

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000 :
_____ :

DOCKET NO. R2000-1

ERRATA FILED BY UNITED PARCEL SERVICE
TO THE DIRECT TESTIMONY OF UPS
WITNESSES RALPH L. LUCIANI (UPS-T-5)
AND DAVID E. M. SAPPINGTON (UPS-T-6)
(June 22, 2000)

A review of the price inputs in the Parcel Post volume estimation spreadsheets underlying United Parcel Service ("UPS") witness Luciani's workpapers UPS-Luciani-WP-3-2.1, 3-3.1, and 3-3.5, prompted by interrogatory USPS/UPS-T5-25, has revealed that Mr. Luciani inadvertently took literally the "R97-1 (1999Q2)" title in Dr. Tolley's spreadsheets and, as a result, Mr. Luciani input price information for that quarter, whereas Dr. Tolley (properly) used 1999 Quarter 3 prices that included the full impact of the Docket No. R97-1 increase. This has been corrected in the attached revised portions of Mr. Luciani's workpapers. Mr. Luciani has made a similar correction to the prices input in the "R00-1 (2001Q1)" line of his workpapers, *i.e.*, he has now substituted prices for Quarter 2 of the Test Year for 2001 Quarter 1 prices.

In addition, Mr. Luciani has made a correction to the Priority Mail cross-price used in the volume estimation spreadsheet underlying UPS-Luciani-WP-3-3.1 to conform to the results of the Priority Mail rollforward.

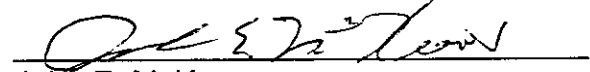
Finally, footnote 10 on page 25 of Mr. Luciani's testimony was misplaced. It should appear on page 26, line 6, after "savings."

Revised pages of UPS-Luciani-WP-3 are attached, as well as revised pages 19, 21, 25, and 26 of his testimony, UPS-T-5. The revisions to the testimony are in boldface. Revised UPS-Luciani-WP-3 computer files are also being filed.

These errata change the Priority Mail test year volumes and attributed costs shown in Table 6 on page 36 of UPS witness Sappington's testimony, UPS-T-6, and Parcel Post's test year volumes, attributable costs, and the Parcel Post rate increase calculated by Mr. Luciani and reported in Dr. Sappington's testimony at pages 39 and 40. In addition, Dr. Sappington is making some minor revisions in the "% Change in Real Attributed Cost" and the "Average Annual % Change in Real Attributed Cost per piece" shown in Table 6 as well as correcting minor typographical errors in footnotes 36 and 42 on pages 31 and 34, respectively; none of those changes affects the substance of Dr. Sappington's testimony. Again, revised pages are attached, with the revisions appearing in boldface.

UPS regrets the inconvenience these oversights may have caused.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John E. McKeever", is written over a horizontal line.

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IDENTIFICATION OF ERRATA TO
DIRECT TESTIMONY OF UPS
WITNESS RALPH L. LUCIANI (UPS-T-5)

<u>Page</u>	<u>Line</u>	<u>Revision</u>
19	Table 7, Parcel Post "As Corrected" Revenue	Change "991.2" to "1,010.0"
19	Table 7, Parcel Post "As Corrected" Attributable Cost	Change "1216.1" to "1,238.5"
19	Table 8, Parcel Post "As Corrected and Revised" Revenue	Change "997.7" to "1,071.7"
19	Table 8, Parcel Post "As Corrected and Revised" Attributable Cost	Change "898.7" to "965.5"
19	Table 8, Parcel Post "As Corrected and Revised" Rate Increase	Change "31%" to "25%"
21	Table 9, "As Corrected" Intra-BMC TYBR	Change "35,675" to "34,402"
21	Table 9, "As Corrected" Inter-BMC TYBR	Change "57,473" to "56,035"
21	Table 9, "As Corrected" DBMC TYBR	Change "223,126" to "220,429"
21	Table 9, "As Corrected" Total TYBR	Change "316,274" to "310,865"
25	15	Delete footnote indicator 10; also delete footnote 10 at the bottom of the page
26	6 (formerly); now line 3	Add footnote indicator 10 after "modeled savings." Also add footnote 10 before footnote 11

- 1 The resulting cost coverages under the Postal Service's proposed rates are shown in
2 Table 7, below.

Table 7: TYAR Revenue and Attributable Cost
(Commission's Costing Method, Postal Service Proposed Rates)

	As Filed (USPS-LR-I-131)				As Corrected			
	Revenue	Attributable Cost	Cost Coverage	Rate Increase	Revenue	Attributable Cost	Cost Coverage	Rate Increase
Priority Mail	5,542.3	3,389.0	164%	15%	5,542.3	3,653.7	152%	15%
Express Mail	1,068.6	719.3	149%	4%	1,068.6	590.6	181%	4%
Parcel Post	1,211.5	1,082.0	112%	2%	1,010.0	1,238.5	82%	2%

Source: UPS-Luciani-WP-3

3 **C. Test Year After Rates – Revised Cost Coverages**

- 4 I have calculated the Priority Mail and Parcel Post rate increases that would
5 result from the cost coverage recommendations provided by UPS Witness Sappington,
6 as shown in Table 8, below. Table 8 also shows the rate increase needed for Express
7 Mail to cover its revised costs using the Postal Service's proposed markup ratio
8 normalized to the systemwide coverage.

Table 8: TYAR Revenue and Attributable Cost
(Commission's Costing Method, Revised Cost Coverages)

	As Filed (USPS-LR-I-131)			As Corrected and Revised			
	Revenue	Attributable Cost	Rate Increase	Revenue	Attributable Cost	Cost Coverage	Rate Increase
Priority Mail	5,542.3	3,389.0	15%	5,787.9	3,288.2	176%	40%
Express Mail	1,068.6	719.3	4%	1,191.8	603.6	197%	13%
Parcel Post	1,211.5	1,082.0	2%	1,071.7	965.5	111%	25%

Source: UPS-Luciani-WP-3

Table 9: Corrected Projection of Parcel Post Volumes

(000)

	Postal Service As Filed		As Corrected	
	Base Year	TYBR	Base Year	TYBR
Intra-BMC	42,121	28,817	48,172	34,402
Inter-BMC	64,314	51,620	67,745	56,035
DBMC	209,713	298,009	150,562	220,429
Total	316,148	378,447	266,479	310,865

Source: UPS-Luciani-WP-3

**THE POSTAL SERVICE HAS OVERSTATED THE
COSTS AVOIDED BY PARCEL POST WORKSHARING.**

A. DBMC-Entry Mail Processing Cost Avoidance Is Overstated.

As in Docket No. R97-1, the Postal Service is again proposing a much greater rate increase for inter-BMC and intra-BMC Parcel Post than for DBMC-entry Parcel Post, as shown in Table 10, below.

Table 10: Rate Increases by Parcel Post Rate Category

	R97-1 Postal Service Proposed Rate Increase	R2000-1 Postal Service Proposed Rate Increase
Non-workshared Inter-BMC	16.5%	10.0%
Non-workshared Intra-BMC	21.6%	9.4%
DBMC-Entry	3.7%	0.5%

Source: UPS-T-4, page 24 (R97-1), Tr. 13/5010

1 machinable cost difference, rather than taking a weighted average of the machinable
2 and non-machinable avoidances, since the cost-based non-machinable surcharge takes
3 into account the cost differences between DBMC-entry parcels and intra-BMC parcels
4 with respect to non-machinability.⁹

5 The Postal Service determines the other Parcel Post discounts (DDU-entry,
6 DSCF-entry, OBMC-entry, and BMC presort) on the basis of the bottom-up approach,
7 and has done so since those discounts were instituted in Docket No. R97-1. The top-
8 down approach for DBMC-entry cost avoidance is an artifact of history previously
9 necessitated by the lack of workflow models. Now that the Postal Service has
10 developed workflow models that were accepted by the Commission in Docket No.
11 R97-1, the same models should be used to derive all mail processing avoided costs,
12 including that for DBMC entry.

13 Because the Postal Service's workflow models currently start at the origin SCF,
14 the bottom-up approach does not capture any DBMC-entry mail processing costs
15 avoided at the origin AO. Ms. Eggleston indicates that these origin AO costs are for
16 collection, placing parcels into containers, and loading containers. Tr. 13/5168. Postal
17 Service witness Degen has stated that these types of costs at the origin AO are
18 predominantly in pool LD43 and Function 4 costs in pool LD48 (Tr. 15/6547-49). As a
19 result, I have used the outgoing non-DBMC Parcel Post costs from (1) the LD43 cost
20 pool, (2) the Function 4 costs in the LD48 pool, and (3) conservatively, all of the non-

9. The fact that the top-down approach is unable to distinguish between machinable and non-machinable savings is another reason to move to the bottom-up approach.

1 MODS costs pools, divided by the Parcel Post volume entered upstream of the BMC to
2 determine an additional 10.9 cents of cost savings not yet reflected in the workflow
3 modeled savings.¹⁰ See Exhibit UPS-T-5F.¹¹

4 Adding the 10.9 cents of avoided costs at the AO to the 24.9 cents of savings
5 from the workflow models from the origin SCF on yields a total mail processing avoided
6 cost for DBMC of 35.8 cents. This is reasonably close to the 30 cents per piece DBMC-
7 entry avoided mail processing cost savings determined by the Commission in Docket
8 No. R97-1. That is not surprising, since the Docket No. R97-1 discount was
9 implemented little more than a year ago. I recommend that 35.8 cents per piece be
10 used in this proceeding.¹² Using a similar methodology, I have calculated the applicable
11 avoided cost to be 36.4 cents per piece if 100% volume variability for mail processing is

10. **The total would be 11.8 cents using uncorrected Parcel Post volumes. The top-down approach also requires adjustment for items such as how often an ASF acts as a BMC, and removal of platform acceptance costs. See USPS-T-26, Attachment F.**

11. Inclusion of these outgoing AO costs as well as incoming sortation costs at the AO decreases Ms. Eggleston's derivation of the CRA multiplier from 1.154 to approximately 1.00. Moreover, a CRA multiplier focused solely on the non-BMC cost pools would be significantly lower than 1.00. See UPS-Luciani-WP-1, Section E. However, I followed Ms. Eggleston's practice of not applying the CRA multiplier in the derivation of Parcel Post destination entry cost avoidances using the bottom-up method, since Ms. Eggleston's approach is the correct one.

12. DBMC-entry parcels have more cubic feet per piece than do intra-BMC parcels. Ms. Eggleston's workflow models for intra-BMC and DBMC do not take this differential density into account. Indeed, the DBMC mail processing worksharing savings should be measured as the cost of intra-BMC pieces on average (with their lower cubic feet per piece) minus the cost of DBMC-entry pieces on average (with their higher cubic feet per piece). Thus, the estimate given above is conservatively high.

UPS-Luciani-WP-3

**Revised 6/20/00
Revised Sheets Only**

UPS Proposed BY, TYBR, and TYAR Revenue, Cost and Volume

	<u>Revenue</u>	<u>Attrib Cost</u>	<u>Cost Coverage</u>	<u>Markup Ratio</u>	<u>Volume</u>	<u>Inc</u>	<u>Rev/pc</u>	<u>Inc</u>	<u>Cost/pc</u>	<u>Inc</u>
<u>Priority Mail</u>										
As Filed:										
BY"	4,187.4	2,693.2	155%		1,174.4		3.57		2.29	
TYBR"	5,229.8	3,612.6	145%		1,356.7	15.5%	3.85	8.1%	2.66	16.1%
TYAR"	5,542.3	3,389.0	164%	1.166	1,249.8	-7.9%	4.43	15.0%	2.71	1.8%
With UPS Changes:										
BY"	4,187.4	2,911.6	144%		1,174.4		3.57		2.48	
TYBR"	5,229.8	3,892.1	134%		1,356.7	15.5%	3.85	8.1%	2.87	15.7%
TYAR"	5,787.8	3,288.7	176%	1.394	1,070.2	-21.1%	5.41	40.3%	3.07	5.1%
<u>Express Mail</u>										
As Filed:										
BY"	854.5	619.5	138%		66.2		12.90		9.35	
TYBR"	1,019.5	712.8	143%		71.6	8.1%	14.23	10.3%	9.95	6.4%
TYAR"	1,068.6	719.3	149%	0.891	72.3	0.9%	14.78	3.9%	9.95	0.0%
With UPS Changes:										
BY"	854.5	508.7	168%		66.2		12.90		7.68	
TYBR"	1,019.5	585.3	174%		71.6	8.1%	14.23	10.3%	8.17	6.4%
TYAR"	1,191.8	603.6	197%	1.788	73.9	3.2%	16.12	13.3%	8.17	0.0%
<u>Parcel Post</u>										
As Filed:										
BY"	947.9	880.9	108%		316.1		3.00		2.79	
TYBR"	1,197.8	1,108.6	108%		378.4	19.7%	3.17	5.6%	2.93	5.1%
TYAR"	1,211.5	1,082.0	112%	0.220	374.1	-1.1%	3.24	2.3%	2.89	-1.3%
With UPS Changes:										
BY"	823.6	1,041.1	79%		266.5		3.09		3.91	
TYBR"	1,006.0	1,278.4	79%		310.9	16.7%	3.24	4.7%	4.11	5.3%
TYAR"	1,071.7	965.5	111%	0.202	265.1	-14.7%	4.04	24.9%	3.64	-10.3%

Note:

- Parcel Post Base Year As Filed includes adjustment to PRC Alaska Air treatment.
- PRC TYAR markup 54.5%.

Parcel Post Simplified Roll Forward

		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>	<u>[E]</u>	<u>[F]</u>	<u>[G]</u>	<u>[H]</u>	<u>[I]</u>
		<u>Revenue</u>	<u>Attrib</u> <u>Cost</u>	<u>Cost</u> <u>Coverage</u>	<u>Volume</u>	<u>Inc</u>	<u>Rev/pc</u>	<u>Inc</u>	<u>Cost/pc</u>	<u>Inc</u>
	PRC Version As Filed									
[1]	BY	947.95	880.91	108%	316.15		2.998		2.786	
[2]	TYBR	1,197.80	1,108.63	108%	378.45	20%	3.165	6%	2.929	5%
[3]	TYAR	1,211.45	1,082.00	112%	374.10	-1%	3.238	2%	2.892	-1%
	With corrected BY, same TYAR rate increase									
[4]	BY'	823.57	1,020.64	81%	266.48		3.091		3.830	
[5]	TYBR'	1,014.13	1,251.76	81%	310.87	17%	3.262	6%	4.027	5%
[6]	TYAR'	1,018.40	1,213.01	84%	305.11	-2%	3.338	2%	3.976	-1%
	Specific Fixed (Advertising) corrections since filing of PRC Version									
[7]	BY									
[8]	TYBR									
[9]	TYAR									
	Corrections to OMAS/Alaska Revenue and Final Adjustments									
[7A]	BY									
[8B]	TYBR	(8.1)	7.7							
[9C]	TYAR	(8.4)	6.6							
	With Corrections, same TYAR rate increase									
[10]	BY"	823.57	1,041.14	79%	266.48		3.091		3.907	
[11]	TYBR"	1,006.04	1,278.42	79%	310.87	17%	3.236	5%	4.112	5%
[12]	TYAR"	1,010.00	1,238.54	82%	305.11	-2%	3.310	2%	4.059	-1%
	With revised TYAR rate increase									
[13]	TYAR"	1,071.74	965.51	111%	265.06	-15%	4.043	24.9%	3.643	-10%

Sources:

- [1] BY Revenue, Pafford, FY 1998 RPW Tables 1-3.
- [2], [3] TYBR and TYAR Revenue, Mayes USPS T-32A-E, revised 4/21.
- [4] Corrected BY revenue, Institutional UPS/USPS-3-4.
- [1] BY Att. Cost, Meehan LR-130 Revised PRCCOST.XLS. Figure was adjusted for Alaska Air treatment.
- [2] Total Att. Cost TYBR PRC -- Vol H, LR-131, D Report, includes contingency and specific fixed.
- [3] Total Att. Cost TYAR PRC -- Vol J, LR-131, D Report, includes contingency and specific fixed.
- [4] Corrected BY Att. Cost, UPS Revised.
- [1] BY Volume, Pafford, FY 1998 RPW Tables 1-3.
- [2] TYBR Volume, Mayes USPS T-32A-E, revised 4/21.
- [3] TYAR Volume - Mayes POIR 1, Q4 response.
- [4] Corrected BY Volume - CRA FY98.
- [5] Corrected TYBR Volume - UPS Revised.
- [6] Corrected TYAR Volume - UPS Revised.
- [13] Volume with revised TYAR rate increase from Tolley Rollforward model assuming 24.9% rate increase and 266 million BY volume.

Calculation Key:

<u>Line</u>	<u>Revenue</u>	<u>Attrib</u> <u>Cost</u>	<u>Cost</u> <u>Coverage</u>	<u>Volume</u>	<u>Inc</u>	<u>Rev/pc</u>	<u>Inc</u>	<u>Cost/pc</u>	<u>Inc</u>
No. [1]	Source	Source	[A]/[B]	Source		[A]/[D]		[B]/[D]	
No. [2]	Source	Source	[A]/[B]	Source	[D2]/[D1]-1	[A]/[D]	[F2]/[F1]-1	[B]/[D]	[H2]/[H1]-1
No. [3]	Source	Source	[A]/[B]	Source	[D3]/[D2]-1	[A]/[D]	[F3]/[F2]-1	[B]/[D]	[H3]/[H2]-1
No. [4]	Source	Source	[A]/[B]	Source		[A]/[D]		[B]/[D]	
No. [5]	[D]*[F]	[D]*[H]	[A]/[B]	Source	[D5]/[D4]-1	[F2]/[F1]*[F4]	[F5]/[F4]-1	[H4]/[H3]-1	[H5]/[H4]-1
No. [6]	[D]*[F]	[D]*[H]	[A]/[B]	Source	[D6]/[D5]-1	[F3]/[F1]*[F4]	[F6]/[F5]-1	[H5]/[H4]-1	[H6]/[H5]-1
No. [7]		Source							
No. [8]		Source							
No. [9]		Source							
No. [7A]									
No. [8B]	Source	Source							
No. [9C]	Source	Source							
No. [10]	[A4]	[B7]*1.025+[B4]	[A]/[B]	[D4]		[A]/[D]		[B]/[D]	
No. [11]	[A5]	[B8]*1.025+[B5]	[A]/[B]	[D5]	[D11]/[D10]-1	[A]/[D]	[F11]/[F10]-1	[B]/[D]	[H11]/[H10]-1
No. [12]	[A6]	[B9]*1.025+[B6]	[A]/[B]	[D6]	[D12]/[D11]-1	[A]/[D]	[F12]/[F11]-1	[B]/[D]	[H12]/[H11]-1
No. [13]	[D]*[F]	[D]*[H]	[A]/[B]	Source	[D13]/[D11]-1	(1+[G13])*[F11]	Assumption	[H6]/[H5]-1	[E13]/[E6]*[I6]

R2000-1 Before-Rates Volume Forecast

	2000Q1	2000Q2	2000Q3	2000Q4	2000PFY	2000GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,473.553	23,880.965	22,960.113	28,883.882	98,198.513	98,781.073
-- Single-Piece	12,298.293	13,333.700	12,504.012	15,311.805	53,447.809	53,685.016
-- Workshared	10,175.260	10,547.265	10,456.102	13,572.078	44,750.704	45,096.057
(Nonautomated Presort)	861.116	835.132	779.799	985.304	3,461.351	3,445.205
(Automated)	9,314.143	9,712.134	9,676.303	12,586.773	41,289.353	41,650.851
(Basic Letters)	1,191.891	1,231.083	1,236.540	1,607.630	5,267.144	5,310.540
(Basic Flats)	10.892	11.382	11.358	14.786	48.418	48.854
(3-Digit Letters)	5,071.758	5,308.217	5,301.073	6,923.828	22,604.876	22,816.989
(5-Digit Letters)	2,677.462	2,773.265	2,744.999	3,552.450	11,748.177	11,834.469
(3/5-Digit Flats)	64.783	67.431	66.477	85.242	283.933	286.206
(Carrier-Route Letters)	297.358	320.756	315.856	402.836	1,336.806	1,353.793
First-Class Cards	1,332.366	1,214.723	1,245.268	1,613.761	5,406.118	5,455.330
Stamped Cards	110.055	96.673	101.210	120.186	428.124	431.990
Private Cards	1,222.311	1,118.049	1,144.058	1,493.575	4,977.994	5,023.339
-- Single-Piece Cards	597.647	542.806	551.152	714.221	2,405.826	2,423.236
-- Workshared Cards	624.664	575.243	592.906	779.354	2,572.168	2,600.104
(Nonautomated Presort Car	126.024	102.095	107.099	129.506	464.722	464.203
(Automated Cards)	498.640	473.149	485.808	649.848	2,107.446	2,135.901
(Basic)	111.611	100.356	116.521	156.212	484.700	492.104
(3-Digit)	212.994	201.624	205.211	270.249	890.079	900.687
(5-Digit)	152.327	144.379	141.836	192.101	630.643	638.205
(Carrier-Route)	21.709	26.789	22.240	31.286	102.024	104.905
TOTAL FIRST-CLASS MAIL	23,805.918	25,095.688	24,205.382	30,497.643	103,604.631	104,236.403
Priority Mail	271.724	286.588	287.397	360.163	1,205.872	1,217.641
Express Mail	15.028	16.609	16.584	21.256	69.477	69.876
Mailgrams	0.916	1.117	0.910	0.918	3.862	3.858
PERIODICAL MAIL						
Within County	204.033	209.614	207.459	268.496	889.602	892.821
Nonprofit	513.883	492.361	516.843	583.175	2,106.261	2,118.588
Classroom	12.558	14.976	16.046	14.749	58.329	58.452
Regular Rate	1,650.840	1,628.054	1,808.521	2,198.921	7,286.335	7,327.818
TOTAL PERIODICAL MAIL	2,381.314	2,345.004	2,548.869	3,065.341	10,340.528	10,397.679
STANDARD A MAIL						
Regular Rate Bulk	18,770.756	16,103.895	17,300.683	21,560.965	73,736.299	74,364.831
Regular	10,135.793	8,943.212	9,945.187	12,296.522	41,320.715	41,673.597
-- Nonautomated	1,724.349	1,274.186	1,470.704	1,685.610	6,154.848	6,159.499
(Basic Letters)	312.007	243.757	276.409	311.220	1,143.393	1,138.462
(Basic Nonletters)	245.883	215.758	239.093	293.958	994.691	1,002.310
(Presort Letters)	704.496	412.810	513.086	540.077	2,170.469	2,161.341
(Presort Nonletters)	461.963	401.861	442.115	540.355	1,846.294	1,857.385
-- Automated	8,411.445	7,669.026	8,474.483	10,610.913	35,165.867	35,514.097
(Basic Letters)	948.357	866.461	958.715	1,212.424	3,985.958	4,034.944
(Basic Flats)	91.926	81.729	91.691	114.078	379.424	383.497
(3-Digit Letters)	3,186.213	2,930.673	3,207.461	3,910.755	13,235.103	13,370.252
(5-Digit Letters)	1,347.924	1,286.789	1,428.347	1,929.298	5,992.358	6,049.339
(3/5-Digit Flats)	2,837.026	2,503.373	2,788.269	3,444.357	11,573.025	11,676.064
Enhanced Carrier-Route	8,634.962	7,160.683	7,355.496	9,264.443	32,415.584	32,691.235
-- Automated	487.977	402.684	413.639	520.990	1,825.290	1,840.231
-- Nonautomated	8,146.985	6,757.999	6,941.856	8,743.453	30,590.294	30,851.004
(Basic Letters)	1,464.024	1,206.360	1,239.180	1,560.780	5,470.344	5,514.601
(Basic Nonletters)	3,097.812	2,567.447	2,637.297	3,321.746	11,624.302	11,722.722
(High-Density Letters)	104.888	87.694	90.080	113.458	396.120	399.698
(High-Density Nonletters)	375.877	312.280	320.776	404.025	1,412.957	1,425.142
(Saturation Letters)	720.516	602.694	619.091	779.761	2,722.061	2,746.733
(Saturation Nonletters)	2,383.868	1,981.524	2,035.433	2,563.683	8,964.509	9,042.108

R2000-1 Before-Rates Volume Forecast

	2000Q1	2000Q2	2000Q3	2000Q4	2000PFY	2000GFY
Nonprofit Rate Bulk	3,771.248	3,111.712	3,281.644	3,897.926	14,062.530	14,212.747
Nonprofit	2,977.265	2,459.710	2,599.535	3,094.120	11,130.629	11,255.435
-- Nonautomated	841.163	706.516	717.245	841.982	3,106.906	3,121.680
(Basic Letters)	243.962	196.606	202.858	235.766	879.191	883.187
(Basic Nonletters)	60.885	51.003	52.810	61.194	225.892	227.752
(Presort Letters)	431.924	376.943	380.762	454.839	1,644.469	1,652.879
(Presort Nonletters)	104.393	81.965	80.814	90.183	357.355	357.863
-- Automated	2,136.102	1,753.194	1,882.290	2,252.138	8,023.723	8,133.755
(Basic Letters)	391.938	328.624	352.241	425.055	1,497.858	1,520.490
(Basic Flats)	21.268	16.854	18.904	24.182	81.208	82.786
(3-Digit Letters)	897.466	734.109	775.422	956.710	3,363.707	3,402.351
(5-Digit Letters)	522.197	418.783	460.628	512.732	1,914.340	1,944.967
(3/5-Digit Flats)	303.233	254.825	275.094	333.458	1,166.610	1,183.161
Nonprofit ECR	793.984	652.002	682.109	803.806	2,931.901	2,957.311
-- Automated	93.560	76.608	80.145	94.444	344.757	347.679
-- Nonautomated	700.424	575.394	601.964	709.362	2,587.144	2,609.632
(Basic Letters)	196.706	161.273	168.720	198.822	725.521	731.732
(Basic Nonletters)	247.182	203.027	212.402	250.297	912.908	920.834
(High-Density Letters)	14.614	12.028	12.583	14.828	54.053	54.529
(High-Density Nonletters)	2.509	2.062	2.157	2.542	9.270	9.350
(Saturation Letters)	156.689	129.000	134.957	159.035	579.682	584.804
(Saturation Nonletters)	82.724	68.004	71.145	83.838	305.711	308.382
TOTAL STANDARD A MAIL	22,542.004	19,215.607	20,582.326	25,458.891	87,798.829	88,577.578
STANDARD B MAIL						
Parcel Post	76.579	73.247	63.609	74.012	287.447	290.182
(Inter-BMC)	16.844	15.585	13.085	14.710	60.224	60.245
(Intra-BMC)	10.341	9.568	8.033	9.031	36.974	36.987
(Destination Entry)	49.394	48.094	42.491	50.270	190.250	192.951
Bound Printed Matter	135.258	112.729	90.155	164.938	503.080	509.795
Special Rate	54.880	47.029	46.440	56.758	205.107	206.675
Library Rate	7.234	6.300	6.992	7.796	28.322	28.546
TOTAL STANDARD B MAIL	273.951	239.306	207.195	303.504	1,023.956	1,035.198
Postal Penalty	94.581	80.635	81.817	101.561	358.594	359.429
Free-for-the-Blind	13.630	11.213	12.832	16.822	54.497	54.952
TOTAL DOMESTIC MAIL	49,399.067	47,291.767	47,943.312	59,826.099	204,460.245	205,952.614
SPECIAL SERVICES						
Registry	3.002	3.057	2.979	3.635	12.673	12.675
Insurance	10.831	12.710	9.326	13.522	46.389	46.396
Certified	69.383	55.379	73.392	80.031	278.185	281.365
Collect-on-Delivery	0.967	0.864	0.899	1.064	3.794	3.805
Return Receipts	57.290	50.224	61.616	66.646	235.777	238.467
Money Orders	50.679	51.292	54.876	71.244	228.091	229.668
TOTAL SPECIAL SERVICES	192.151	173.526	203.089	236.142	804.909	812.375

R2000-1 Before-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,752.295	24,431.528	23,409.435	29,536.109	100,129.368	100,261.726
-- Single-Piece	12,134.073	13,136.089	12,545.592	15,386.389	53,202.142	53,213.828
-- Workshared	10,618.223	11,295.440	10,863.844	14,149.720	46,927.226	47,047.898
(Nonautomated Presort)	722.453	723.981	660.722	847.907	2,955.062	2,930.521
(Automated)	9,895.770	10,571.459	10,203.121	13,301.813	43,972.163	44,117.377
(Basic Letters)	1,255.201	1,333.789	1,293.991	1,687.689	5,570.671	5,587.538
(Basic Flats)	11.623	12.430	12.024	15.708	51.786	51.973
(3-Digit Letters)	5,447.749	5,827.608	5,634.150	7,362.538	24,272.045	24,358.882
(5-Digit Letters)	2,776.234	2,952.035	2,837.022	3,689.730	12,255.021	12,283.788
(3/5-Digit Flats)	67.893	72.360	69.248	89.212	298.713	299.532
(Carrier-Route Letters)	337.070	373.237	356.686	456.936	1,523.928	1,535.664
First-Class Cards	1,405.861	1,242.509	1,273.954	1,645.138	5,567.463	5,584.931
Stamped Cards	115.354	97.322	106.645	125.260	444.581	445.823
Private Cards	1,290.507	1,145.187	1,167.309	1,519.878	5,122.882	5,139.108
-- Single-Piece Cards	612.504	539.421	545.539	704.887	2,402.352	2,405.027
-- Workshared Cards	678.003	605.766	621.770	814.991	2,720.531	2,734.081
(Nonautomated Presort Car)	112.886	87.917	92.156	110.960	403.919	400.483
(Automated Cards)	565.117	517.849	529.614	704.031	2,316.611	2,333.598
(Basic)	130.509	113.343	130.855	174.645	549.352	554.484
(3-Digit)	235.385	215.020	217.588	285.592	953.585	959.003
(5-Digit)	168.243	153.990	150.997	201.938	675.168	678.794
(Carrier-Route)	30.980	35.496	30.173	41.857	138.506	141.317
TOTAL FIRST-CLASS MAIL	24,158.157	25,674.037	24,683.390	31,181.247	105,696.831	105,846.657
Priority Mail	293.441	319.182	316.372	395.234	1,324.229	1,331.105
Express Mail	15.250	17.173	17.073	21.995	71.491	71.641
Mailgrams	0.821	0.912	0.815	0.811	3.359	3.340
PERIODICAL MAIL						
Within County	198.529	197.735	207.175	268.837	872.276	872.194
Nonprofit	516.397	484.033	517.969	577.133	2,095.531	2,095.809
Classroom	11.924	14.741	15.127	14.520	56.313	56.415
Regular Rate	1,666.229	1,708.774	1,814.784	2,218.150	7,407.938	7,410.104
TOTAL PERIODICAL MAIL	2,393.080	2,405.283	2,555.054	3,078.640	10,432.056	10,434.523
STANDARD A MAIL						
Regular Rate Bulk	19,554.698	16,097.901	17,968.314	22,447.587	76,068.500	76,414.291
Regular	10,611.470	8,951.224	10,271.277	12,770.097	42,604.069	42,783.773
-- Nonautomated	1,590.257	1,107.976	1,326.673	1,519.987	5,544.893	5,520.725
(Basic Letters)	265.333	199.781	233.522	266.404	965.039	956.832
(Basic Nonletters)	253.767	212.937	243.523	301.093	1,011.321	1,014.669
(Presort Letters)	606.897	307.117	406.961	406.292	1,727.266	1,703.055
(Presort Nonletters)	464.260	388.141	442.667	546.198	1,841.266	1,846.169
-- Automated	9,021.213	7,843.248	8,944.605	11,250.110	37,059.176	37,263.048
(Basic Letters)	1,054.861	912.024	1,042.677	1,316.650	4,326.211	4,356.933
(Basic Flats)	99.630	84.586	97.856	122.339	404.411	406.981
(3-Digit Letters)	3,429.773	3,007.686	3,399.774	4,170.771	14,008.005	14,090.741
(5-Digit Letters)	1,450.213	1,321.871	1,513.719	2,052.430	6,338.232	6,373.435
(3/5-Digit Flats)	2,986.736	2,517.082	2,890.579	3,587.921	11,982.318	12,034.958
Enhanced Carrier-Route	8,943.228	7,146.677	7,697.036	9,677.489	33,464.431	33,630.517
-- Automated	502.926	401.896	432.846	544.217	1,881.886	1,891.225
-- Nonautomated	8,440.302	6,744.781	7,264.191	9,133.272	31,582.545	31,739.292
(Basic Letters)	1,506.665	1,204.000	1,296.719	1,630.366	5,637.751	5,665.732
(Basic Nonletters)	3,206.575	2,562.425	2,759.756	3,469.843	11,998.598	12,058.148
(High-Density Letters)	109.524	87.523	94.263	118.517	409.826	411.860
(High-Density Nonletters)	390.017	311.669	335.670	422.038	1,459.395	1,466.638
(Saturation Letters)	752.725	601.515	647.837	814.526	2,816.603	2,830.582
(Saturation Nonletters)	2,474.795	1,977.649	2,129.946	2,677.982	9,260.371	9,306.331

R2000-1 Before-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
Nonprofit Rate Bulk	4,021.684	3,154.834	3,260.340	3,985.399	14,422.256	14,418.001
Nonprofit	3,199.105	2,514.664	2,604.100	3,189.604	11,507.474	11,510.795
-- Nonautomated	824.302	662.220	658.195	796.699	2,941.416	2,923.601
(Basic Letters)	237.948	182.595	184.556	220.683	825.782	820.349
(Basic Nonletters)	62.735	50.112	50.751	60.378	223.976	223.335
(Presort Letters)	426.465	356.480	351.673	433.056	1,567.673	1,558.776
(Presort Nonletters)	97.154	73.032	71.216	82.583	323.985	321.141
-- Automated	2,374.803	1,852.444	1,945.905	2,392.906	8,566.058	8,587.194
(Basic Letters)	445.219	354.513	371.664	460.719	1,632.115	1,638.302
(Basic Flats)	25.519	19.255	21.086	27.631	93.490	94.221
(3-Digit Letters)	968.308	753.327	779.568	989.479	3,490.682	3,492.506
(5-Digit Letters)	595.023	454.151	488.365	561.060	2,098.600	2,107.728
(3/5-Digit Flats)	340.734	271.198	285.223	354.016	1,251.171	1,254.437
Nonprofit ECR	822.579	640.170	656.239	795.795	2,914.782	2,907.206
-- Automated	96.650	75.218	77.106	93.503	342.476	341.586
-- Nonautomated	725.929	564.952	579.134	702.292	2,572.306	2,565.620
(Basic Letters)	203.465	158.346	162.321	196.840	720.973	719.099
(Basic Nonletters)	256.143	199.343	204.346	247.803	907.635	905.275
(High-Density Letters)	15.174	11.809	12.106	14.680	53.770	53.630
(High-Density Nonletters)	2.601	2.024	2.075	2.516	9.217	9.193
(Saturation Letters)	162.749	126.659	129.839	157.450	576.697	575.198
(Saturation Nonletters)	85.796	66.770	68.446	83.002	304.015	303.225
TOTAL STANDARD A MAIL	23,576.382	19,252.735	21,228.653	26,432.986	90,490.756	90,832.291
STANDARD B MAIL						
Parcel Post	80.442	77.158	69.915	81.179	308.694	310.865
(Inter-BMC)	15.440	14.293	12.493	13.985	56.211	56.035
(Intra-BMC)	9.479	8.775	7.670	8.586	34.510	34.402
(Destination Entry)	55.523	54.090	49.752	58.607	217.972	220.429
Bound Printed Matter	149.393	125.754	97.251	169.061	541.459	541.976
Special Rate	56.127	47.221	47.280	57.526	208.154	208.687
Library Rate	7.464	6.350	7.094	8.000	28.908	29.009
TOTAL STANDARD B MAIL	293.426	256.483	221.540	315.765	1,087.215	1,090.537
Postal Penalty	89.476	104.101	70.291	88.697	352.566	348.543
Free-for-the-Blind	14.193	11.137	13.493	17.661	56.485	56.675
TOTAL DOMESTIC MAIL	50,834.226	48,041.044	49,106.682	61,533.036	209,514.988	210,015.312
SPECIAL SERVICES						
Registry	2.743	2.721	2.759	3.387	11.610	11.563
Insurance	9.904	13.065	9.023	13.289	45.281	45.129
Certified	75.607	58.506	76.886	83.149	294.149	295.742
Collect-on-Delivery	0.922	0.820	0.849	0.996	3.587	3.576
Return Receipts	62.679	53.412	65.195	69.909	251.196	252.559
Money Orders	52.329	52.816	56.358	73.131	234.633	234.993
TOTAL SPECIAL SERVICES	204.183	181.341	211.071	243.861	840.455	843.562

R2000-1 Before-Rates Volume Forecast

	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	23,042.113	24,748.382	23,830.512	30,051.961	101,672.967	102,177.107
-- Single-Piece	12,062.158	12,960.132	12,543.321	15,289.309	52,854.920	53,036.964
-- Workshared	10,979.955	11,788.251	11,287.190	14,762.652	48,818.048	49,140.143
(Nonautomated Presort)	621.136	632.707	578.853	753.845	2,586.542	2,579.146
(Automated)	10,358.818	11,155.543	10,708.338	14,008.807	46,231.506	46,560.997
(Basic Letters)	1,307.966	1,403.746	1,351.811	1,769.661	5,833.184	5,873.525
(Basic Flats)	12.233	13.188	12.693	16.647	54.762	55.172
(3-Digit Letters)	5,729.176	6,170.146	5,930.618	7,770.408	25,600.348	25,784.508
(5-Digit Letters)	2,860.108	3,069.504	2,938.288	3,840.252	12,708.152	12,790.075
(3/5-Digit Flats)	70.388	75.685	72.134	93.391	311.598	313.714
(Carrier-Route Letters)	378.947	423.275	402.793	518.448	1,723.462	1,744.002
First-Class Cards	1,459.488	1,264.652	1,292.788	1,668.283	5,685.211	5,723.872
Stamped Cards	119.021	109.349	107.896	125.870	462.136	464.548
Private Cards	1,340.467	1,155.303	1,184.892	1,542.413	5,223.075	5,259.324
-- Single-Piece Cards	616.892	527.489	536.671	693.081	2,374.134	2,385.313
-- Workshared Cards	723.575	627.814	648.221	849.331	2,848.941	2,874.011
(Nonautomated Presort Car)	98.585	74.075	78.255	94.067	344.983	343.008
(Automated Cards)	624.990	553.739	569.965	755.264	2,503.958	2,531.003
(Basic)	148.985	125.336	145.241	193.515	613.078	621.045
(3-Digit)	253.950	224.573	228.163	299.243	1,005.930	1,015.205
(5-Digit)	180.566	159.737	157.768	209.347	707.418	713.421
(Carrier-Route)	41.488	44.093	38.792	53.158	177.532	181.333
TOTAL FIRST-CLASS MAIL	24,501.601	26,013.034	25,123.300	31,720.244	107,358.178	107,900.979
Priority Mail	320.137	345.406	347.022	434.280	1,446.845	1,460.039
Express Mail	15.832	17.820	17.798	22.921	74.371	74.784
Mailgrams	0.747	0.798	0.718	0.708	2.970	2.961
PERIODICAL MAIL						
Within County	198.214	195.005	204.163	265.284	862.666	864.738
Nonprofit	517.479	489.016	525.804	583.092	2,115.392	2,126.334
Classroom	12.321	14.265	15.030	14.359	55.975	56.151
Regular Rate	1,674.641	1,723.626	1,846.222	2,260.983	7,505.472	7,536.962
TOTAL PERIODICAL MAIL	2,402.655	2,421.912	2,591.219	3,123.719	10,539.505	10,584.185
STANDARD A MAIL						
Regular Rate Bulk	20,708.450	16,558.503	18,600.237	23,208.301	79,075.491	79,705.289
Regular	11,207.009	9,121.184	10,561.835	13,106.937	43,996.966	44,305.770
-- Nonautomated	1,482.916	980.081	1,189.866	1,348.893	5,001.756	4,992.374
(Basic Letters)	231.360	170.037	200.142	230.194	831.732	827.833
(Basic Nonletters)	264.357	214.004	246.955	304.729	1,030.045	1,036.324
(Presort Letters)	508.269	208.556	295.634	262.044	1,274.502	1,251.373
(Presort Nonletters)	478.931	387.485	447.135	551.926	1,865.477	1,876.844
-- Automated	9,724.093	8,141.103	9,371.970	11,758.044	38,995.210	39,313.396
(Basic Letters)	1,163.532	963.293	1,112.520	1,395.005	4,634.350	4,676.791
(Basic Flats)	108.621	88.957	103.847	129.577	431.002	434.956
(3-Digit Letters)	3,717.107	3,137.176	3,581.937	4,389.037	14,825.257	14,953.720
(5-Digit Letters)	1,572.551	1,381.767	1,596.724	2,157.658	6,708.700	6,764.188
(3/5-Digit Flats)	3,162.282	2,569.910	2,976.941	3,686.768	12,395.901	12,483.741
Enhanced Carrier-Route	9,501.441	7,437.319	8,038.401	10,101.364	35,078.525	35,399.519
-- Automated	534.317	418.241	452.043	568.054	1,972.655	1,990.712
-- Nonautomated	8,967.124	7,019.078	7,586.359	9,533.310	33,105.871	33,408.807
(Basic Letters)	1,600.707	1,252.965	1,354.229	1,701.776	5,909.678	5,963.668
(Basic Nonletters)	3,406.721	2,666.634	2,882.151	3,621.822	12,577.328	12,692.446
(High-Density Letters)	116.361	91.082	98.443	123.708	429.593	433.515
(High-Density Nonletters)	414.361	324.344	350.557	440.524	1,529.786	1,543.836
(Saturation Letters)	799.709	625.977	676.569	850.202	2,952.457	2,979.398
(Saturation Nonletters)	2,629.266	2,058.076	2,224.409	2,795.278	9,707.028	9,795.944

R2000-1 Before-Rates Volume Forecast

	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
Nonprofit Rate Bulk	3,968.991	3,180.409	3,415.632	4,057.980	14,623.011	14,756.084
Nonprofit	3,182.991	2,555.598	2,750.073	3,273.591	11,762.253	11,876.327
-- Nonautomated	748.319	616.600	635.866	748.865	2,749.650	2,756.840
(Basic Letters)	214.897	168.377	176.777	205.367	765.419	767.302
(Basic Nonletters)	59.704	48.784	51.237	59.097	218.822	220.146
(Presort Letters)	388.384	333.469	340.339	407.560	1,469.753	1,473.157
(Presort Nonletters)	85.334	65.970	67.513	76.840	295.656	296.234
-- Automated	2,434.672	1,938.998	2,114.207	2,524.726	9,012.603	9,119.487
(Basic Letters)	464.999	377.615	410.768	494.157	1,747.539	1,770.079
(Basic Flats)	28.102	21.709	24.624	31.229	105.664	107.490
(3-Digit Letters)	966.581	768.117	825.995	1,018.789	3,579.482	3,615.043
(5-Digit Letters)	624.769	487.797	544.032	609.435	2,266.033	2,298.007
(3/5-Digit Flats)	350.221	283.760	308.787	371.116	1,313.884	1,328.868
Nonprofit ECR	786.000	624.811	665.559	784.388	2,860.757	2,879.757
-- Automated	92.352	73.413	78.201	92.163	336.128	338.363
-- Nonautomated	693.648	551.398	587.358	692.226	2,524.629	2,541.394
(Basic Letters)	194.417	154.547	164.626	194.019	707.610	712.309
(Basic Nonletters)	244.753	194.560	207.248	244.251	890.812	896.727
(High-Density Letters)	14.500	11.526	12.278	14.470	52.773	53.124
(High-Density Nonletters)	2.485	1.976	2.105	2.480	9.046	9.106
(Saturation Letters)	155.512	123.620	131.683	155.193	566.008	569.765
(Saturation Nonletters)	81.981	65.168	69.418	81.813	298.380	300.363
TOTAL STANDARD A MAIL	24,677.441	19,738.912	22,015.868	27,266.280	93,698.502	94,461.373
STANDARD B MAIL						
Parcel Post	88.872	84.651	76.590	89.487	339.599	343.609
(Inter-BMC)	14.753	13.534	11.788	13.251	53.327	53.358
(Intra-BMC)	9.058	8.309	7.237	8.136	32.739	32.758
(Destination Entry)	65.061	62.808	57.565	68.100	253.534	257.494
Bound Printed Matter	151.399	131.091	101.848	183.257	567.595	573.174
Special Rate	58.198	48.431	48.748	59.068	214.446	216.004
Library Rate	7.855	6.377	7.219	8.181	29.632	29.813
TOTAL STANDARD B MAIL	306.323	270.551	234.405	339.993	1,151.272	1,162.601
Postal Penalty	73.857	98.765	64.697	86.830	324.149	324.214
Free-for-the-Blind	14.931	11.604	14.042	18.366	58.943	59.333
TOTAL DOMESTIC MAIL	52,313.523	48,918.801	50,409.069	63,013.341	214,654.735	216,030.469
SPECIAL SERVICES						
Registry	2.562	2.523	2.568	3.135	10.789	10.776
Insurance	9.313	12.869	8.878	13.171	44.232	44.244
Certified	81.792	62.096	80.954	87.281	312.122	315.311
Collect-on-Delivery	0.880	0.777	0.800	0.937	3.393	3.396
Return Receipts	67.971	57.019	69.295	74.036	268.321	271.029
Money Orders	53.725	54.295	57.792	75.270	241.082	242.322
TOTAL SPECIAL SERVICES	216.243	189.579	220.287	253.830	879.938	887.078

R2000-1 After-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,747.774	24,362.118	23,300.623	29,354.112	99,764.628	99,857.394
-- Single-Piece	12,105.597	13,054.215	12,454.372	15,274.584	52,888.768	52,877.658
-- Workshared	10,642.177	11,307.904	10,846.251	14,079.528	46,875.860	46,979.736
(Nonautomated Presort)	661.033	640.741	582.945	745.710	2,630.430	2,586.288
(Automated)	9,981.143	10,667.163	10,263.307	13,333.818	44,245.431	44,393.448
(Basic Letters)	1,265.878	1,345.634	1,301.194	1,690.944	5,603.649	5,620.726
(Basic Flats)	11.734	12.550	12.092	15.731	52.106	52.293
(3-Digit Letters)	5,494.791	5,880.124	5,666.711	7,378.557	24,420.184	24,508.201
(5-Digit Letters)	2,799.704	2,978.560	2,854.234	3,700.227	12,332.726	12,362.727
(3/5-Digit Flats)	68.980	73.641	70.395	90.691	303.708	304.691
(Carrier-Route Letters)	340.057	376.653	358.680	457.668	1,533.058	1,544.810
First-Class Cards	1,390.701	1,212.451	1,243.011	1,591.141	5,437.303	5,440.951
Stamped Cards	109.507	90.809	99.508	116.877	416.702	415.873
Private Cards	1,281.193	1,121.642	1,143.503	1,474.263	5,020.601	5,025.078
-- Single-Piece Cards	608.341	528.978	535.060	684.950	2,357.329	2,354.910
-- Workshared Cards	672.852	592.664	608.442	789.313	2,663.272	2,670.168
(Nonautomated Presort Car	110.477	84.331	88.438	105.308	388.553	383.715
(Automated Cards)	562.376	508.334	520.004	684.005	2,274.719	2,286.453
(Basic)	130.668	112.272	129.605	171.271	543.816	548.060
(3-Digit)	234.200	211.119	213.586	277.498	936.403	939.713
(5-Digit)	166.792	150.302	147.345	194.811	659.250	661.035
(Carrier-Route)	30.716	34.641	29.468	40.425	135.250	137.645
TOTAL FIRST-CLASS MAIL	24,138.475	25,574.570	24,543.634	30,945.253	105,201.931	105,298.345
Priority Mail	287.509	300.721	286.297	353.511	1,228.038	1,226.160
Express Mail	15.274	17.222	17.233	22.350	72.079	72.301
Mailgrams	0.821	0.912	0.815	0.811	3.359	3.340
PERIODICAL MAIL						
Within County	196.800	195.442	204.772	265.720	862.734	862.061
Nonprofit	510.678	476.658	505.880	562.170	2,055.385	2,052.208
Classroom	11.924	14.658	14.726	13.841	55.150	55.089
Regular Rate	1,666.225	1,707.317	1,801.938	2,182.167	7,357.647	7,351.808
TOTAL PERIODICAL MAIL	2,385.627	2,394.075	2,527.315	3,023.898	10,330.916	10,321.166
STANDARD A MAIL						
Regular Rate Bulk	19,293.256	15,612.675	17,306.856	21,502.486	73,715.272	73,826.867
Regular	10,421.716	8,580.460	9,786.760	12,167.900	40,956.836	40,998.656
-- Nonautomated	1,561.949	1,064.416	1,269.085	1,450.506	5,345.955	5,304.047
(Basic Letters)	278.493	211.355	246.640	280.434	1,016.922	1,011.823
(Basic Nonletters)	261.158	219.398	250.246	309.432	1,040.235	1,045.493
(Presort Letters)	561.795	256.470	345.007	334.205	1,497.478	1,455.143
(Presort Nonletters)	460.502	377.192	427.192	526.435	1,791.320	1,791.588
-- Automated	8,859.767	7,516.044	8,517.675	10,717.394	35,610.881	35,694.609
(Basic Letters)	1,022.831	862.932	980.455	1,240.687	4,106.906	4,120.244
(Basic Flats)	89.145	72.186	83.357	104.344	349.032	347.480
(3-Digit Letters)	3,360.895	2,872.376	3,226.606	3,956.368	13,416.245	13,450.018
(5-Digit Letters)	1,471.991	1,324.157	1,508.170	2,040.299	6,344.618	6,378.638
(3/5-Digit Flats)	2,914.906	2,384.392	2,719.087	3,375.695	11,394.080	11,398.229
Enhanced Carrier-Route	8,871.540	7,032.215	7,520.096	9,334.586	32,758.436	32,828.211
-- Automated	499.434	396.301	424.181	527.383	1,847.298	1,851.903
-- Nonautomated	8,372.106	6,635.915	7,095.915	8,807.203	30,911.138	30,976.309
(Basic Letters)	1,487.256	1,173.090	1,248.999	1,538.060	5,447.405	5,449.490
(Basic Nonletters)	3,183.176	2,524.949	2,701.731	3,357.141	11,766.997	11,794.849
(High-Density Letters)	107.834	84.837	90.122	110.522	393.315	393.108
(High-Density Nonletters)	391.118	313.451	338.444	427.467	1,470.481	1,479.259
(Saturation Letters)	740.214	581.664	617.251	755.524	2,694.652	2,692.107
(Saturation Nonletters)	2,462.509	1,957.924	2,099.367	2,618.488	9,138.287	9,167.496

R2000-1 After-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
Nonprofit Rate Bulk	3,995.977	3,127.457	3,230.287	3,940.382	14,294.103	14,277.455
Nonprofit	3,183.729	2,498.167	2,585.847	3,162.150	11,429.892	11,425.579
-- Nonautomated	849.700	688.499	684.633	827.731	3,050.563	3,040.715
(Basic Letters)	261.902	207.757	210.113	251.684	931.456	933.904
(Basic Nonletters)	64.508	51.949	52.698	62.867	232.022	232.032
(Presort Letters)	424.451	354.172	349.264	429.415	1,557.301	1,547.506
(Presort Nonletters)	98.840	74.621	72.558	83.765	329.784	327.272
-- Automated	2,334.028	1,809.668	1,901.214	2,334.419	8,379.329	8,384.865
(Basic Letters)	420.456	328.464	345.038	428.019	1,521.977	1,519.777
(Basic Flats)	23.978	17.673	19.415	25.559	86.625	86.820
(3-Digit Letters)	962.763	747.423	773.103	979.402	3,462.690	3,461.809
(5-Digit Letters)	590.943	449.901	483.519	554.244	2,078.608	2,085.641
(3/5-Digit Flats)	335.889	266.207	280.139	347.194	1,229.428	1,230.817
Nonprofit ECR	812.249	629.290	644.440	778.232	2,864.211	2,851.875
-- Automated	95.921	74.444	76.266	92.253	338.884	337.655
-- Nonautomated	716.327	554.847	568.174	685.979	2,525.327	2,514.220
(Basic Letters)	200.939	155.683	159.433	192.541	708.597	705.557
(Basic Nonletters)	252.756	195.777	200.479	242.047	891.059	887.140
(High-Density Letters)	14.953	11.577	11.853	14.305	52.688	52.446
(High-Density Nonletters)	2.584	2.006	2.056	2.487	9.133	9.102
(Saturation Letters)	160.149	123.933	126.882	153.049	564.013	561.323
(Saturation Nonletters)	84.946	65.871	67.471	81.550	299.837	298.653
TOTAL STANDARD A MAIL	23,289.233	18,740.132	20,537.143	25,442.867	88,009.376	88,104.322
STANDARD B MAIL						
Parcel Post	72.657	65.783	59.177	68.761	266.378	265.062
(Inter-BMC)	13.526	11.641	10.077	11.280	46.524	45.612
(Intra-BMC)	8.249	7.077	6.124	6.856	28.306	27.727
(Destination Entry)	50.883	47.065	42.975	50.625	191.548	191.722
Bound Printed Matter	149.386	124.167	93.708	159.378	526.640	524.743
Special Rate	55.545	46.566	46.624	56.728	205.463	205.789
Library Rate	7.391	6.240	6.961	7.796	28.387	28.432
TOTAL STANDARD B MAIL	284.979	242.757	206.470	292.663	1,026.868	1,024.025
Postal Penalty	89.476	104.101	70.291	88.697	352.566	348.543
Free-for-the-Blind	14.193	11.137	13.493	17.661	56.485	56.675
TOTAL DOMESTIC MAIL	50,505.588	47,385.627	48,202.691	60,187.711	206,281.617	206,454.876
SPECIAL SERVICES						
Registry	2.634	2.581	2.618	3.213	11.046	10.966
Insurance	9.648	12.451	8.468	12.321	42.887	42.621
Certified	73.600	55.157	71.980	74.900	275.638	274.934
Collect-on-Delivery	0.919	0.816	0.843	0.981	3.559	3.544
Return Receipts	57.649	46.999	57.065	59.434	221.146	220.088
Money Orders	51.327	51.151	54.467	69.811	226.757	226.435
TOTAL SPECIAL SERVICES	195.778	169.155	195.441	220.660	781.034	778.587

R2000-1 After-Rates Volume Forecast

	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,889.881	24,584.568	23,672.479	29,853.029	100,999.958	101,500.982
-- Single-Piece	11,974.509	12,865.957	12,452.175	15,178.209	52,470.850	52,651.790
-- Workshared	10,915.372	11,718.611	11,220.304	14,674.820	48,529.107	48,849.192
(Nonautomated Presort)	545.773	556.002	508.769	663.080	2,273.624	2,267.468
(Automated)	10,369.599	11,162.609	10,711.535	14,011.740	46,255.483	46,581.724
(Basic Letters)	1,308.775	1,404.098	1,351.681	1,769.340	5,833.893	5,873.846
(Basic Flats)	12.231	13.181	12.680	16.629	54.721	55.127
(3-Digit Letters)	5,733.710	6,172.278	5,930.320	7,768.907	25,605.215	25,787.303
(5-Digit Letters)	2,864.853	3,073.570	2,941.427	3,844.096	12,723.945	12,805.229
(3/5-Digit Flats)	71.021	76.304	72.862	94.657	314.844	316.946
(Carrier-Route Letters)	379.009	423.179	402.564	518.111	1,722.864	1,743.273
First-Class Cards	1,406.350	1,218.369	1,245.673	1,607.930	5,478.322	5,515.733
Stamped Cards	111.056	102.032	100.675	117.447	431.210	433.480
Private Cards	1,295.294	1,116.337	1,144.997	1,490.483	5,047.111	5,082.254
-- Single-Piece Cards	597.303	510.739	519.630	671.073	2,298.744	2,309.616
-- Workshared Cards	697.991	605.599	625.368	819.410	2,748.367	2,772.637
(Nonautomated Presort Car)	93.197	69.984	73.917	88.815	325.914	324.037
(Automated Cards)	604.793	535.615	551.451	730.595	2,422.453	2,448.600
(Basic)	145.568	122.441	141.812	188.916	598.738	606.497
(3-Digit)	245.847	217.376	220.776	289.520	973.519	982.487
(5-Digit)	173.487	153.421	151.567	201.054	679.529	685.294
(Carrier-Route)	39.891	42.377	37.296	51.104	170.667	174.322
TOTAL FIRST-CLASS MAIL	24,296.231	25,802.937	24,918.152	31,460.960	106,478.279	107,016.715
Priority Mail	286.153	308.739	310.184	388.179	1,293.254	1,305.047
Express Mail	16.110	18.133	18.112	23.324	75.680	76.099
Mailgrams	0.747	0.798	0.718	0.708	2.970	2.961
PERIODICAL MAIL						
Within County	195.916	192.744	201.796	262.208	852.663	854.711
Nonprofit	504.063	476.338	512.172	567.975	2,060.548	2,071.206
Classroom	11.689	13.533	14.259	13.623	53.104	53.271
Regular Rate	1,643.559	1,691.636	1,811.956	2,219.019	7,366.169	7,397.075
TOTAL PERIODICAL MAIL	2,355.227	2,374.250	2,540.182	3,062.825	10,332.484	10,376.263
STANDARD A MAIL						
Regular Rate Bulk	19,807.429	15,835.651	17,785.898	22,193.266	75,622.244	76,226.227
Regular	10,676.528	8,688.374	10,060.980	12,485.837	41,911.719	42,206.390
-- Nonautomated	1,414.662	931.647	1,131.606	1,279.774	4,757.689	4,747.107
(Basic Letters)	243.319	177.977	209.589	240.079	870.963	866.287
(Basic Nonletters)	271.703	219.979	253.883	313.300	1,058.865	1,065.332
(Presort Letters)	438.544	160.988	238.405	196.329	1,034.266	1,011.306
(Presort Nonletters)	461.096	372.703	429.730	530.066	1,793.595	1,804.182
-- Automated	9,261.866	7,756.727	8,929.374	11,206.062	37,154.030	37,459.283
(Basic Letters)	1,096.649	909.872	1,050.348	1,319.043	4,375.912	4,417.148
(Basic Flats)	92.760	76.058	88.895	111.057	368.771	372.312
(3-Digit Letters)	3,528.732	2,977.563	3,399.565	4,163.633	14,069.493	14,191.863
(5-Digit Letters)	1,568.003	1,374.596	1,588.502	2,141.793	6,672.894	6,727.544
(3/5-Digit Flats)	2,975.722	2,418.638	2,802.065	3,470.536	11,666.961	11,750.416
Enhanced Carrier-Route	9,130.902	7,147.277	7,724.918	9,707.429	33,710.525	34,019.837
-- Automated	516.098	403.979	436.629	548.684	1,905.390	1,922.873
-- Nonautomated	8,614.804	6,743.298	7,288.289	9,158.744	31,805.136	32,096.964
(Basic Letters)	1,501.080	1,174.981	1,269.943	1,595.859	5,541.863	5,592.712
(Basic Nonletters)	3,284.767	2,571.174	2,778.976	3,492.168	12,127.086	12,238.358
(High-Density Letters)	107.742	84.336	91.152	114.545	397.774	401.424
(High-Density Nonletters)	420.264	328.965	355.552	446.800	1,551.580	1,565.817
(Saturation Letters)	736.134	576.214	622.783	782.614	2,717.745	2,742.682
(Saturation Nonletters)	2,564.816	2,007.628	2,169.884	2,726.759	9,469.087	9,555.971

R2000-1 After-Rates Volume Forecast

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	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
Nonprofit Rate Bulk	3,921.311	3,142.201	3,374.428	4,009.020	14,446.961	14,578.391
Nonprofit	3,153.620	2,531.945	2,724.373	3,242.903	11,652.841	11,765.673
-- Nonautomated	778.968	640.231	660.621	777.333	2,857.153	2,864.419
(Basic Letters)	245.215	192.120	201.674	234.219	873.229	875.236
(Basic Nonletters)	62.208	50.763	53.390	61.685	228.046	229.456
(Presort Letters)	384.929	330.503	337.312	403.935	1,456.679	1,460.061
(Presort Nonletters)	86.615	66.845	68.246	77.494	299.199	299.666
-- Automated	2,374.652	1,891.714	2,063.751	2,465.571	8,795.688	8,901.254
(Basic Letters)	432.734	352.175	383.904	462.798	1,631.611	1,653.770
(Basic Flats)	26.039	20.086	22.851	29.089	98.064	99.817
(3-Digit Letters)	956.171	759.845	817.098	1,007.810	3,540.923	3,576.123
(5-Digit Letters)	616.708	481.505	537.005	601.570	2,236.788	2,268.356
(3/5-Digit Flats)	343.001	278.103	302.894	364.304	1,288.303	1,303.189
Nonprofit ECR	767.691	610.256	650.055	766.117	2,794.119	2,812.718
-- Automated	91.047	72.376	77.096	90.861	331.380	333.586
-- Nonautomated	676.643	537.881	572.959	675.256	2,462.740	2,479.133
(Basic Letters)	189.935	150.984	160.831	189.546	691.295	695.897
(Basic Nonletters)	238.752	189.790	202.167	238.263	868.972	874.756
(High-Density Letters)	14.108	11.215	11.946	14.079	51.348	51.690
(High-Density Nonletters)	2.455	1.952	2.079	2.450	8.936	8.995
(Saturation Letters)	150.928	119.976	127.801	150.618	549.323	552.980
(Saturation Nonletters)	80.465	63.964	68.135	80.300	292.865	294.814
TOTAL STANDARD A MAIL	23,728.740	18,977.852	21,160.326	26,202.286	90,069.205	90,804.618
STANDARD B MAIL						
Parcel Post	75.331	71.804	65.011	76.009	288.155	291.616
(Inter-BMC)	11.900	10.917	9.508	10.689	43.013	43.038
(Intra-BMC)	7.232	6.635	5.779	6.496	26.141	26.157
(Destination Entry)	56.199	54.253	49.725	58.824	219.001	222.421
Bound Printed Matter	142.029	122.978	95.544	171.915	532.466	537.699
Special Rate	57.391	47.760	48.072	58.249	211.472	213.009
Library Rate	7.637	6.200	7.018	7.953	28.808	28.984
TOTAL STANDARD B MAIL	282.387	248.741	215.646	314.126	1,060.900	1,071.308
Postal Penalty	73.857	98.765	64.697	86.830	324.149	324.214
Free-for-the-Blind	14.931	11.604	14.042	18.366	58.943	59.333
TOTAL DOMESTIC MAIL	51,054.382	47,841.821	49,242.058	61,557.604	209,695.865	211,036.559
SPECIAL SERVICES						
Registry	2.431	2.394	2.436	2.974	10.235	10.223
Insurance	8.613	11.903	8.213	12.187	40.917	40.930
Certified	72.872	55.324	72.125	77.762	278.082	280.923
Collect-on-Delivery	0.864	0.763	0.786	0.920	3.333	3.336
Return Receipts	57.308	48.074	58.425	62.422	226.229	228.511
Money Orders	51.080	51.622	54.947	71.565	229.213	230.393
TOTAL SPECIAL SERVICES	193.167	170.080	196.931	227.830	788.008	794.316

R2000-1 After-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,747.774	24,362.118	23,300.623	29,354.112	99,764.628	99,857.394
-- Single-Piece	12,105.597	13,054.215	12,454.372	15,274.584	52,888.768	52,877.658
-- Workshared	10,642.177	11,307.904	10,846.251	14,079.528	46,875.860	46,979.736
(Nonautomated Presort)	661.033	640.741	582.945	745.710	2,630.430	2,586.288
(Automated)	9,981.143	10,667.163	10,263.307	13,333.818	44,245.431	44,393.448
(Basic Letters)	1,265.878	1,345.634	1,301.194	1,690.944	5,603.649	5,620.726
(Basic Flats)	11.734	12.550	12.092	15.731	52.106	52.293
(3-Digit Letters)	5,494.791	5,880.124	5,666.711	7,378.557	24,420.184	24,508.201
(5-Digit Letters)	2,799.704	2,978.560	2,854.234	3,700.227	12,332.726	12,362.727
(3/5-Digit Flats)	68.980	73.641	70.395	90.691	303.708	304.691
(Carrier-Route Letters)	340.057	376.653	358.680	457.668	1,533.058	1,544.810
First-Class Cards	1,390.701	1,212.451	1,243.011	1,591.141	5,437.303	5,440.951
Stamped Cards	109.507	90.809	99.508	116.877	416.702	415.873
Private Cards	1,281.193	1,121.642	1,143.503	1,474.263	5,020.601	5,025.078
-- Single-Piece Cards	608.341	528.978	535.060	684.950	2,357.329	2,354.910
-- Workshared Cards	672.852	592.664	608.442	789.313	2,663.272	2,670.168
(Nonautomated Presort Car	110.477	84.331	88.438	105.308	388.553	383.715
(Automated Cards)	562.376	508.334	520.004	684.005	2,274.719	2,286.453
(Basic)	130.668	112.272	129.605	171.271	543.816	548.060
(3-Digit)	234.200	211.119	213.586	277.498	936.403	939.713
(5-Digit)	166.792	150.302	147.345	194.811	659.250	661.035
(Carrier-Route)	30.716	34.641	29.468	40.425	135.250	137.645
TOTAL FIRST-CLASS MAIL	24,138.475	25,574.570	24,543.634	30,945.253	105,201.931	105,298.345
Priority Mail	287.509	300.721	286.297	353.511	1,228.038	1,226.160
Express Mail	15.274	17.222	17.233	22.350	72.079	72.301
Mailgrams	0.821	0.912	0.815	0.811	3.359	3.340
PERIODICAL MAIL						
Within County	196.800	195.442	204.772	265.720	862.734	862.061
Nonprofit	510.678	476.658	505.880	562.170	2,055.385	2,052.208
Classroom	11.924	14.658	14.726	13.841	55.150	55.089
Regular Rate	1,666.225	1,707.317	1,801.938	2,182.167	7,357.647	7,351.808
TOTAL PERIODICAL MAIL	2,385.627	2,394.075	2,527.315	3,023.898	10,330.916	10,321.166
STANDARD A MAIL						
Regular Rate Bulk	19,293.256	15,612.675	17,306.856	21,502.486	73,715.272	73,826.867
Regular	10,421.716	8,580.460	9,786.760	12,167.900	40,956.836	40,998.656
-- Nonautomated	1,561.949	1,064.416	1,269.085	1,450.506	5,345.955	5,304.047
(Basic Letters)	278.493	211.355	246.640	280.434	1,016.922	1,011.823
(Basic Nonletters)	261.158	219.398	250.246	309.432	1,040.235	1,045.493
(Presort Letters)	561.795	256.470	345.007	334.205	1,497.478	1,455.143
(Presort Nonletters)	460.502	377.192	427.192	526.435	1,791.320	1,791.588
-- Automated	8,859.767	7,516.044	8,517.675	10,717.394	35,610.881	35,694.609
(Basic Letters)	1,022.831	862.932	980.455	1,240.687	4,106.906	4,120.244
(Basic Flats)	89.145	72.186	83.357	104.344	349.032	347.480
(3-Digit Letters)	3,360.895	2,872.376	3,226.606	3,956.368	13,416.245	13,450.018
(5-Digit Letters)	1,471.991	1,324.157	1,508.170	2,040.299	6,344.618	6,378.638
(3/5-Digit Flats)	2,914.906	2,384.392	2,719.087	3,375.695	11,394.080	11,398.229
Enhanced Carrier-Route	8,871.540	7,032.215	7,520.096	9,334.586	32,758.436	32,828.211
-- Automated	499.434	396.301	424.181	527.383	1,847.298	1,851.903
-- Nonautomated	8,372.106	6,635.915	7,095.915	8,807.203	30,911.138	30,976.309
(Basic Letters)	1,487.256	1,173.090	1,248.999	1,538.060	5,447.405	5,449.490
(Basic Nonletters)	3,183.176	2,524.949	2,701.731	3,357.141	11,766.997	11,794.849
(High-Density Letters)	107.834	84.837	90.122	110.522	393.315	393.108
(High-Density Nonletters)	391.118	313.451	338.444	427.467	1,470.481	1,479.259
(Saturation Letters)	740.214	581.664	617.251	755.524	2,694.652	2,692.107
(Saturation Nonletters)	2,462.509	1,957.924	2,099.367	2,618.488	9,138.287	9,167.496

R2000-1 After-Rates Volume Forecast

	2001Q1	2001Q2	2001Q3	2001Q4	2001PFY	2001GFY
Nonprofit Rate Bulk	3,995.977	3,127.457	3,230.287	3,940.382	14,294.103	14,277.455
Nonprofit	3,183.729	2,498.167	2,585.847	3,162.150	11,429.892	11,425.579
-- Nonautomated	849.700	688.499	684.633	827.731	3,050.563	3,040.715
(Basic Letters)	261.902	207.757	210.113	251.684	931.456	933.904
(Basic Nonletters)	64.508	51.949	52.698	62.867	232.022	232.032
(Presort Letters)	424.451	354.172	349.264	429.415	1,557.301	1,547.506
(Presort Nonletters)	98.840	74.621	72.558	83.765	329.784	327.272
-- Automated	2,334.028	1,809.668	1,901.214	2,334.419	8,379.329	8,384.865
(Basic Letters)	420.456	328.464	345.038	428.019	1,521.977	1,519.777
(Basic Flats)	23.978	17.673	19.415	25.559	86.625	86.820
(3-Digit Letters)	962.763	747.423	773.103	979.402	3,462.690	3,461.809
(5-Digit Letters)	590.943	449.901	483.519	554.244	2,078.608	2,085.641
(3/5-Digit Flats)	335.889	266.207	280.139	347.194	1,229.428	1,230.817
Nonprofit ECR	812.249	629.290	644.440	778.232	2,864.211	2,851.875
-- Automated	95.921	74.444	76.266	92.253	338.884	337.655
-- Nonautomated	716.327	554.847	568.174	685.979	2,525.327	2,514.220
(Basic Letters)	200.939	155.683	159.433	192.541	708.597	705.557
(Basic Nonletters)	252.756	195.777	200.479	242.047	891.059	887.140
(High-Density Letters)	14.953	11.577	11.853	14.305	52.688	52.446
(High-Density Nonletters)	2.584	2.006	2.056	2.487	9.133	9.102
(Saturation Letters)	160.149	123.933	126.882	153.049	564.013	561.323
(Saturation Nonletters)	84.946	65.871	67.471	81.550	299.837	298.653
TOTAL STANDARD A MAIL	23,289.233	18,740.132	20,537.143	25,442.867	88,009.376	88,104.322
STANDARD B MAIL						
Parcel Post	79.530	75.668	68.517	79.633	303.350	305.107
(Inter-BMC)	14.675	13.189	11.481	12.852	52.197	51.712
(Intra-BMC)	8.932	7.994	6.955	7.786	31.668	31.342
(Destination Entry)	55.923	54.485	50.081	58.995	219.485	222.052
Bound Printed Matter	149.386	124.167	93.708	159.378	526.640	524.743
Special Rate	55.545	46.566	46.624	56.728	205.463	205.789
Library Rate	7.391	6.240	6.961	7.796	28.387	28.432
TOTAL STANDARD B MAIL	291.852	252.642	215.810	303.535	1,063.840	1,064.070
Postal Penalty	89.476	104.101	70.291	88.697	352.566	348.543
Free-for-the-Blind	14.193	11.137	13.493	17.661	56.485	56.675
TOTAL DOMESTIC MAIL	50,512.462	47,395.512	48,212.031	60,198.583	206,318.589	206,494.921
SPECIAL SERVICES						
Registry	2.634	2.581	2.618	3.213	11.046	10.966
Insurance	9.875	12.907	8.793	12.795	44.371	44.131
Certified	73.600	55.157	71.980	74.900	275.638	274.934
Collect-on-Delivery	0.919	0.816	0.843	0.981	3.559	3.544
Return Receipts	57.649	46.999	57.065	59.434	221.146	220.088
Money Orders	51.327	51.151	54.467	69.811	226.757	226.435
TOTAL SPECIAL SERVICES	196.005	169.612	195.766	221.134	782.517	780.097

R2000-1 After-Rates Volume Forecast

	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
FIRST-CLASS MAIL						
First-Class Letters & Flats	22,889.881	24,584.568	23,672.479	29,853.029	100,999.958	101,500.982
-- Single-Piece	11,974.509	12,865.957	12,452.175	15,178.209	52,470.850	52,651.790
-- Workshared	10,915.372	11,718.611	11,220.304	14,674.820	48,529.107	48,849.192
(Nonautomated Presort)	545.773	556.002	508.769	663.080	2,273.624	2,267.468
(Automated)	10,369.599	11,162.609	10,711.535	14,011.740	46,255.483	46,581.724
(Basic Letters)	1,308.775	1,404.098	1,351.681	1,769.340	5,833.893	5,873.846
(Basic Flats)	12.231	13.181	12.680	16.629	54.721	55.127
(3-Digit Letters)	5,733.710	6,172.278	5,930.320	7,768.907	25,605.215	25,787.303
(5-Digit Letters)	2,864.853	3,073.570	2,941.427	3,844.096	12,723.945	12,805.229
(3/5-Digit Flats)	71.021	76.304	72.862	94.657	314.844	316.946
(Carrier-Route Letters)	379.009	423.179	402.564	518.111	1,722.864	1,743.273
First-Class Cards	1,406.350	1,218.369	1,245.673	1,607.930	5,478.322	5,515.733
Stamped Cards	111.056	102.032	100.675	117.447	431.210	433.480
Private Cards	1,295.294	1,116.337	1,144.997	1,490.483	5,047.111	5,082.254
-- Single-Piece Cards	597.303	510.739	519.630	671.073	2,298.744	2,309.616
-- Workshared Cards	697.991	605.599	625.368	819.410	2,748.367	2,772.637
(Nonautomated Presort Car)	93.197	69.984	73.917	88.815	325.914	324.037
(Automated Cards)	604.793	535.615	551.451	730.595	2,422.453	2,448.600
(Basic)	145.568	122.441	141.812	188.916	598.738	606.497
(3-Digit)	245.847	217.376	220.776	289.520	973.519	982.487
(5-Digit)	173.487	153.421	151.567	201.054	679.529	685.294
(Carrier-Route)	39.891	42.377	37.296	51.104	170.667	174.322
TOTAL FIRST-CLASS MAIL	24,296.231	25,802.937	24,918.152	31,460.960	106,478.279	107,016.715
Priority Mail	286.153	308.739	310.184	388.179	1,293.254	1,305.047
Express Mail	16.110	18.133	18.112	23.324	75.680	76.099
Mailgrams	0.747	0.798	0.718	0.708	2.970	2.961
PERIODICAL MAIL						
Within County	195.916	192.744	201.796	262.208	852.663	854.711
Nonprofit	504.063	476.338	512.172	567.975	2,060.548	2,071.206
Classroom	11.689	13.533	14.259	13.623	53.104	53.271
Regular Rate	1,643.559	1,691.636	1,811.956	2,219.019	7,366.169	7,397.075
TOTAL PERIODICAL MAIL	2,355.227	2,374.250	2,540.182	3,062.825	10,332.484	10,376.263
STANDARD A MAIL						
Regular Rate Bulk	19,807.429	15,835.651	17,785.898	22,193.266	75,622.244	76,226.227
Regular	10,676.528	8,688.374	10,060.980	12,485.837	41,911.719	42,206.390
-- Nonautomated	1,414.662	931.647	1,131.606	1,279.774	4,757.689	4,747.107
(Basic Letters)	243.319	177.977	209.589	240.079	870.963	866.287
(Basic Nonletters)	271.703	219.979	253.883	313.300	1,058.865	1,065.332
(Presort Letters)	438.544	160.988	238.405	196.329	1,034.266	1,011.306
(Presort Nonletters)	461.096	372.703	429.730	530.066	1,793.595	1,804.182
-- Automated	9,261.866	7,756.727	8,929.374	11,206.062	37,154.030	37,459.283
(Basic Letters)	1,096.649	909.872	1,050.348	1,319.043	4,375.912	4,417.148
(Basic Flats)	92.760	76.058	88.895	111.057	368.771	372.312
(3-Digit Letters)	3,528.732	2,977.563	3,399.565	4,163.633	14,069.493	14,191.863
(5-Digit Letters)	1,568.003	1,374.596	1,588.502	2,141.793	6,672.894	6,727.544
(3/5-Digit Flats)	2,975.722	2,418.638	2,802.065	3,470.536	11,666.961	11,750.416
Enhanced Carrier-Route	9,130.902	7,147.277	7,724.918	9,707.429	33,710.525	34,019.837
-- Automated	516.098	403.979	436.629	548.684	1,905.390	1,922.873
-- Nonautomated	8,614.804	6,743.298	7,288.289	9,158.744	31,805.136	32,096.964
(Basic Letters)	1,501.080	1,174.981	1,269.943	1,595.859	5,541.863	5,592.712
(Basic Nonletters)	3,284.767	2,571.174	2,778.976	3,492.168	12,127.086	12,238.358
(High-Density Letters)	107.742	84.336	91.152	114.545	397.774	401.424
(High-Density Nonletters)	420.264	328.965	355.552	446.800	1,551.580	1,565.817
(Saturation Letters)	736.134	576.214	622.783	782.614	2,717.745	2,742.682
(Saturation Nonletters)	2,564.816	2,007.628	2,169.884	2,726.759	9,469.087	9,555.971

R2000-1 After-Rates Volume Forecast

	2002Q1	2002Q2	2002Q3	2002Q4	2002PFY	2002GFY
Nonprofit Rate Bulk	3,921.311	3,142.201	3,374.428	4,009.020	14,446.961	14,578.391
Nonprofit	3,153.620	2,531.945	2,724.373	3,242.903	11,652.841	11,765.673
-- Nonautomated	778.968	640.231	660.621	777.333	2,857.153	2,864.419
(Basic Letters)	245.215	192.120	201.674	234.219	873.229	875.236
(Basic Nonletters)	62.208	50.763	53.390	61.685	228.046	229.456
(Presort Letters)	384.929	330.503	337.312	403.935	1,456.679	1,460.061
(Presort Nonletters)	86.615	66.845	68.246	77.494	299.199	299.666
-- Automated	2,374.652	1,891.714	2,063.751	2,465.571	8,795.688	8,901.254
(Basic Letters)	432.734	352.175	383.904	462.798	1,631.611	1,653.770
(Basic Flats)	26.039	20.086	22.851	29.089	98.064	99.817
(3-Digit Letters)	956.171	759.845	817.098	1,007.810	3,540.923	3,576.123
(5-Digit Letters)	616.708	481.505	537.005	601.570	2,236.788	2,268.356
(3/5-Digit Flats)	343.001	278.103	302.894	364.304	1,288.303	1,303.189
Nonprofit ECR	767.691	610.256	650.055	766.117	2,794.119	2,812.718
-- Automated	91.047	72.376	77.096	90.861	331.380	333.586
-- Nonautomated	676.643	537.881	572.959	675.256	2,462.740	2,479.133
(Basic Letters)	189.935	150.984	160.831	189.546	691.295	695.897
(Basic Nonletters)	238.752	189.790	202.167	238.263	868.972	874.756
(High-Density Letters)	14.108	11.215	11.946	14.079	51.348	51.690
(High-Density Nonletters)	2.455	1.952	2.079	2.450	8.936	8.995
(Saturation Letters)	150.928	119.976	127.801	150.618	549.323	552.980
(Saturation Nonletters)	80.465	63.964	68.135	80.300	292.865	294.814
TOTAL STANDARD A MAIL	23,728.740	18,977.852	21,160.326	26,202.286	90,069.205	90,804.618
STANDARD B MAIL						
Parcel Post	87.263	83.196	75.341	88.106	333.905	337.937
(Inter-BMC)	13.558	12.437	10.832	12.178	49.005	49.034
(Intra-BMC)	8.214	7.535	6.563	7.377	29.688	29.706
(Destination Entry)	65.492	63.223	57.946	68.551	255.212	259.198
Bound Printed Matter	142.029	122.978	95.544	171.915	532.466	537.699
Special Rate	57.391	47.760	48.072	58.249	211.472	213.009
Library Rate	7.637	6.200	7.018	7.953	28.808	28.984
TOTAL STANDARD B MAIL	294.319	260.133	225.976	326.223	1,106.651	1,117.629
Postal Penalty	73.857	98.765	64.697	86.830	324.149	324.214
Free-for-the-Blind	14.931	11.604	14.042	18.366	58.943	59.333
TOTAL DOMESTIC MAIL	51,066.313	47,853.212	49,252.389	61,569.701	209,741.615	211,082.881
SPECIAL SERVICES						
Registry	2.431	2.394	2.436	2.974	10.235	10.223
Insurance	8.945	12.363	8.531	12.659	42.498	42.512
Certified	72.872	55.324	72.125	77.762	278.082	280.923
Collect-on-Delivery	0.864	0.763	0.786	0.920	3.333	3.336
Return Receipts	57.308	48.074	58.425	62.422	226.229	228.511
Money Orders	51.080	51.622	54.947	71.565	229.213	230.393
TOTAL SPECIAL SERVICES	193.499	170.539	197.249	228.302	789.589	795.898

IDENTIFICATION OF ERRATA TO
DIRECT TESTIMONY OF UPS
WITNESS DAVID E. M. SAPPINGTON (UPS-T-6)

<u>Page</u>	<u>Line</u>	<u>Revision</u>
31	Footnote 36, last line	Change "Table 5" to "Table 4"
34	Footnote 42	Change "¶ 4022" to "¶¶ 4021, 4022."
36	Table 6, "% Change in Real Attributed Cost" column	Change "41.0" for R87-1 to "42.5"; change "26.4" for R90-1 to "25.1"
36	Table 6, "Average Annual % Change in Real Attributed Cost per Piece"	Change "1.9" for R87-1 to "2.3"; change "-1.2" for R90-1 to "-1.7"; change "6.0" for R97-1 to "6.1"
36	Table 6, "Test Year Estimated Volume (000 Pieces)" for R2000-1	Change "1,069,968" to "1,070,173"
36	Table 6, "Test Year Attributed Cost (\$000)"	Change "3,288,209" to "3,288,724"
39	5	Change "31.1% percent" to "24.9 percent"
39	8	Change "31.1 percent" to "24.9 percent"
40	11	Change "31%" to "41%" and change "\$898.7" to "\$965.5"
40	13	Change "commensurate" to "substantial"
46	17	Change "commensurate" to "substantial"

1 mail stream and delivery to the addressee cannot be shorter than the time between
2 receipt at the originating Post Office and arrival at the destination Post Office.

3 Therefore, any Priority Mail piece that achieves its service standard as measured by the
4 PETE system should also achieve its service standard when measured by ODIS. Yet,
5 ODIS often reports Priority Mail to have achieved its service standards less frequently
6 than does the PETE system.³⁶ This is counter-intuitive. Apparent anomalies of this sort
7 raise concerns about the accuracy of the reported service quality statistics.

8 b. Other Direct Measures of Value

9 In light of concerns about the accuracy of available data and difficulties in
10 interpreting even the most accurate data, excessive focus on a single imperfect
11 measure of service quality should be avoided. Instead, all available direct measures of
12 service quality and value should be studied carefully. A thorough consideration of
13 more indirect potential indicators of service quality and value can also be instructive.

14 Direct measures of service quality and value other than achievement of service
15 standards include measures of the reliability, convenience, security, and freedom from
16 content damage that a service delivers, as well as the options it provides to purchase
17 additional value-added features. Priority Mail fares well on many of these direct
18 measures of service quality. To illustrate, Priority Mail (like First Class Mail) is sealed
19 against inspection. It also enjoys the convenience of the collection system for a large

36. For FY1999, ODIS data report that Priority Mail achieved its one-day service standard 85% of the time and its two-day service standard 74% of the time. APMU/USPS-T34-52, Tr. 7/2736. Both of these percentages are less than the corresponding percentages reported in Table 4, which reflect PETE data.

1 established for First Class Mail. A higher markup for Priority Mail is also supported by
2 other criteria in the Act.

3 Section 3622(b)(4)'s concern with the effect of rate increases on private
4 competitors is particularly relevant to Priority Mail, since First Class Mail letters are
5 largely sheltered from competition by the Postal Service's letter monopoly. The
6 concern with the effect of rate increases on private competitors justifies a higher
7 markup for Priority Mail than for First Class Mail, ceteris paribus. A smaller markup for
8 First Class Mail is also consistent with the Commission's desire to "avoid unfairly
9 penalizing First-Class Mail" and to have First Class Mail "bear a markup at, or only
10 slightly above, systemwide average."⁴² A smaller markup for First Class Mail also helps
11 to target rate relief to individual mailers, as opposed to business mailers.⁴³

12 Under the Postal Service's letter monopoly, Priority Mail users often have more
13 alternatives than do First Class Mail users (§ 3622(b)(5)). Numerous private carriers
14 transport non-letter items weighing up to 70 pounds, just as Priority Mail does.
15 Competitive alternatives also exist even for Priority Mail letters due to the suspension of
16 the letter monopoly for expedited shipments. Consequently, Priority Mail users are

42. Opinion and Recommended Decision, Docket No. R90-1, ¶¶ 4021, 4022.

43. Only 12% of 1998 Priority Mail volume was sent by households, whereas almost 27% of First Class single piece letters were sent by households in 1998; approximately 55% of First Class single piece letters were sent to or from households in 1998, compared to 45% for Priority Mail. Response of Postal Service witness Tolley to interrogatory UPS/USPS-T6-5, Tr. 9/3659-61, and Response of Postal Service witness Musgrave to interrogatory UPS/USPS-T8-1, Tr. 9/3566-67.

1 Table 6 reveals.)⁴⁶ This increase is comparable to the corresponding average increase
2 between recent rate cases prior to R97-1, and less than half of the corresponding
3 increase in R97-1. In this respect, the unusually large increase in Priority Mail's
4 attributable costs in R97-1 is not replicated in the present case. Consequently, a
5 restoration of the historic markup relationship between Priority Mail and First Class Mail
6 might seem to be appropriate.

TABLE 6
CHANGES IN PRIORITY MAIL ATTRIBUTED COST

Rate Case	Test Year Estimated Volume (000 Pieces)	Test Year Attributed Cost (\$ 000)	% Change in Attributed Cost	% Change in Real Attributed Cost	Average Annual % Change in Attributed Cost per Piece	Average Annual % Change in Real Attributed Cost per Piece
R80-1	237,720	465,774				
R84-1	296,017	462,436	- 0.7	- 17.5	- 5.1	- 8.4
R87-1	394,781	712,925	54.2	42.5	5.2	2.3
R90-1	518,458	1,002,899	40.7	25.1	2.4	- 1.7
R94-1	762,115	1,401,597	39.8	27.3	- 1.2	- 3.4
R97-1	1,058,687	2,419,687	72.6	64.0	8.1	6.1
R2000-1	1,070,173	3,288,724	35.9	29.5	11.5	9.4

46. The inflation adjustment uses the Gross Domestic Product Implicit Price Deflator (1996=100). <http://www.economagic.com/em-cgi/data.exe/fedstl/gdpef>. The test year attributed costs reported in the third column of Table 6 were translated into 1981 dollars by multiplying each entry by the ratio of the Deflator in the first quarter of calendar year 1981 to the Deflator in the first quarter of the calendar year following the rate case (e.g., 1998 for R97-1). The Deflator for the first quarter of 2001 was estimated to be the Deflator for the first quarter of 2000 (105.90) and the percent increase in the Deflator (1.758) between the first quarter of 1999 and the first quarter of 2000.

V. PARCEL POST RATE RECOMMENDATION

A. The Recommendation

Based upon careful consideration of the criteria specified in § 3622(b) of the Act and relevant changes that have occurred since the R97-1 rate case, I recommend a **24.9** percent increase in the average rate for Parcel Post. This rate increase reflects a cost coverage of 111%, a markup of 11%, and a markup index of 0.202.

B. Basis for the Recommendation

The **24.9** percent rate increase that I recommend reflects in large part the substantial increase in Parcel Post's attributable costs since the R97-1 rate case. It also reflects the solid volume and revenue growth that Parcel Post has experienced in recent years, which suggests that Parcel Post can reasonably bear a markup closer to the systemwide average than it does presently. The 11% markup that I recommend is also important to reduce the risk that Parcel Post revenue will fall below its attributable costs in the future, as it has done repeatedly in the past. The recommended markup also reflects the higher value that its new Delivery Confirmation Service and its new rate categories enable Parcel Post to deliver to its customers.

C. Explanation of the Recommendation

A more complete explanation of my rate recommendation for Parcel Post follows in five steps. First, I review the substantial increase in Parcel Post's attributable costs since the R97-1 rate case. Second, I document the solid growth in volume and revenue that Parcel Post has experienced in recent years. Third, I explain how the low cost

1 coverage that Parcel Post was assigned in the R97-1 rate case may have caused
2 Parcel Post revenue to fall below its attributed cost in FY1998, the R97-1 test year.
3 Fourth, I note that Parcel Post may no longer be the low-value service that it has
4 historically been considered to be, in part because the new rate categories introduced
5 in R97-1 have enabled Parcel Post to become an integral component of higher value
6 mail services. Fifth, I point out that if the Postal Service's estimates of Parcel Post
7 volume are accurate, then earlier Commission concerns that higher Parcel Post rates
8 would cause unacceptably low volumes are no longer applicable.

9 1. Increased Attributable Costs

10 Parcel Post's attributable costs have increased substantially since R97-1. Parcel
11 Post's estimated attributable costs in the R97-1 test year were \$685.9 million.⁵⁰ Parcel
12 Post's estimated attributable costs in the current test year are **41%** higher, at **\$965.5**
13 million.⁵¹ This substantial increase in Parcel Post's attributable costs since R97-1
14 necessitates a **substantial** increase in rates to ensure that revenues exceed
15 attributable costs, as required by § 3622(b)(3) of the Act.

16 2. Solid Volume and Revenue Growth

17 Recent data suggest that Parcel Post can sustain a rate increase designed to
18 ensure that its revenues exceed its attributable costs by a more healthy margin than the
19 margin adopted in R97-1. In contrast to the years immediately prior to the R97-1 rate

50. Opinion and Recommend Decision, Docket No. R97-1, Appendix G, Schedule 1.

51. UPS-T-5, p. 19 (Table 8) (Luciani).

robust cost coverage is appropriate in the present rate case, since that concern is less pressing now. Indeed, under the new methodology, 1999 Parcel Post volume achieved its highest level since 1977. This peak volume represents an increase of more than 163% in the past decade.⁶¹

6. Summary

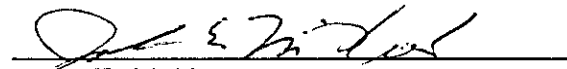
In summary, the changes that have occurred since R97-1 lead to the conclusion that the markup for Parcel Post should be increased to a level that is closer to the systemwide average, thereby requiring Parcel Post to shoulder a larger share of the institutional cost burden that has been shouldered primarily by other mailers in recent years.

The 11% markup that I recommend reflects a balanced consideration of all of the criteria specified in § 3622(b) of the Act. The recommended markup is only 3 percentage points higher than the markup recommended by the Commission in R97-1, and is lower than the markups recommended by the Commission in R84-1, R87-1, and R90-1. A more substantial markup would be appropriate, if not for the large increase in Parcel Post's attributable costs since R97-1. This substantial increase in costs requires a **substantial** increase in rates to limit the risk of cross subsidy.

61. Parcel Post volume was 121 million pieces in 1989. USPS-LR-I-117, op. cit., p. 4.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.


John E. McKeever
Attorney for United Parcel Service

Dated: June 22, 2000
Philadelphia, Pa.

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