224 | $4,428,478 |
| [d] | 4 | 4,334,839 | $1.44 | $6,242,168 | 9,628,376 | $0.126 | $1,213,175 | $7,455,343 |
| [e] | 5 | 4,241,072 | $1.44 | $6,107,144 | 10,468,106 | $0.184 | $1,926,131 | $8,033,275 |
| [f] | 6 | 1,990,350 | $1.44 | $2,866,104 | 4,740,032 | $0.246 | $1,166,048 | $4,032,152 |
| [g] | 7 | 1,253,058 | $1.44 | $1,804,404 | 3,112,389 | $0.321 | $999,077 | $2,803,481 |
| [h] | 8 | 1,737,753 | $1.44 | $2,502,364 | 4,153,937 | $0.385 | $1,599,266 | $4,101,629 |
| [j] | Total | 31,758,635 | | $45,252,408 | 72,946,025 | | $9,592,537 | $54,844,944 |
| [k] | Adj. Total | | | | | | | $56,596,223 |

**Presort Bound Printed Matter**

| | Zone | Per Piece Component [4] | | | Per Pound Component [5] | | | Total Revenue [6] |
| | | Total Pieces [A] | Per Piece Rate [B] | Revenue [C] | Pounds [D] | Per Pound Rate [E] | Revenue [F] | [G] |
|---|---|---|---|---|---|---|---|---|
| [m] | Local | 72,252,651 | $0.54 | $39,016,432 | 185,432,336 | $0.028 | $5,192,105 | $44,208,537 |
| [n] | 1&2 | 256,003,652 | $0.72 | $184,322,629 | 656,545,018 | $0.051 | $33,483,796 | $217,806,425 |
| [o] | 3 | 67,688,648 | $0.72 | $48,735,826 | 169,671,398 | $0.073 | $12,386,012 | $61,121,838 |
| [p] | 4 | 45,831,645 | $0.72 | $32,998,784 | 108,582,180 | $0.112 | $12,161,204 | $45,159,988 |
| [q] | 5 | 32,884,347 | $0.72 | $23,676,730 | 67,841,580 | $0.171 | $11,600,910 | $35,277,640 |
| [r] | 6 | 13,030,514 | $0.72 | $9,381,970 | 24,854,753 | $0.233 | $5,791,157 | $15,173,127 |
| [s] | 7 | 9,919,413 | $0.72 | $7,141,977 | 19,287,044 | $0.307 | $5,921,122 | $13,063,099 |
| [t] | 8 | 12,606,268 | $0.72 | $9,076,513 | 24,647,603 | $0.371 | $9,144,261 | $18,220,774 |
| [u] | Total | 510,217,137 | | $354,350,861 | 1,256,861,910 | | $95,680,568 | $450,031,429 |
| [v] | Adj. Total | | | | | | | $449,452,374 |

**Notes**

[1]  Source: Rows [a] to [h]:
           [A]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), column [B], rows [b] to [j];
           [B]: Inputs Workpaper (WP-BPM-1), Input [20];
     Calculation: Rows [a] to [h]: [C] = [A] * [B];
     Calculation: [Aj] = Sum of column [A], rows [a] to [h];
           [Cj] = Sum of column [C], rows [a] to [h].
[2]  Source: Rows [a] to [h]:
           [D]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), column [G], rows [b] to [j];
           [E]: Inputs Workpaper (WP-BPM-1), Input [18];
     Calculation: Rows [a] to [h]: [F] = [D] * [E];
     Calculation: [Dj] = Sum of column [D], rows [a] to [h];
     Calculation: [Fj] = Sum of column [F], rows [a] to [h].
[3]: Calculation: Rows [a] to [h]: [G] = [C] + [F];
           [Gj] = Sum of column [G], rows [a] to [h];
           [Gk] = [Gj] * (Inputs Workpaper (WP-BPM-1), Input [4]).
[4]  Source: Rows [m] to [t]:
           [A]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), column [C], rows [b] to [j];
           [B]: Inputs Workpaper (WP-BPM-1), Input [21];
     Calculation: Rows [m] to [t]: [C] = [A] * [B];
     Calculation: [Au] = Sum of column [A], rows [m] to [t];
           [Cu] = Sum of column [C], rows [m] to [t].
[5]  Source: Rows [m] to [t]:
           [D]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), column [H], rows [b] to [j];
           [E]: Inputs Workpaper (WP-BPM-1), Input [19];
     Calculation: Rows [m] to [t]: [F] = [D] * [E];
     Calculation: [Du] = Sum of column [D], rows [m] to [t];
     Calculation: [Fu] = Sum of column [F], rows [m] to [t].
[6]: Calculation: Rows [m] to [t]: [G] = [C] + [F];
           [Gu] = Sum of column [G], rows [m] to [t];
           [Gv] = [Gu] * (Inputs Workpaper (WP-BPM-1), Input [5]).

**Calculation of Per Pound and Per Piece Charges**

**Per Pound Component**

| | | Costs [1] | | | Revenue Leakages [2] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Transpor-tation [A] | Non-Trans-portation [B] | Total Costs [C] | DBMC Discount [D] | DSCF Discount [E] | DDU Discount [F] | Total Leakages [G] | TYBR Pounds [3] [H] | Per Pound Costs [4] [J] | Per Pound Leakages [5] [K] | Costs Markup [6] [L] | Per Pound Charge [7] [M] |
| | Single Piece | | | | | | | | | | | | |
| [a] | Zones 1&2 | $3,218,798 | $1,312,436 | $4,531,234 | --- | --- | --- | $0 | 34,610,728 | $0.131 | $0.000 | 108% | $0.141 |
| [b] | Zone 3 | $679,338 | $236,334 | $915,672 | --- | --- | --- | $0 | 6,232,458 | $0.147 | $0.000 | 108% | $0.158 |
| [c] | Zone 4 | $1,242,060 | $365,107 | $1,607,168 | --- | --- | --- | $0 | 9,628,376 | $0.167 | $0.000 | 108% | $0.180 |
| [d] | Zone 5 | $1,695,833 | $396,950 | $2,092,783 | --- | --- | --- | $0 | 10,468,106 | $0.200 | $0.000 | 108% | $0.215 |
| [e] | Zone 6 | $924,306 | $179,742 | $1,104,048 | --- | --- | --- | $0 | 4,740,032 | $0.233 | $0.000 | 108% | $0.250 |
| [f] | Zone 7 | $725,187 | $118,022 | $843,208 | --- | --- | --- | $0 | 3,112,389 | $0.271 | $0.000 | 108% | $0.291 |
| [g] | Zone 8 | $1,279,413 | $157,517 | $1,436,929 | --- | --- | --- | $0 | 4,153,937 | $0.346 | $0.000 | 108% | $0.372 |
| | Presort | | | | | | | | | | | | |
| [h] | Zones 1&2 | $34,598,636 | $15,963,857 | $50,562,493 | $22,347,162 | $13,066,129 | $8,291,967 | $43,705,257 | 841,977,353 | $0.060 | $0.052 | 108% | $0.116 |
| [j] | Zone 3 | $16,997,808 | $3,216,963 | $20,214,770 | $1,496,375 | --- | --- | $1,496,375 | 169,671,398 | $0.119 | $0.009 | 108% | $0.137 |
| [k] | Zone 4 | $13,938,955 | $2,058,714 | $15,997,669 | $68,146 | --- | --- | $68,146 | 108,582,180 | $0.147 | $0.001 | 108% | $0.159 |
| [m] | Zone 5 | $11,037,176 | $1,286,274 | $12,323,450 | -$46,841 | --- | --- | -$46,841 | 67,841,580 | $0.182 | -$0.001 | 108% | $0.195 |
| [n] | Zone 6 | $4,846,677 | $471,245 | $5,317,922 | --- | --- | --- | $0 | 24,854,753 | $0.214 | $0.000 | 108% | $0.230 |
| [o] | Zone 7 | $4,493,881 | $365,682 | $4,859,563 | --- | --- | --- | $0 | 19,287,044 | $0.252 | $0.000 | 108% | $0.271 |
| [p] | Zone 8 | $7,591,462 | $467,318 | $8,058,779 | --- | --- | --- | $0 | 24,647,603 | $0.327 | $0.000 | 108% | $0.352 |

**Per Piece Component**

| | | | Revenue Leakages [9] | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Costs [8] [A] | DBMC Discount [B] | DSCF Discount [C] | DDU Discount [D] | Carrier Route Discount [E] | Barcoding Discount [F] | Total Leakages [10] [G] | TYBR Pieces [11] [H] | Cost Per Piece [12] [J] | Leakages Per Piece [13] [K] | Markup [6] [L] | Piece Charge [7] [M] |
| [q] | Single Piece | $38,916,615 | --- | --- | --- | --- | $69,050 | $69,050 | 31,758,635 | $1.225 | $0.002 | 108% | $1.320 |
| [r] | Presort | $312,606,696 | $43,386,253 | $15,122,836 | $6,979,770 | $8,611,219 | $3,279,266 | $77,379,344 | 510,217,137 | $0.613 | $0.152 | 108% | $0.811 |

**Notes**

[1]  Source:  Column [A]
            Rows [a] to [g]: WP-BPM-10, cells [Fa] to [Fg];
            Rows [h] to [p]: WP-BPM-10, cells [Ga] to [Gg];
        Column [B]
            Rows [a] to [g]: (WP-BPM-11), cells [Cb] to [Ch];
            Rows [h] to [p]: (WP-BPM-11), cells [Db] to [Dh];
        Calculation:  Rows [a] to [p]: [C]  =  [A] + [B].
[2]  Source:  Column [D], rows [h] to [m]:  Revenue Leakages Workpaper (WP-BPM-12), column [F], rows [d] to [g];
            [Eh]:  Revenue Leakages Workpaper (WP-BPM-12), cell [Fh];
            [Fh]:  Revenue Leakages Workpaper (WP-BPM-12), cell [Fj];
        Calculation:  Rows [a] to [p]: column [G] = Sum of columns  [D], [E], [F];
[3]  Source:  Rows [a] to [g]: TYBR Pieces and Pounds (WP-BPM-8), column [G], rows [b] to [j] (Local combined with Zones 1&2);
            Rows [h] to [p]: TYBR Pieces and Pounds (WP-BPM-8), column [H], rows [b] to [j] (Local combined with Zones 1&2);
[4]  Calculation:  Rows [a] to [p]: [J] = [C] / [H].
[5]  Calculation:  Rows [a] to [p]: [K] = [G] / [H].
[6]  Calculation:  [L] = (Inputs Workpaper (WP-BPM-1), Input [2] * (1 + Input [3]));
[7]  Calculation:  [M] = [J] * [L] + [K].
[8]  Source:  [Aq]:  WP-BPM-11, cell [Ha];
            [Ar]:  WP-BPM-11, cell [Ja];
[9]  Calculation:  [B] = sum of (WP-BPM-12, cells [Cd] to [Cg]);
        Source:  [C] = WP-BPM-12, cell [Ch];
            [D] = WP-BPM-12, cell [Cj];
            [E] = WP-BPM-12, cell [Cj];
            [Fq] = WP-BPM-12, cell [Cb];
            [Fr] = WP-BPM-12, cell [Cc].
[10]   Calculation:  [G] = sum of columns [B] to [F].
[11]  Source:  [Hq]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), cell [Ba];
            [Hr]: TYBR Pieces and Pounds Workpaper (WP-BPM-8), cell [Ca].
[12]  Calculation: [J] = [A] / [H].
[13]  Calculation: [K] = [G] / [H].

**Adjustment of Preliminary Rates**

**Single Piece Bound Printed Matter**

| | | Per Piece Component [1] | | | | | Per Pound Component [2] | | | | | Adjusted Total Revenue [3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Pieces [A] | Per Piece Rate [B] | Revenue [C] | Per Piece Adjustment [D] | Revenue Impact [E] | Pounds [F] | Per Pound Rate [G] | Revenue [H] | Per Pound Adjustment [J] | Revenue Impact [K] | [L] |
| [a] | Zones 1&2 | 15,502,776 | $1.320 | $20,463,541 | $0.099 | $1,534,775 | 34,610,728 | $0.141 | $4,873,025 | -$0.073 | -$2,526,583 | $24,344,757 |
| [b] | Zone 3 | 2,698,788 | $1.320 | $3,562,378 | $0.099 | $267,180 | 6,232,458 | $0.158 | $984,741 | -$0.064 | -$398,877 | $4,415,422 |
| [c] | Zone 4 | 4,334,839 | $1.320 | $5,721,953 | $0.099 | $429,149 | 9,628,376 | $0.180 | $1,728,396 | -$0.040 | -$385,135 | $7,494,363 |
| [d] | Zone 5 | 4,241,072 | $1.320 | $5,598,181 | $0.099 | $419,866 | 10,468,106 | $0.215 | $2,250,641 | -$0.010 | -$104,681 | $8,164,008 |
| [e] | Zone 6 | 1,990,350 | $1.320 | $2,627,246 | $0.099 | $197,045 | 4,740,032 | $0.250 | $1,187,326 | $0.015 | $71,100 | $4,082,718 |
| [f] | Zone 7 | 1,253,058 | $1.320 | $1,654,027 | $0.099 | $124,053 | 3,112,389 | $0.291 | $906,811 | $0.059 | $183,631 | $2,868,522 |
| [g] | Zone 8 | 1,737,753 | $1.320 | $2,293,820 | $0.099 | $172,038 | 4,153,937 | $0.372 | $1,545,317 | $0.038 | $157,850 | $4,169,024 |
| [h] | Totals | 31,758,635 | | $41,921,146 | | $3,144,105 | 72,946,025 | | $13,476,258 | | -$3,002,696 | $55,538,814 |

**Adjustment of Preliminary Rates**

**Presort Bound Printed Matter**

| | | Per Piece Component [4] | | | | | Per Pound Component [5] | | | | | Adjusted Total Revenue [6] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Pieces [A] | Per Piece Rate [B] | Revenue [C] | Per Piece Adjustment [D] | Revenue Impact [E] | Pounds [F] | Per Pound Rate [G] | Revenue [H] | Per Pound Adjustment [J] | Revenue Impact [K] | [L] |
| | **DBMC** | | | | | | | | | | | |
| [j] | Zones 1&2 | 185,369,029 | $0.621 | $115,034,189 | $0.049 | $9,083,082 | 475,471,522 | $0.069 | $33,040,368 | -$0.018 | -$8,558,487 | $148,599,152 |
| [k] | Zone 3 | 33,164,624 | $0.621 | $20,580,923 | $0.049 | $1,625,067 | 83,131,933 | $0.119 | $9,888,273 | -$0.049 | -$4,073,465 | $28,020,797 |
| [m] | Zone 4 | 9,588,000 | $0.621 | $5,950,011 | $0.049 | $469,812 | 22,715,440 | $0.156 | $3,545,272 | -$0.044 | -$999,479 | $8,965,616 |
| [n] | Zone 5 | 227,047 | $0.621 | $140,898 | $0.049 | $11,125 | 468,405 | $0.295 | $138,021 | -$0.118 | -$55,272 | $234,773 |
| [o] | DSCF | 79,593,873 | $0.621 | $49,393,454 | $0.049 | $3,900,100 | 204,158,269 | $0.052 | $10,716,204 | -$0.026 | -$5,308,115 | $58,701,643 |
| [p] | DDU | 36,735,634 | $0.621 | $22,796,979 | $0.049 | $1,800,046 | 94,226,894 | $0.028 | $2,684,495 | -$0.004 | -$376,908 | $26,904,612 |
| | **Non-Drop-Shipped** | | | | | | | | | | | |
| [q] | Zones 1&2 | 26,557,767 | $0.811 | $21,526,891 | $0.054 | $1,443,403 | 68,120,668 | $0.116 | $7,935,355 | -$0.056 | -$3,820,981 | $27,084,668 |
| [r] | Zone 3 | 34,524,024 | $0.811 | $27,984,088 | $0.014 | $499,593 | 86,539,465 | $0.137 | $11,851,298 | -$0.052 | -$4,521,291 | $35,813,687 |
| [s] | Zone 4 | 36,243,644 | $0.811 | $29,377,958 | $0.014 | $524,477 | 85,866,739 | $0.159 | $13,659,100 | -$0.030 | -$2,611,251 | $40,950,285 |
| [t] | Zone 5 | 32,657,300 | $0.811 | $26,470,981 | $0.014 | $472,580 | 67,373,174 | $0.195 | $13,114,987 | $0.003 | $190,206 | $40,248,753 |
| [u] | Zone 6 | 13,030,514 | $0.811 | $10,562,124 | $0.014 | $188,563 | 24,854,753 | $0.230 | $5,719,053 | $0.042 | $1,042,063 | $17,511,803 |
| [v] | Zone 7 | 9,919,413 | $0.811 | $8,040,364 | $0.014 | $143,543 | 19,287,044 | $0.271 | $5,226,120 | $0.088 | $1,704,964 | $15,114,990 |
| [w] | Zone 8 | 12,606,268 | $0.811 | $10,218,244 | $0.014 | $182,424 | 24,647,603 | $0.352 | $8,666,653 | $0.077 | $1,904,792 | $20,972,113 |
| [x] | Totals | 510,217,137 | | $348,077,104 | | $20,343,815 | 1,256,861,910 | | $126,185,199 | | -$25,483,224 | $469,122,893 |

**Notes**

[1] Calculation: [Aa] = (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Bb] + [Bc]);
  Source: column [A], rows [b] to [g]: WP-BPM-8, column [B], rows [d] to [j];
  Calculation: [Ah] = sum of [Aa] to [Ag];
  Source: column [B]: Pound and Piece Charges Workpaper (WP-BPM-14), cell [Mq];
  Calculation: Rows [a] to [g]: [C] = [A] * [B];
       [Ch] = sum of [Ca] to [Cg];
  Source: column [D]: adjustments to preliminary per piece charges.
  Calculation: Rows [a] to [g]: [E] = [A] * [D];
       [Eh] = sum of [Ea] to [Eg].

[2] Calculation: [Fa]: (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Gb] + [Gc]);
  Source: column [F], rows [b] to [g]: WP-BPM-8, column [G], rows [d] to [j];
  Calculation: [Fh] = sum of [Fa] to [Fg];
  Source: column [G]: Pound and Piece Charges Workpaper (WP-BPM-14), cells [Ma] to [Mg];
  Calculation: Rows [a] to [g]: [H] = [F] * [G];
       [Hh] = sum of [Ha] to [Hg];
  Source: column [J]: adjustments to preliminary per pound charges.
  Calculation: Rows [a] to [g]: [K] = [F] * [J];
       [Kh] = sum of [Ka] to [Kg].

[3] Calculation: Rows [a] to [g]: [L] = [C] + [E] + [H] + [K];
       [Lh] = sum of [La] to [Lg].

[4] Source: Rows [j] to [p]: column [A]: (Revenue Leakages Workpaper (WP-BPM-12), [Ad] to [Aj]);
  Calculation: [Aq] = (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Cb] + [Cc]) - [Aj] - [Ao] -[Ap];
       Rows [r] to [t]: [A] = (WP-BPM-8, column [C], rows [d] to [f]) - column [A], rows [k] to [n];
  Source: Rows [u] to [w]: [A] = (WP-BPM-8, column [C], rows [g] to [j]);
  Calculation: [Ax] = sum of [Aj] to [Aw];
  Calculation: Rows [j] to [n]: [B] = (Pound and Piece Charges (WP-BPM-14), [Mr]) - (Inputs Workpaper, Input [13b]);
       [Bo] = (WP-BPM-14, [Mr]) - (Inputs Workpaper (WP-BPM-1), Inputs [13b] + [13c]);
       [Bp] = (WP-BPM-14, [Mr]) - (Inputs Workpaper (WP-BPM-1), Inputs [13b] + [13c] + [13d]);
       Rows [q] to [w]: [B] = (Pound and Piece Charges (WP-BPM-14), [Mr]);
  Calculation: Rows [j] to [w]: [C] = [A] * [B];
       [Cx] = sum of [Cj] to [Cw];
  Source: column [D]: adjustments to preliminary per piece charges.
  Calculation: Rows [j] to [w]: [E] = [A] * [D];
       [Ex] = sum of [Ej] to [Ew].

[5] Source: Rows [j] to [p]: column [F]: (Revenue Leakages Workpaper (WP-BPM-12), [Dd] to [Dj]);
  Calculation: [Fq] = (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Hb] + [Hc]) - [Fj] - [Fo] -[Fp];
       Rows [r] to [t]: [F] = (WP-BPM-8, column [H], rows [d] to [f]) - column [F], rows [k] to [n];
  Source: Rows [u] to [w]: [F] = (WP-BPM-8, column [H], rows [g] to [j]);
  Calculation: [Fx] = sum of [Fj] to [Fw];
  Calculation: Rows [j] to [n]: [G] = (Pound and Piece Charges (WP-BPM-14), column [M], rows [h] to [m]) - Revenue Leakages Workpaper (WP-BPM-12), [E], rows [d] to [g]);
       [Go] = (Pound and Piece Charges (WP-BPM-14), [Mh]) - Revenue Leakages Workpaper (WP-BPM-12), [Eh]);
       [Gp] = (Pound and Piece Charges (WP-BPM-14), [Mh]) - Revenue Leakages Workpaper (WP-BPM-12), [Ej]);
       Rows [q] to [w]: [G] = (Pound and Piece Charges (WP-BPM-14), column [M], rows [h] to [p]);
  Calculation: Rows [j] to [w]: [H] = [F] * [G];
       [Hx] = sum of [Hj] to [Hw];
  Source: column [J]: adjustments to preliminary per pound charges.
  Calculation: Rows [j] to [w]: [K] = [F] * [J];
       [Kx] = sum of [Kj] to [Kw].

[6] Calculation: Rows [j] to [w]: [L] = [C] + [E] + [H] + [K];
       [Lx] = sum of [Lj] to [Lw].

## Adjusted Rate Schedules

| | | Per Piece Rate [1],[2] [A] | Per Pound Rate [3] | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Zones 1&2 [B] | Zone 3 [C] | Zone 4 [D] | Zone 5 [E] | Zone 6 [F] | Zone 7 [G] | Zone 8 [H] |
| [a] | Single Piece | $1.42 | $0.07 | $0.09 | $0.14 | $0.20 | $0.27 | $0.35 | $0.41 |
| [b] | Basic Presort<br>  Origin Entry | $0.865 | $0.060 | $0.085 | $0.129 | $0.197 | $0.272 | $0.359 | $0.429 |
| [c] | DBMC | $0.670 | $0.051 | $0.070 | $0.112 | $0.177 | --- | --- | --- |
| [d] | DSCF | $0.670 | $0.026 | --- | --- | --- | --- | --- | --- |
| [e] | DDU | $0.670 | $0.024 | --- | --- | --- | --- | --- | --- |
| [f] | Carrier Route Presort<br>  Origin Entry | $0.788 | $0.060 | $0.085 | $0.129 | $0.197 | $0.272 | $0.359 | $0.429 |
| [g] | DBMC | $0.593 | $0.051 | $0.070 | $0.112 | $0.177 | --- | --- | --- |
| [h] | DSCF | $0.593 | $0.026 | --- | --- | --- | --- | --- | --- |
| [j] | DDU | $0.593 | $0.024 | --- | --- | --- | --- | --- | --- |
| [k] | Barcode Discount | $0.03 | | | | | | | |

### Notes

[1]   Calculation:  [Aa] = (Rate Adjustments Workpaper (WP-BPM-15), [Ba] + [Da]), rounded to whole cents;
         [Ab] = (Rate Adjustments Workpaper (WP-BPM-15), [Bq] + [Dq]) rounded to tenths of a cent;
         [Ac] = (Rate Adjustments Workpaper (WP-BPM-15), [Bj] + [Dj]) rounded to tenths of a cent;
         [Ad] = (Rate Adjustments Workpaper (WP-BPM-15), [Bo] + [Do]) rounded to tenths of a cent;
         [Ae] = (Rate Adjustments Workpaper (WP-BPM-15), [Bp] + [Dp]) rounded to tenths of a cent;
         [Af] = [Ab] - (Inputs Workpaper (WP-BPM-1), Input [14a]) rounded to tenths of a cent;
         [Ag] = [Ac] - (Inputs Workpaper (WP-BPM-1), Input [14a]) rounded to tenths of a cent;
         [Ah] = [Ad] - (Inputs Workpaper (WP-BPM-1), Input [14a]) rounded to tenths of a cent;
         [Aj] = [Ae] - (Inputs Workpaper (WP-BPM-1), Input [14a]) rounded to tenths of a cent;
[2]   Properly prepared single piece and basic presort mailings are eligible for the Barcode Discount shown in cell [Ak].
      Source:  [Ak] = Inputs Workpaper (WP-BPM-1), Input [14b], rounded to whole cents.
[3]   Calculation:  Row [a], columns [B] to [H] = (Rate Adjustments Workpaper (WP-BPM-15),
          columns [G] + [J], rows [a] to [g], transposed), rounded to whole cents;
      Rows [b], and [f], columns [B] to [H] = (WP-BPM-15, columns [G] + [J], rows [q] to [w], transposed),
        rounded to tenths of a cent;
      Rows [c], and [g], columns [B] to [E] = (WP-BPM-15, columns [G] + [J], rows [j] to [n], transposed),
        rounded to tenths of a cent;
      [Bd] = [Bh] = (WP-BPM-15, [Go] + [Jo]), rounded to tenths of a cent;
      [Be] = [Bj] = (WP-BPM-15, [Gp] + [Jp]), rounded to tenths of a cent.

## Proposed Single Piece Rates [1]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | $1.53 | $1.56 | $1.63 | $1.72 | $1.83 | $1.95 | $2.04 |
| 2.0 | $1.56 | $1.60 | $1.70 | $1.82 | $1.96 | $2.12 | $2.24 |
| 2.5 | $1.60 | $1.65 | $1.77 | $1.92 | $2.10 | $2.30 | $2.45 |
| 3.0 | $1.63 | $1.69 | $1.84 | $2.02 | $2.23 | $2.47 | $2.65 |
| 3.5 | $1.67 | $1.74 | $1.91 | $2.12 | $2.37 | $2.65 | $2.86 |
| 4.0 | $1.70 | $1.78 | $1.98 | $2.22 | $2.50 | $2.82 | $3.06 |
| 4.5 | $1.74 | $1.83 | $2.05 | $2.32 | $2.64 | $3.00 | $3.27 |
| 5.0 | $1.77 | $1.87 | $2.12 | $2.42 | $2.77 | $3.17 | $3.47 |
| 6.0 | $1.84 | $1.96 | $2.26 | $2.62 | $3.04 | $3.52 | $3.88 |
| 7.0 | $1.91 | $2.05 | $2.40 | $2.82 | $3.31 | $3.87 | $4.29 |
| 8.0 | $1.98 | $2.14 | $2.54 | $3.02 | $3.58 | $4.22 | $4.70 |
| 9.0 | $2.05 | $2.23 | $2.68 | $3.22 | $3.85 | $4.57 | $5.11 |
| 10.0 | $2.12 | $2.32 | $2.82 | $3.42 | $4.12 | $4.92 | $5.52 |
| 11.0 | $2.19 | $2.41 | $2.96 | $3.62 | $4.39 | $5.27 | $5.93 |
| 12.0 | $2.26 | $2.50 | $3.10 | $3.82 | $4.66 | $5.62 | $6.34 |
| 13.0 | $2.33 | $2.59 | $3.24 | $4.02 | $4.93 | $5.97 | $6.75 |
| 14.0 | $2.40 | $2.68 | $3.38 | $4.22 | $5.20 | $6.32 | $7.16 |
| 15.0 | $2.47 | $2.77 | $3.52 | $4.42 | $5.47 | $6.67 | $7.57 |
| | | | | | | | |
| Barcode Discount [2] | $0.03 | | | | | | |

### Notes

[1] Rate cells calculated as the sum of per-piece rate and the per-pound rate for each zone,
    times the number of pounds.
  Calculation:  Zoned rates for X pounds = (Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Aa]) +
        (WP-BPM-16, row [a], columns [B] to [H]) * X pounds; (X = 1.5 to 15 pounds).

[2] For eligible barcoded pieces, deduct the Barcode Discount (machinable parcels only).

## Computed Proposed Basic Presort Rates [1],[2]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | $0.955 | $0.993 | $1.059 | $1.161 | $1.273 | $1.404 | $1.509 |
| 2.0 | $0.985 | $1.035 | $1.123 | $1.259 | $1.409 | $1.583 | $1.723 |
| 2.5 | $1.015 | $1.078 | $1.188 | $1.358 | $1.545 | $1.763 | $1.938 |
| 3.0 | $1.045 | $1.120 | $1.252 | $1.456 | $1.681 | $1.942 | $2.152 |
| 3.5 | $1.075 | $1.163 | $1.317 | $1.555 | $1.817 | $2.122 | $2.367 |
| 4.0 | $1.105 | $1.205 | $1.381 | $1.653 | $1.953 | $2.301 | $2.581 |
| 4.5 | $1.135 | $1.248 | $1.446 | $1.752 | $2.089 | $2.481 | $2.796 |
| 5.0 | $1.165 | $1.290 | $1.510 | $1.850 | $2.225 | $2.660 | $3.010 |
| 6.0 | $1.225 | $1.375 | $1.639 | $2.047 | $2.497 | $3.019 | $3.439 |
| 7.0 | $1.285 | $1.460 | $1.768 | $2.244 | $2.769 | $3.378 | $3.868 |
| 8.0 | $1.345 | $1.545 | $1.897 | $2.441 | $3.041 | $3.737 | $4.297 |
| 9.0 | $1.405 | $1.630 | $2.026 | $2.638 | $3.313 | $4.096 | $4.726 |
| 10.0 | $1.465 | $1.715 | $2.155 | $2.835 | $3.585 | $4.455 | $5.155 |
| 11.0 | $1.525 | $1.800 | $2.284 | $3.032 | $3.857 | $4.814 | $5.584 |
| 12.0 | $1.585 | $1.885 | $2.413 | $3.229 | $4.129 | $5.173 | $6.013 |
| 13.0 | $1.645 | $1.970 | $2.542 | $3.426 | $4.401 | $5.532 | $6.442 |
| 14.0 | $1.705 | $2.055 | $2.671 | $3.623 | $4.673 | $5.891 | $6.871 |
| 15.0 | $1.765 | $2.140 | $2.800 | $3.820 | $4.945 | $6.250 | $7.300 |
| Barcode Discount [3] | $0.03 | | | | | | |

**Notes**

[1]   These amounts are correct for the corresponding weights.  Postage will be computed exactly for
       items of intermediate weight as provided in DMM P013.
[2]   Rate cells calculated as the sum of per-piece rate and the per-pound rate for each zone,
       times the number of pounds.
     Calculation:  Zoned rates for X pounds = (Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ab]) +
                 (WP-BPM-16, row [b], columns [B] to [H]) * X pounds; (X = 1.5 to 15 pounds).
[3]   For eligible barcoded pieces, deduct the Barcode Discount (machinable parcels only).

## Computed Proposed Basic Presort Destination Entry Rates [1],[2]

| Weight Not Over (lbs). | DBMC/ASF Zone | | | | DSCF | DDU |
| | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | | |
|---|---|---|---|---|---|---|
| 1.5 | $0.747 | $0.775 | $0.838 | $0.936 | $0.709 | $0.706 |
| 2.0 | $0.772 | $0.810 | $0.894 | $1.024 | $0.722 | $0.718 |
| 2.5 | $0.798 | $0.845 | $0.950 | $1.113 | $0.735 | $0.730 |
| 3.0 | $0.823 | $0.880 | $1.006 | $1.201 | $0.748 | $0.742 |
| 3.5 | $0.849 | $0.915 | $1.062 | $1.290 | $0.761 | $0.754 |
| 4.0 | $0.874 | $0.950 | $1.118 | $1.378 | $0.774 | $0.766 |
| 4.5 | $0.900 | $0.985 | $1.174 | $1.467 | $0.787 | $0.778 |
| 5.0 | $0.925 | $1.020 | $1.230 | $1.555 | $0.800 | $0.790 |
| 6.0 | $0.976 | $1.090 | $1.342 | $1.732 | $0.826 | $0.814 |
| 7.0 | $1.027 | $1.160 | $1.454 | $1.909 | $0.852 | $0.838 |
| 8.0 | $1.078 | $1.230 | $1.566 | $2.086 | $0.878 | $0.862 |
| 9.0 | $1.129 | $1.300 | $1.678 | $2.263 | $0.904 | $0.886 |
| 10.0 | $1.180 | $1.370 | $1.790 | $2.440 | $0.930 | $0.910 |
| 11.0 | $1.231 | $1.440 | $1.902 | $2.617 | $0.956 | $0.934 |
| 12.0 | $1.282 | $1.510 | $2.014 | $2.794 | $0.982 | $0.958 |
| 13.0 | $1.333 | $1.580 | $2.126 | $2.971 | $1.008 | $0.982 |
| 14.0 | $1.384 | $1.650 | $2.238 | $3.148 | $1.034 | $1.006 |
| 15.0 | $1.435 | $1.720 | $2.350 | $3.325 | $1.060 | $1.030 |
| Barcode Discount [3] | $0.03 | | | | | |

### Notes

[1] These amounts are correct for the corresponding weights. Postage will be computed exactly for items of intermediate weight as provided in DMM P013.

[2] Rate cells calculated as the sum of per-piece rate and the per-pound rate for each zone, (if applicable), times the number of pounds.
Calculation: DBMC: Zoned rates for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ac]) +
(WP-BPM-16, row [c], columns [B] to [E]) * X pounds; (X = 1.5 to 15 pounds).
DSCF: Rate for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ad]) +
(WP-BPM-16, [Bd]) * X pounds; (X = 1.5 to 15 pounds).
DDU: Rate for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ae]) +
(WP-BPM-16, [Be]) * X pounds; (X = 1.5 to 15 pounds).

[3] For eligible barcoded pieces, deduct the Barcode Discount (machinable parcels only).

## Computed Proposed Carrier Route Presort Rates [1],[2]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | $0.878 | $0.916 | $0.982 | $1.084 | $1.196 | $1.327 | $1.432 |
| 2.0 | $0.908 | $0.958 | $1.046 | $1.182 | $1.332 | $1.506 | $1.646 |
| 2.5 | $0.938 | $1.001 | $1.111 | $1.281 | $1.468 | $1.686 | $1.861 |
| 3.0 | $0.968 | $1.043 | $1.175 | $1.379 | $1.604 | $1.865 | $2.075 |
| 3.5 | $0.998 | $1.086 | $1.240 | $1.478 | $1.740 | $2.045 | $2.290 |
| 4.0 | $1.028 | $1.128 | $1.304 | $1.576 | $1.876 | $2.224 | $2.504 |
| 4.5 | $1.058 | $1.171 | $1.369 | $1.675 | $2.012 | $2.404 | $2.719 |
| 5.0 | $1.088 | $1.213 | $1.433 | $1.773 | $2.148 | $2.583 | $2.933 |
| 6.0 | $1.148 | $1.298 | $1.562 | $1.970 | $2.420 | $2.942 | $3.362 |
| 7.0 | $1.208 | $1.383 | $1.691 | $2.167 | $2.692 | $3.301 | $3.791 |
| 8.0 | $1.268 | $1.468 | $1.820 | $2.364 | $2.964 | $3.660 | $4.220 |
| 9.0 | $1.328 | $1.553 | $1.949 | $2.561 | $3.236 | $4.019 | $4.649 |
| 10.0 | $1.388 | $1.638 | $2.078 | $2.758 | $3.508 | $4.378 | $5.078 |
| 11.0 | $1.448 | $1.723 | $2.207 | $2.955 | $3.780 | $4.737 | $5.507 |
| 12.0 | $1.508 | $1.808 | $2.336 | $3.152 | $4.052 | $5.096 | $5.936 |
| 13.0 | $1.568 | $1.893 | $2.465 | $3.349 | $4.324 | $5.455 | $6.365 |
| 14.0 | $1.628 | $1.978 | $2.594 | $3.546 | $4.596 | $5.814 | $6.794 |
| 15.0 | $1.688 | $2.063 | $2.723 | $3.743 | $4.868 | $6.173 | $7.223 |

**Notes**

[1]  These amounts are correct for the corresponding weights.  Postage will be computed exactly for items of intermediate weight as provided in DMM P013.

[2]  Rate cells calculated as the sum of per-piece rate and the per-pound rate for each zone, times the number of pounds.

Calculation:  Zoned rates for X pounds = (Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Af]) + (WP-BPM-16, row [f], columns [B] to [H]) * X pounds; (X = 1.5 to 15 pounds).

## Computed Proposed Carrier Route Presort Destination Entry Rates [1],[2]

| Weight Not Over (lbs). | DBMC/ASF Zone | | | | DSCF | DDU |
|---|---|---|---|---|---|---|
| | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | | |
| 1.5 | $0.670 | $0.698 | $0.761 | $0.859 | $0.632 | $0.629 |
| 2.0 | $0.695 | $0.733 | $0.817 | $0.947 | $0.645 | $0.641 |
| 2.5 | $0.721 | $0.768 | $0.873 | $1.036 | $0.658 | $0.653 |
| 3.0 | $0.746 | $0.803 | $0.929 | $1.124 | $0.671 | $0.665 |
| 3.5 | $0.772 | $0.838 | $0.985 | $1.213 | $0.684 | $0.677 |
| 4.0 | $0.797 | $0.873 | $1.041 | $1.301 | $0.697 | $0.689 |
| 4.5 | $0.823 | $0.908 | $1.097 | $1.390 | $0.710 | $0.701 |
| 5.0 | $0.848 | $0.943 | $1.153 | $1.478 | $0.723 | $0.713 |
| 6.0 | $0.899 | $1.013 | $1.265 | $1.655 | $0.749 | $0.737 |
| 7.0 | $0.950 | $1.083 | $1.377 | $1.832 | $0.775 | $0.761 |
| 8.0 | $1.001 | $1.153 | $1.489 | $2.009 | $0.801 | $0.785 |
| 9.0 | $1.052 | $1.223 | $1.601 | $2.186 | $0.827 | $0.809 |
| 10.0 | $1.103 | $1.293 | $1.713 | $2.363 | $0.853 | $0.833 |
| 11.0 | $1.154 | $1.363 | $1.825 | $2.540 | $0.879 | $0.857 |
| 12.0 | $1.205 | $1.433 | $1.937 | $2.717 | $0.905 | $0.881 |
| 13.0 | $1.256 | $1.503 | $2.049 | $2.894 | $0.931 | $0.905 |
| 14.0 | $1.307 | $1.573 | $2.161 | $3.071 | $0.957 | $0.929 |
| 15.0 | $1.358 | $1.643 | $2.273 | $3.248 | $0.983 | $0.953 |

**Notes**

[1]   These amounts are correct for the corresponding weights.  Postage will be computed exactly for items of intermediate weight as provided in DMM P013.

[2]   Rate cells calculated as the sum of per-piece rate and the per-pound rate for each zone, (if applicable), times the number of pounds.

Calculation:  DBMC: Zoned rates for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ag]) +
(WP-BPM-16, row [g], columns [B] to [E]) * X pounds; (X = 1.5 to 15 pounds).

DSCF: Rate for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Ah]) +
(WP-BPM-16, [Bh]) * X pounds; (X = 1.5 to 15 pounds).

DDU: Rate for X pounds =
(Adjusted Rate Schedules Workpaper (WP-BPM-16), cell [Aj]) +
(WP-BPM-16, [Bj]) * X pounds; (X = 1.5 to 15 pounds).

## Proposed Single Piece Rate Percent Changes [1]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | -0.7% | -1.0% | 0.1% | 0.2% | 0.9% | 1.2% | 0.9% |
| 2.0 | -0.5% | -0.9% | 0.5% | 0.7% | 1.4% | 1.8% | 1.4% |
| 2.5 | -0.3% | -0.8% | 0.9% | 1.1% | 1.9% | 2.3% | 1.8% |
| 3.0 | -0.1% | -0.6% | 1.2% | 1.4% | 2.4% | 2.8% | 2.1% |
| 3.5 | 0.1% | -0.5% | 1.5% | 1.7% | 2.8% | 3.2% | 2.4% |
| 4.0 | 0.2% | -0.4% | 1.9% | 2.0% | 3.1% | 3.5% | 2.7% |
| 4.5 | 0.4% | -0.4% | 2.1% | 2.3% | 3.5% | 3.8% | 2.9% |
| 5.0 | 0.6% | -0.3% | 2.4% | 2.5% | 3.7% | 4.1% | 3.1% |
| 6.0 | 0.9% | -0.1% | 2.9% | 3.0% | 4.3% | 4.6% | 3.5% |
| 7.0 | 1.2% | 0.0% | 3.4% | 3.4% | 4.7% | 5.0% | 3.7% |
| 8.0 | 1.4% | 0.2% | 3.8% | 3.7% | 5.0% | 5.3% | 4.0% |
| 9.0 | 1.7% | 0.3% | 4.1% | 4.0% | 5.4% | 5.6% | 4.2% |
| 10.0 | 1.9% | 0.4% | 4.4% | 4.3% | 5.6% | 5.8% | 4.3% |
| 11.0 | 2.1% | 0.5% | 4.7% | 4.5% | 5.9% | 6.0% | 4.5% |
| 12.0 | 2.4% | 0.6% | 5.0% | 4.7% | 6.1% | 6.2% | 4.6% |
| 13.0 | 2.6% | 0.7% | 5.3% | 4.9% | 6.3% | 6.4% | 4.7% |
| 14.0 | 2.7% | 0.8% | 5.5% | 5.1% | 6.5% | 6.5% | 4.8% |
| 15.0 | 2.9% | 0.9% | 5.7% | 5.2% | 6.6% | 6.6% | 4.9% |

**Notes**

[1]  Calculation:  Zoned rate changes for X pounds = (Proposed Single Piece Rates Workpaper, (WP-BPM-17),
zoned rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [20b] +
(Inputs Workpaper, (WP-BPM-1), Input [18]) * X pounds) - 1; (X = 1.5 to 15 pounds).

## Computed Proposed Basic Presort Rate Percent Changes [1]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | 19.9% | 19.7% | 19.2% | 18.8% | 19.0% | 18.9% | 18.2% |
| 2.0 | 19.8% | 19.5% | 19.0% | 18.5% | 18.8% | 18.7% | 17.9% |
| 2.5 | 19.8% | 19.4% | 18.8% | 18.3% | 18.6% | 18.5% | 17.6% |
| 3.0 | 19.7% | 19.3% | 18.6% | 18.1% | 18.5% | 18.3% | 17.4% |
| 3.5 | 19.6% | 19.2% | 18.4% | 17.9% | 18.3% | 18.2% | 17.2% |
| 4.0 | 19.6% | 19.1% | 18.2% | 17.7% | 18.2% | 18.1% | 17.1% |
| 4.5 | 19.5% | 19.0% | 18.1% | 17.6% | 18.1% | 18.0% | 17.0% |
| 5.0 | 19.5% | 18.9% | 18.0% | 17.5% | 18.0% | 18.0% | 16.9% |
| 6.0 | 19.4% | 18.7% | 17.7% | 17.2% | 17.9% | 17.8% | 16.7% |
| 7.0 | 19.3% | 18.6% | 17.6% | 17.1% | 17.8% | 17.7% | 16.6% |
| 8.0 | 19.2% | 18.5% | 17.4% | 16.9% | 17.7% | 17.7% | 16.5% |
| 9.0 | 19.2% | 18.4% | 17.2% | 16.8% | 17.6% | 17.6% | 16.4% |
| 10.0 | 19.1% | 18.3% | 17.1% | 16.7% | 17.5% | 17.5% | 16.4% |
| 11.0 | 19.0% | 18.2% | 17.0% | 16.6% | 17.5% | 17.5% | 16.3% |
| 12.0 | 19.0% | 18.1% | 16.9% | 16.5% | 17.4% | 17.5% | 16.3% |
| 13.0 | 18.9% | 18.0% | 16.8% | 16.4% | 17.4% | 17.4% | 16.2% |
| 14.0 | 18.9% | 18.0% | 16.7% | 16.3% | 17.4% | 17.4% | 16.2% |
| 15.0 | 18.9% | 17.9% | 16.7% | 16.3% | 17.3% | 17.4% | 16.1% |

**Notes**

[1]   Calculation:  Zoned rate changes for X pounds = (Proposed Basic Presort Rates Workpaper, (WP-BPM-18),
         zoned rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21b] +
         (Inputs Workpaper, (WP-BPM-1), Input [19]) * X pounds) - 1; (X = 1.5 to 15 pounds).

## Computed Proposed Basic Presort
## Destination Entry Rate Percent Changes

| Weight Not Over (lbs). | DBMC/ASF Zone [1] | | | | DSCF [2] | DDU [3] |
|---|---|---|---|---|---|---|
| | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | | |
| 1.5 | -6.3% | -6.6% | -5.6% | -4.2% | -11.0% | 21.3% |
| 2.0 | -6.1% | -6.5% | -5.3% | -3.6% | -12.2% | 20.5% |
| 2.5 | -5.9% | -6.4% | -5.0% | -3.1% | -13.3% | 19.7% |
| 3.0 | -5.7% | -6.3% | -4.7% | -2.6% | -14.3% | 18.9% |
| 3.5 | -5.6% | -6.2% | -4.5% | -2.2% | -15.3% | 18.2% |
| 4.0 | -5.4% | -6.1% | -4.3% | -1.9% | -16.2% | 17.5% |
| 4.5 | -5.3% | -6.1% | -4.1% | -1.5% | -17.1% | 16.8% |
| 5.0 | -5.1% | -6.0% | -3.9% | -1.3% | -17.9% | 16.2% |
| 6.0 | -4.9% | -5.9% | -3.6% | -0.8% | -19.5% | 15.0% |
| 7.0 | -4.6% | -5.8% | -3.3% | -0.4% | -20.9% | 13.9% |
| 8.0 | -4.4% | -5.7% | -3.1% | -0.1% | -22.2% | 12.8% |
| 9.0 | -4.2% | -5.6% | -2.9% | 0.2% | -23.3% | 11.9% |
| 10.0 | -4.1% | -5.5% | -2.7% | 0.4% | -24.4% | 11.0% |
| 11.0 | -3.9% | -5.4% | -2.6% | 0.6% | -25.4% | 10.1% |
| 12.0 | -3.8% | -5.4% | -2.4% | 0.8% | -26.3% | 9.4% |
| 13.0 | -3.6% | -5.3% | -2.3% | 1.0% | -27.1% | 8.6% |
| 14.0 | -3.5% | -5.3% | -2.2% | 1.1% | -27.9% | 7.9% |
| 15.0 | -3.4% | -5.2% | -2.1% | 1.2% | -28.6% | 7.3% |

**Notes**

[1]  Calculation:  DBMC:  Zoned rate changes for X pounds =
                        (Proposed Basic Presort Destination Entry Rates Workpaper, (WP-BPM-19),
                        zoned DBMC rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21b] +
                        (Inputs Workpaper, (WP-BPM-1), Input [19]) * X pounds) - 1; (X = 1.5 to 15 pounds).
[2]  Rate change for DSCF is computed relative to Basic Presort Zones 1&2 rates.
     Calculation:   DSCF: Rate changes for X pounds =
                        (Proposed Basic Presort Destination Entry Rates Workpaper, (WP-BPM-19),
                        DSCF rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21b] +
                        (Inputs Workpaper, (WP-BPM-1), Input [19], Zones 1&2) * X pounds) - 1;
                        (X = 1.5 to 15 pounds).
[3]  Rate change for DDU is computed relative to Basic Presort Local zone rates.
     Calculation:   DDU: Rate changes for X pounds =
                        (Proposed Basic Presort Destination Entry Rates Workpaper, (WP-BPM-19),
                        DDU rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21a] +
                        (Inputs Workpaper, (WP-BPM-1), Input [19], Local zone) * X pounds) - 1;
                        (X = 1.5 to 15 pounds).

## Computed Proposed Carrier Route Presort Rate Percent Changes [1]

| Weight Not Over (lbs). | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 |
|---|---|---|---|---|---|---|---|
| 1.5 | 22.0% | 21.7% | 21.0% | 20.5% | 20.5% | 20.2% | 19.3% |
| 2.0 | 21.9% | 21.4% | 20.6% | 20.0% | 20.1% | 19.8% | 18.8% |
| 2.5 | 21.7% | 21.2% | 20.3% | 19.6% | 19.8% | 19.5% | 18.5% |
| 3.0 | 21.6% | 21.0% | 20.0% | 19.3% | 19.5% | 19.2% | 18.2% |
| 3.5 | 21.5% | 20.8% | 19.8% | 19.0% | 19.3% | 19.0% | 17.9% |
| 4.0 | 21.4% | 20.6% | 19.5% | 18.8% | 19.1% | 18.9% | 17.7% |
| 4.5 | 21.3% | 20.5% | 19.3% | 18.5% | 18.9% | 18.7% | 17.6% |
| 5.0 | 21.2% | 20.3% | 19.1% | 18.4% | 18.8% | 18.6% | 17.4% |
| 6.0 | 21.0% | 20.1% | 18.8% | 18.0% | 18.6% | 18.4% | 17.2% |
| 7.0 | 20.8% | 19.8% | 18.5% | 17.8% | 18.4% | 18.2% | 17.0% |
| 8.0 | 20.6% | 19.6% | 18.3% | 17.6% | 18.2% | 18.1% | 16.9% |
| 9.0 | 20.5% | 19.5% | 18.0% | 17.4% | 18.1% | 18.0% | 16.8% |
| 10.0 | 20.4% | 19.3% | 17.9% | 17.2% | 18.0% | 17.9% | 16.7% |
| 11.0 | 20.3% | 19.2% | 17.7% | 17.1% | 17.9% | 17.8% | 16.6% |
| 12.0 | 20.2% | 19.0% | 17.6% | 17.0% | 17.8% | 17.8% | 16.5% |
| 13.0 | 20.1% | 18.9% | 17.4% | 16.9% | 17.8% | 17.7% | 16.4% |
| 14.0 | 20.0% | 18.8% | 17.3% | 16.8% | 17.7% | 17.7% | 16.4% |
| 15.0 | 19.9% | 18.7% | 17.2% | 16.7% | 17.6% | 17.6% | 16.3% |

**Notes**

[1]    Calculation:  Zoned rate changes for X pounds = (Proposed Carrier Route Presort Rates Workpaper, (WP-BPM-20),
           zoned rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21b] - Input [22] +
           (Inputs Workpaper, (WP-BPM-1), Input [19]) * X pounds) - 1; (X = 1.5 to 15 pounds).

## Computed Proposed Carrier Route Presort
## Destination Entry Rate Percent Changes

| Weight Not Over (lbs). | DBMC/ASF Zone [1] | | | | DSCF [2] | DDU [3] |
|---|---|---|---|---|---|---|
| | Zones 1&2 | Zone 3 | Zone 4 | Zone 5 | | |
| 1.5 | -6.9% | -7.2% | -6.2% | -4.6% | -12.2% | 24.6% |
| 2.0 | -6.7% | -7.1% | -5.8% | -3.9% | -13.4% | 23.5% |
| 2.5 | -6.5% | -7.0% | -5.4% | -3.3% | -14.6% | 22.5% |
| 3.0 | -6.3% | -6.8% | -5.1% | -2.8% | -15.7% | 21.6% |
| 3.5 | -6.1% | -6.7% | -4.8% | -2.3% | -16.7% | 20.7% |
| 4.0 | -5.9% | -6.6% | -4.6% | -2.0% | -17.7% | 19.8% |
| 4.5 | -5.7% | -6.5% | -4.4% | -1.6% | -18.6% | 19.0% |
| 5.0 | -5.6% | -6.4% | -4.2% | -1.3% | -19.5% | 18.2% |
| 6.0 | -5.3% | -6.3% | -3.8% | -0.8% | -21.1% | 16.8% |
| 7.0 | -5.0% | -6.2% | -3.5% | -0.4% | -22.5% | 15.5% |
| 8.0 | -4.8% | -6.0% | -3.2% | -0.1% | -23.8% | 14.3% |
| 9.0 | -4.5% | -5.9% | -3.0% | 0.2% | -25.0% | 13.1% |
| 10.0 | -4.3% | -5.8% | -2.8% | 0.4% | -26.0% | 12.1% |
| 11.0 | -4.2% | -5.7% | -2.7% | 0.6% | -27.0% | 11.2% |
| 12.0 | -4.0% | -5.7% | -2.5% | 0.8% | -27.9% | 10.3% |
| 13.0 | -3.8% | -5.6% | -2.4% | 1.0% | -28.7% | 9.4% |
| 14.0 | -3.7% | -5.5% | -2.3% | 1.1% | -29.5% | 8.7% |
| 15.0 | -3.6% | -5.5% | -2.2% | 1.2% | -30.2% | 7.9% |

**Notes**

[1]  Calculation:  DBMC:  Zoned rate changes for X pounds =
             (Proposed Carrier Route Presort Destination Entry Rates Workpaper, (WP-BPM-21),
             zoned DBMC rates for X pounds) /
             (Inputs Workpaper (WP-BPM-1), Input [21b] -Input [22] +
             (Inputs Workpaper, (WP-BPM-1), Input [19]) * X pounds) - 1; (X = 1.5 to 15 pounds).
[2]  Rate change for DSCF is computed relative to Carrier Route Presort Zones 1&2 rates.
     Calculation:    DSCF: Rate changes for X pounds =
             (Proposed Carrier Route Presort Destination Entry Rates Workpaper, (WP-BPM-21),
             DSCF rates for X pounds) / (Inputs Workpaper (WP-BPM-1), Input [21b] - Input [22] +
             (Inputs Workpaper, (WP-BPM-1), Input [19], Zones 1&2) * X pounds) - 1;
             (X = 1.5 to 15 pounds).
[3]  Rate change for DDU is computed relative to Carrier Route Presort Local zone rates.
     Calculation:    DDU: Rate changes for X pounds =
             (Proposed Carrier Route Presort Destination Entry Rates Workpaper, (WP-BPM-21),
             DDU rates for X pounds) / (Inputs Workpaper, (WP-BPM-1), Input [21a] - Input [22] +
             (Inputs Workpaper, (WP-BPM-1), Input [19], Local zone) * X pounds) - 1;
             (X = 1.5 to 15 pounds).

## Calculation of TYAR Pieces and Pounds

| | Zone | Pieces [1] | | | | | | | | | Pounds [2] | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total [A] | Single Piece [B] | Basic Presort [C] | Carrier Route Presort [D] | Total Presort [E] | DBMC Presort [F] | DSCF Presort [G] | DDU Presort [H] | Non-Drop-Shipped Presort [J] | Total [K] | Single Piece [L] | Total Presort [M] | DBMC Presort [N] | DSCF Presort [O] | DDU Presort [P] | Non-Drop-Shipped Presort [Q] |
| [a] | All Zones | 524,742,871 | 30,748,824 | 385,715,960 | 108,278,088 | 493,994,047 | 221,088,024 | 77,063,071 | 35,567,571 | 160,275,381 | 1,287,524,775 | 70,626,601 | 1,216,898,174 | 563,288,535 | 197,666,763 | 91,230,814 | 364,712,063 |
| [b] | 1&2 | 332,828,764 | 15,009,843 | 219,783,046 | 98,035,875 | 317,818,921 | 179,474,953 | 77,063,071 | 35,567,571 | 25,713,325 | 848,715,700 | 33,510,230 | 815,205,469 | 460,353,220 | 197,666,763 | 91,230,814 | 65,954,673 |
| [c] | 3 | 68,149,365 | 2,612,976 | 60,702,002 | 4,834,388 | 65,536,390 | 32,110,107 | | | 33,426,283 | 170,310,739 | 6,034,288 | 164,276,451 | 80,488,633 | | | 83,787,818 |
| [d] | 4 | 48,571,368 | 4,197,006 | 41,804,485 | 2,569,876 | 44,374,361 | 9,283,136 | | | 35,091,225 | 114,451,880 | 9,322,227 | 105,129,653 | 21,993,170 | | | 83,136,483 |
| [e] | 5 | 35,944,963 | 4,106,221 | 30,358,422 | 1,480,320 | 31,838,742 | 219,827 | | | 31,618,914 | 75,819,716 | 10,135,257 | 65,684,459 | 453,512 | | | 65,230,947 |
| [f] | 6 | 14,543,254 | 1,927,064 | 12,053,136 | 563,054 | 12,616,190 | | | | 12,616,190 | 28,653,776 | 4,589,316 | 24,064,460 | | | | 24,064,460 |
| [g] | 7 | 10,817,226 | 1,213,216 | 9,152,185 | 451,826 | 9,604,011 | | | | 9,604,011 | 21,687,210 | 3,013,426 | 18,673,784 | | | | 18,673,784 |
| [h] | 8 | 13,887,932 | 1,682,498 | 11,862,684 | 342,749 | 12,205,433 | | | | 12,205,433 | 27,885,754 | 4,021,856 | 23,863,897 | | | | 23,863,897 |

### Notes

[1]  Source:  [Aa]: Inputs Workpaper (WP-BPM-1), Input [10];
Calculation:  Total forecast volume is apportioned to Single Piece, Basic Presort, and Carrier Route Presort categories based on
   shares of total pieces from the Pieces Distribution Factors Workpaper (WP-BPM-7), row [k];
   [Ba] = [Aa] * (Pieces Distribution Factors Workpaper (WP-BPM-7), cell [Ak]);
   [Ca] = [Aa] * (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Bk]);
   [Da] = [Aa] * (Pieces Distribution Factors workpaper (WP-BPM-7), cell [Ck]);
Calculation:  Column total pieces are apportioned to zones based on the Pieces Distribution Factors workpaper (columns [D] to [F]).
   Rows [b] to [h]:  [B] = [Ba] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [D], rows [a] to [h]);
      [C] = [Ca] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [E], rows [a] to [h]);
      [D] = [Da] * (Pieces Distribution Factors workpaper (WP-BPM-7), column [F], rows [a] to [h]);
      [A] = sum of columns [B] to [D];
      [E] = [C] + [D];
   Rows [b] to [e]:  [F] = [Ea] * (Inputs Workpaper (WP-BPM-1), Inputs [9a] to [9d]);
   [Fa] = sum of [Fb] to [Fe];
   [Gb] = [Ea] * (Inputs Workpaper (WP-BPM-1), Input [9f]);
   [Ga] = [Gb];
   [Hb] = [Ea] * (Inputs Workpaper (WP-BPM-1), Input [9g]);
   [Ha] = [Hb];
   [J] = [E] - [F] - [G] - [H].

[2]  Calculation:  Single piece and presort pounds are calculated from forecast volumes (cells [Ba] and [Ea]) based on pounds per piece data from WP-BPM-6 and WP-BPM-7 workpapers;
Calculation:  [La] = [Ba] * (Pounds Distribution Factors Workpaper (WP-BPM-6), [Ajj]) / (Pieces Distribution Factors Workpaper (WP-BPM-7), [Ajj]);
   [Ma] = [Ea] * (Pounds Distribution Factors Workpaper (WP-BPM-6), [Bjj]) / (Pieces Distribution Factors Workpaper (WP-BPM-7), [Bjj] + [Cjj]);
   [Na] = [Ma] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), [Ch]) / (Sum of WP-BPM-10, cells [Bh] to [Eh]);
   [Oa] = [Ma] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), [Dh]) / (Sum of WP-BPM-10, cells [Bh] to [Eh]);
   [Pa] = [Ma] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), [Eh]) / (Sum of WP-BPM-10, cells [Bh] to [Eh]);
   [Qa] = [Ma] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), [Bh]) / (Sum of WP-BPM-10, cells [Bh] to [Eh]);
Calculation:  Single Piece total pounds are apportioned to zones based on the Pounds Distribution Factors Workpaper (WP-BPM-6), column [D];
   DBMC and Non-Dropshipped total pounds are apportioned to zones based on the Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), columns [C] and [B];
   [Lb] = [La] * (Pounds Distribution Factors Workpaper (WP-BPM-6), [Da] + [Db]);
   Rows [c] to [h]:  [L] = [La] * (Pounds Distribution Factors Workpaper (WP-BPM-6), column [D], rows [c] to [h]);
   Rows [b] to [e]:  [N] = [Na] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), column [C], rows [a] to [d]) / (WP-BPM-10, cell [Ch]);
   [Ob] = [Oa];
   [Pb] = [Pa];
   Rows [b] to [h]:  [Q] = [Qa] * (Distribution of Test Year Transportation Costs Workpaper (WP-BPM-10), column [B], rows [a] to [g]) / (WP-BPM-10, cell [Bh]);
   Rows [b] to [h]:  [M] = Sum of columns [N] to [Q];
      [A] = sum of columns [B] to [D];
   [K] = [L] + [M].

## Calculation of TYAR Revenue

### Single Piece Bound Printed Matter

| | | Per Piece Component [1] | | | Per Pound Component [2] | | | Preliminary Total Revenue [3] |
|---|---|---|---|---|---|---|---|---|
| | | Pieces [A] | Per Piece Rate [B] | Revenue [C] | Pounds [D] | Per Pound Rate [E] | Revenue [F] | [G] |
| [a] | Zones 1&2 | 15,009,843 | $1.42 | $21,313,977 | 33,510,230 | $0.07 | $2,345,716 | $23,659,693 |
| [b] | Zone 3 | 2,612,976 | $1.42 | $3,710,426 | 6,034,288 | $0.09 | $543,086 | $4,253,512 |
| [c] | Zone 4 | 4,197,006 | $1.42 | $5,959,749 | 9,322,227 | $0.14 | $1,305,112 | $7,264,861 |
| [d] | Zone 5 | 4,106,221 | $1.42 | $5,830,834 | 10,135,257 | $0.20 | $2,027,051 | $7,857,885 |
| [e] | Zone 6 | 1,927,064 | $1.42 | $2,736,431 | 4,589,316 | $0.27 | $1,239,115 | $3,975,546 |
| [f] | Zone 7 | 1,213,216 | $1.42 | $1,722,766 | 3,013,426 | $0.35 | $1,054,699 | $2,777,465 |
| [g] | Zone 8 | 1,682,498 | $1.42 | $2,389,147 | 4,021,856 | $0.41 | $1,648,961 | $4,038,109 |

### Presort Bound Printed Matter

| | | Per Piece Component [4] | | | Per Pound Component [5] | | | Preliminary Total Revenue [6] |
|---|---|---|---|---|---|---|---|---|
| | | Pieces [A] | Per Piece Rate [B] | Revenue [C] | Pounds [D] | Per Pound Rate [E] | Revenue [F] | [G] |
| [h] | Zones 1&2 | 317,818,921 | $0.865 | $274,913,367 | 815,205,469 | $0.060 | $48,912,328 | $323,825,695 |
| [j] | Zone 3 | 65,536,390 | $0.865 | $56,688,977 | 164,276,451 | $0.085 | $13,963,498 | $70,652,475 |
| [k] | Zone 4 | 44,374,361 | $0.865 | $38,383,823 | 105,129,653 | $0.129 | $13,561,725 | $51,945,548 |
| [m] | Zone 5 | 31,838,742 | $0.865 | $27,540,512 | 65,684,459 | $0.197 | $12,939,838 | $40,480,350 |
| [n] | Zone 6 | 12,616,190 | $0.865 | $10,913,004 | 24,064,460 | $0.272 | $6,545,533 | $17,458,537 |
| [o] | Zone 7 | 9,604,011 | $0.865 | $8,307,469 | 18,673,784 | $0.359 | $6,703,889 | $15,011,358 |
| [p] | Zone 8 | 12,205,433 | $0.865 | $10,557,700 | 23,863,897 | $0.429 | $10,237,612 | $20,795,312 |

### Revenue Discounts

| | | Per Piece Component [7] | | | Per Pound Component [8] | | | Preliminary Total Discount [9] |
|---|---|---|---|---|---|---|---|---|
| | | Pieces [A] | Per Piece Discount [B] | Discount [C] | Pounds [D] | Per Pound Discount [E] | Discount [F] | [G] |
| | Carrier Route | | | | | | | |
| [q] | Zones 1&2 | 98,035,875 | $0.077 | $7,548,762 | --- | --- | --- | $7,548,762 |
| [r] | Zone 3 | 4,834,388 | $0.077 | $372,248 | --- | --- | --- | $372,248 |
| [s] | Zone 4 | 2,569,876 | $0.077 | $197,880 | --- | --- | --- | $197,880 |
| [t] | Zone 5 | 1,480,320 | $0.077 | $113,985 | --- | --- | --- | $113,985 |
| [u] | Zone 6 | 563,054 | $0.077 | $43,355 | --- | --- | --- | $43,355 |
| [v] | Zone 7 | 451,826 | $0.077 | $34,791 | --- | --- | --- | $34,791 |
| [w] | Zone 8 | 342,749 | $0.077 | $26,392 | --- | --- | --- | $26,392 |
| | DBMC | | | | | | | |
| [x] | Zones 1&2 | 179,474,953 | $0.195 | $34,997,616 | 460,353,220 | $0.009 | $4,143,179 | $39,140,795 |
| [y] | Zone 3 | 32,110,107 | $0.195 | $6,261,471 | 80,488,633 | $0.015 | $1,207,330 | $7,468,800 |
| [z] | Zone 4 | 9,283,136 | $0.195 | $1,810,212 | 21,993,170 | $0.017 | $373,884 | $2,184,095 |
| [aa] | Zone 5 | 219,827 | $0.195 | $42,866 | 453,512 | $0.020 | $9,070 | $51,937 |
| [ab] | DSCF | 77,063,071 | $0.195 | $15,027,299 | 197,666,763 | $0.034 | $6,720,670 | $21,747,969 |
| [ac] | DDU | 35,567,571 | $0.195 | $6,935,676 | 91,230,814 | $0.036 | $3,284,309 | $10,219,986 |
| [ad] | Barcoding | 108,061,720 | $0.030 | $3,241,852 | --- | --- | --- | $3,241,852 |

### Calculation of TYAR Revenue

**Revenue Summary**

| | Per Piece Component [10] [A] | Per Pound Component [11] [B] | Total [12] [C] |
|---|---|---|---|
| **Single Piece Revenue** | | | |
| [ae]   Before Discounts | $43,663,330 | $10,163,741 | $53,827,070 |
| [af]   Adjusted | | | $55,545,847 |
| | | | |
| **Presort Revenue** | | | |
| [ag]   Before Discounts | $427,304,851 | $112,864,424 | $540,169,275 |
| [ah]   Adjusted | | | $539,474,238 |
| | | | |
| [aj] **Total Revenue Discounts** | -$76,654,404 | -$15,738,442 | -$92,392,846 |
| | | | |
| [ak] **Net Revenue Before Fees** | $394,313,776 | $107,289,723 | $502,627,239 |
| | | | |
| [am] **Total Fees** | | | $698,000 |
| | | | |
| [an] **Net Revenue With Fees** | | | $503,325,239 |

**Notes**

[1]   Source: Rows [a] to [g]: [A]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Bb] to [Bh];
            [B]: Adjusted Rate Schedules Workpaper (WP-BPM-16), [Aa];
        Calculation:  Rows [a] to [g]:  [C] = [A] * [B].
[2]   Source: Rows [a] to [g]: [D]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Lb] to [Lh];
            [E]: Adjusted Rate Schedules Workpaper (WP-BPM-16), Row [a], columns [B] to [H], transposed;
        Calculation:  Rows [a] to [g]:  [F] = [D] * [E].
[3]   Calculation:  Rows [a] to [g]:  [G] = [C] + [F].
[4]   Source: Rows [h] to [p]: [A]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Eb] to [Eh];
            [B]: Adjusted Rate Schedules Workpaper (WP-BPM-16), [Ab];
        Calculation:  Rows [h] to [p]:  [C] = [A] * [B].
[5]   Source: Rows [h] to [p]: [D]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Mb] to [Mh];
            [E]: Adjusted Rate Schedules Workpaper (WP-BPM-16), Row [b], columns [B] to [H], transposed;
        Calculation:  Rows [h] to [p]:  [F] = [D] * [E].
[6]   Calculation:  Rows [h] to [p]:  [G] = [C] + [F].
[7]   Source: Rows [q] to [w]: [A]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Db] to [Dh];
            [B]: Inputs Workpaper (WP-BPM-1), Input [14a];
        Rows [x] to [aa]: [A]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Fb] to [Fe];
            [B]: Adjusted Rate Schedules Workpaper (WP-BPM-16), [Ab] - [Ac];
        [Aab]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Gb];
        [Bab]: Adjusted Rate Schedules Workpaper (WP-BPM-16), [Ab] - [Ad];
        [Aac]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Hb];
        [Bac]: Adjusted Rate Schedules Workpaper (WP-BPM-16), [Ab] - [Ae];
        Calculation:  Barcoded volume calculated from single piece and presort volumes (less ineligible presort pieces) and barcode shares;
        Calculation:  [Aad] = (TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Ba]) * (Inputs Workpaper (WP-BPM-1), Input [7]) +
                ((WP-BPM-27, [Ca]) - (WP-BPM-27, [Ca] / [Ea])* (Sum of [Ax] to [Aaa]) * (WP-BPM-1, Input [9e]) + [Aab] + [Aac])) *
                (WP-BPM-1, Input [8]);
            [Bad]: Inputs Workpaper (WP-BPM-1), Input [14b], rounded to whole cents;
        Calculation:  Rows [q] to [ad]:  [C] = [B] * [A].
[8]   Source: Rows [x] to [aa]: [D]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Nb] to [Ne];
        [Dab]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Ob];
        [Dac]: TYAR Pieces and Pounds Workpaper (WP-BPM-27), [Pb];
        Calculation:  Rows [x] to [aa]: [E] = (Adjusted Rate Schedules (WP-BPM-16), columns [B] to [E], row [b] - row [c]), transposed;
                [Eab] = (WP-BPM-16, [Bb] - [Bd]);
                [Eac] = (WP-BPM-16, [Bb] - [Be]);
            Rows [x] to [ac]:  [F] = [D] * [E].
[9]   Calculation:  Rows [q] to [ad]:  [G] = [C] + [F].
[10]  Calculation:  [Aae] = Sum of [Ca] to [Cg];
            [Aag] = Sum of [Ch] to [Cp];
            [Aaj] = (Sum of [Cq] to [Cad])*(-1);
            [Aak] = [Aae] + [Aag] + [Aaj];
[11]  Calculation:  [Bae] = Sum of [Fa] to [Fg];
            [Bag] = Sum of [Fh] to [Fp];
            [Baj] = (Sum of [Fx] to [Fac])*(-1);
            [Bak] = [Bae] + [Bag] + [Baj];
[12]  Calculation:  [Cae] = [Aae] + [Bae];
            [Caf] = [Cae] * (Inputs Workpaper (WP-BPM-1), Input [4]);
            [Cag] = [Aag] + [Bag];
            [Cah] = [Cag] * (Inputs Workpaper (WP-BPM-1), Input [5]);
            [Caj] = [Aaj] + [Baj];
            [Cak] = [Caf] + [Cah] + [Caj];
    Source:  [Cam]:  Inputs Workpaper (WP-BPM-1), Input [17];
    Calculation:  [Can] = [Cak] + [Cam].

### Bound Printed Matter Financial Summary

|     |                   | Volume [1] [A] | Cost [2] [B] | Revenue [3] [C] | Cost Coverage [4] [D] | Cost Per Piece [5] [E] | Revenue Per Piece [6] [F] | Contribution Per Piece [7] [G] |
|-----|-------------------|----------------|--------------|-----------------|-----------------------|------------------------|---------------------------|-------------------------------|
| [a] | Before Rates      | 541,975,772    | $493,423,725 | $492,553,800    | 99.8%                 | $0.91                  | $0.91                     | $0.00                         |
| [b] | After Rates       | 524,742,871    | $479,203,900 | $503,325,239    | 105.0%                | $0.91                  | $0.96                     | $0.05                         |
| [c] | Per Piece Changes |                |              |                 |                       | 0.3%                   | 5.5%                      | ---                           |

**Notes**

[1] Source: [Aa]: Inputs Workpaper (WP-BPM-1), Input [6];
    [Ab]: Inputs Workpaper (WP-BPM-1), Input [10].
[2] Costs include contingency:
    Calculation: [Ba] = (Inputs Workpaper (WP-BPM-1), Input [11] * (1 + Input [3]));
    [Bb] = (Inputs Workpaper (WP-BPM-1), Input [15] * (1 + Input [3])).
[3] Revenues include Fees:
    Calculation: [Ca] = (TYBR Revenue Workpaper (WP-BPM-13), [Gk] + [Gv])
        - (Revenue Leakages Workpaper (WP-BPM-12), [Ga]) * (Inputs Workpaper (WP-BPM-1), Input [22] / Input [14a])
        - (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Ba]) * (WP-BPM-1, Input [7] * Input [23])
        - (TYBR Pounds and Pieces Workpaper (WP-BPM-8), [Ca]) * (WP-BPM-1, Input [8] * Input [23])
        + (WP-BPM-1, Input [16]);
    Source: [Cb]: TYAR Revenue Calculation Workpaper (WP-BPM-28), [Can].
[4] Calculation: [D] = [C] / [B].
[5] Calculation: Rows [a] and [b]: [E] = [B] / [A];
    [Ec] = [Eb] / [Ea] - 1.
[6] Calculation: Rows [a] and [b]: [F] = [C] / [A];
    [Fc] = [Fb] / [Fa] - 1.
[7] Calculation: Rows [a] and [b]: [G] = [F] - [E];
    [Gc] = [Gb] / [Ga] - 1.