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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D. C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

**DIRECT TESTIMONY
OF
KAREN MEEHAN
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE**

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ATTACHMENT A "CROSSWALK BETWEEN FISCAL YEAR 1999
CRA AND FISCAL YEAR/BASE YEAR 2000 CRA CATEGORIES"

10

LIST OF EXHIBITS

- A. COST SEGMENTS AND COMPONENTS, BY 2000USPS-11A
- B. FINAL ADJUSTMENTS, BY 2000USPS-11B
- C. COST AND REVENUE ANALYSIS, BY 2000USPS-11C

LIST OF WORKPAPERS

WP-A. BASE YEAR 2000 REPORTS

TABLE 1. MANUAL INPUT REQUIREMENT REPORT

TABLE 2. "A" REPORT (WITHOUT PESSA)

TABLE 3. FACTOR REPORT

TABLE 4. "B" REPORT (PESSA DETAIL)

WP-B. BASE YEAR 2000 COST SEGMENT SPREADSHEETS (1-20)

LIST OF LIBRARY REFERENCES

The following library references are associated, in whole or in part, with my testimony. Where a library reference is associated in part with my testimony, the specific portions so associated are indicated in parentheses following the library reference title.

- | | |
|--------------|--|
| USPS LR-J-4 | Base Year/Roll Forward, Input Control Files (Section 1) |
| USPS LR-J-5 | Base Year/Rollforward, Processing Documentation Reports (Section 1 and 2) |
| USPS LR-J-6 | Base Year/Rollforward (CD-ROM) (Directories lr-j-6/cntfilefy00by and lr-j-6/datafile/fy00by) |
| USPS LR-J-8 | Reconciliation of FY 2000 Statement of Revenues and Expenses to Audited Financial Statements and Reallocation of Expenses by Component (1 diskette) (Reconciliation to Audited Financial Statements and Reallocation of Expenses by Component) |
| USPS LR-J-57 | Diskette of Witness Meehan's Spreadsheets for Workpaper B and Exhibit 11C (USPS-T-11) |

1 Autobiographical Sketch

2 My name is Karen Meehan. I am an economist in Cost Attribution,
3 Finance at Postal Service headquarters. I have been in my current job since
4 November 1994 and have been employed by the Postal Service since 1991.

5 My postal experience includes a number of positions at headquarters. I
6 served as a senior economist in the Demand Research Division in 1991 and
7 1992. From 1992 to 1994, I was a principal operations research analyst in the
8 Economic and Analysis Forecasting Group. Since 1994, I have been an
9 economist in Cost Attribution. I was the base year cost witness in Docket No.
10 R2000-1.

11 Previous to my employment at the Postal Service, I was a teaching
12 assistant at the George Washington University in the Economics Department.

13 I hold a Bachelor of Science, with honors, in industrial and systems
14 engineering from the Georgia Institute of Technology and a Master in Economics
15 from George Washington University.

1 **PURPOSE AND SCOPE OF TESTIMONY**

2 This testimony presents the development of Base Year 2000 costs. A
3 number of changes in the treatment of costs are introduced in this proceeding,
4 resulting in differences between the Fiscal Year 2000 Cost and Revenue
5 Analysis (CRA) and Base Year 2000 costs. My testimony and related
6 workpapers provide a brief overview of these changes and report their results.
7 However, a more thorough treatment of these changes is addressed in the
8 testimony of other witnesses.

9 This testimony is divided into four sections. The first section defines the
10 postal costing concepts used in the identification and development of base year
11 costs. The second section summarizes the changes in the treatment of costs
12 between Base Year 1998 and Fiscal Year 2000. In the third section, I describe
13 the changes in the treatment of costs between Fiscal Year 2000 and Base Year
14 2000. The last section of my testimony provides an overview of the development
15 of Base Year 2000 costs. I present these costs as a series of exhibits, which
16 follow this narrative.

17

18 I. **Postal Costing Concepts**

19 Base Year costs are classified as either volume variable or other in the base
20 year cost presentation.¹

¹ Exhibit USPS-11C also includes a column called Incremental Cost which is discussed by witness Kay, USPS-T-21.

1 A. Volume Variable Costs

2 As in Dockets No. R97-1 and R2000-1, the term "volume variable costs"
3 refers to costs that change (increase or decrease) in response to a small change
4 in mail volume. The degree of variability is the ratio of the percentage change in
5 costs to the corresponding percentage change in volume. The degree of
6 variability is usually referred to as the "variability" and is commonly expressed as
7 a percentage.

8 B. Other Costs

9 The term "other costs" refers to all costs that are not volume variable.
10 They represent the difference between total accrued costs and total volume
11 variable costs.

12 II. Changes Between Base Year 1998 and Fiscal Year 1999, and Fiscal Year
13 1999 to Fiscal Year 2000

14 A. Base Year 1998 to Fiscal Year 1999

15 The Fiscal Year 1999 CRA was a continuation of the Base Year 1998
16 CRA methodology, except for housekeeping changes. For example, Special
17 Delivery Messenger costs were shown in Cost Segment 3.4 as
18 clerk/messengers, rather than in Cost Segment 9 due to the change of the
19 Special Delivery Messenger craft to the clerk/carrier craft.

1 B. Fiscal Year 1999 to Fiscal Year 2000

2 The changes between the Fiscal Year 1999 CRA and the Fiscal Year 2000 CRA
3 are as follows:

4 1. Recommendations from Docket No. R2000-1

5 The recommendations from the Postal Rate Commission Recommended
6 Decisions in Docket No. R2000-1 generally were implemented, with some
7 exceptions including the treatment of variability in cost segment 3, where we
8 maintain the Postal Service's Base Year 1998/FY 1999 methodology; and the
9 treatment of single subclass costs in cost segment 7 as incremental. See
10 witness Kay's testimony, USPS-T-21. The PRC's treatment of IOCS coding
11 methods affecting the cost of automation rate mail and Media Mail was
12 implemented. See the testimony of witness Shaw, USPS-T-1, for IOCS coding
13 methods.

14

15 2. The Collapsing of Subclass Information due to Public Law 106-384

16 In accordance with Public Law 106-384, the following revenue, volumes
17 and costs have been combined: Nonprofit Periodicals, Classroom Periodicals,
18 and Regular Periodicals are combined and renamed "Outside County"; Standard
19 A Nonprofit and Standard A Regular are combined and renamed "Regular";
20 Standard A Nonprofit ECR and Standard A ECR are combined and renamed
21 "Enhanced Carrier Route"; Library Rate and Media Mail (formerly Special
22 Standard B) are combined and renamed "Media Mail". Attachment A shows the
23 former categories and the new categories.

1 3. Other Changes

2 Standard A single piece is eliminated from the Fiscal Year 2000 CRA
3 presentation since it was eliminated as of January 1999.

4 The CRA shows First-Class Presorted Letters and First-Class
5 Nonpresorted Letters separately.

6 Computations used to develop the premium deduction key and the
7 adjusted mail processing key were removed from the mainframe CRA model and
8 are now performed in the testimony and workpapers of Witness Van-Ty-Smith in
9 USPS-T-13.

10 In continuing the response to a recommendation from the Fiscal Year
11 1996 CRA audit, we separated the costs of programs clearly related to existing
12 products where possible. The new program identified as affecting products in
13 Fiscal Year 2000 was the International Service Centers. Please see the
14 testimony and workpapers of Witness Van-Ty-Smith, USPS-T-13, for the
15 associated computations.

16 Computations used to develop the Cost Segment 14 Alaska air
17 adjustment were performed in the mainframe CRA model as was done in the
18 Base Year 1998 CRA model. The adjustment factor is developed in USPS
19 Library Reference J-40 and discussed in the testimony of witness Pickett, USPS-
20 T-17.

21 Certain costs were reported on different lines to keep in synchronization
22 with RPW reporting. Starting in Fiscal Year 2000, the RPW report showed
23 International special services separately from domestic special services.

1 Therefore, the Fiscal Year 2000 cost systems and CRA make a corresponding
2 change to report International special services separately from domestic special
3 services and include International special services with International mail.
4 Workpaper B, USPS-T11, worksheets 16.1.2 and 20.2.2, were modified to
5 include International special service costs with International mail. The RPW
6 system is discussed in the testimonies of witnesses Pafford, USPS-T-3 and
7 Hunter, USPS-T-4.

8

9 III. Changes Between Fiscal Year 2000 and Base Year 2000

10

11 The following changes were made between the Fiscal Year 2000 CRA
12 and the Base Year 2000.

13 A. General Revisions to Base Year 2000

14 First, RPW stamped and metered volumes inputs replaced ODIS inputs
15 for window service distribution of costs (I-Forms stamped and metered
16 percentages Cost Segment 3).

17 The general ledger, an input into the Base Year 2000 CRA, was adjusted
18 to move an inadvertent charge of \$5.85 million from postage printing costs to
19 stamped envelope printing costs. Accordingly, this change is reflected in the
20 Base Year 2000 CRA.

21 The density for International Other became available after the Fiscal Year
22 2000 CRA and was updated accordingly in Workpaper B, 8.1.2, cell d57.

23 B. New Studies and Updates

24 A number of updates affecting the volume variability of selected segments

1 and components are introduced in the Base Year costs. The following is a
2 summary of these new updates, as well as a reference to their respective
3 sponsoring witness.

4 In response to the PRC's request to separate the cost of special services
5 from their ancillary services, elemental load calculations in cost segment 7 were
6 updated to remove return receipt costs out of the special service volume variable
7 cost. The changes to elemental load are discussed in the testimony of witness
8 Bradley, USPS-T-16.

9 The rural carrier yearly route evaluations were updated, affecting cost
10 segment 10, Rural Carriers. The update is developed in USPS Library
11 Reference J-70².

12 Updates to mail processing variabilities and to the subclass distribution of
13 volume-variable mail processing labor costs, affecting cost segment 3, Mail
14 Processing, are presented by witnesses Bozzo, USPS-T-14 and Van-Ty-Smith,
15 USPS-T-13.

16 The testimony of witness Smith, USPS-T-15 provides the methodology
17 and inputs necessary to determine the volume variable equipment and facility-
18 related costs by subclass for the Base Year in cost segments 11, 15, 16 and 20.

² The updated analysis now includes four prior years of rural mail counts so that more rural routes are represented.

1
2 C. Cost Concepts

3 Previous to Docket No. R97-1, the Base Year cost presentation included
4 identification of specific-fixed costs. The Base Year 2000 cost presentation, like
5 Base Year 1996 in Docket No. R97-1 and Base Year 1998 in Docket No. R2000-
6 1, is limited to the estimation of volume variable costs for each category of mail
7 and special service. Estimates of product specific costs are still developed and
8 allocated to categories of mail and special services in the estimation and
9 application of incremental costs. These are included in the workpapers of
10 witness Kay, USPS-T-21.

11

12 IV. Development of Base Year 2000 Costs

13 Base Year 2000 costs are based on the established cost segments and
14 components. Accrued costs for Base Year 2000 are grouped into 18 cost
15 segments structured along costs for craft activities (e.g., rural carriers), work
16 activities or major functions (e.g., purchased transportation). The cost segments
17 are disaggregated into cost components and subcomponents. For each
18 component or subcomponent a determination of cost variability is made, and
19 then applied to the accrued costs for that component or subcomponent to arrive
20 at the level of volume variable cost. An appropriate distribution key is then
21 employed to distribute this cost to the classes and subclasses of mail and types
22 of special service.

1 Ongoing statistical sampling systems collect data and produce estimates
2 that underlie the costs presented in Exhibit USPS-11A. These cost systems are
3 IOCS, TRACS, CCS, and RCS. See witness Shaw for IOCS, USPS-T-1, witness
4 Xie for TRACS, USPS-T-2, and witness Harahush for CCS and RCS, USPS-T-5.

5 Cost segments and components for Base Year 2000 are presented as
6 Exhibit USPS-11A to my testimony. Final adjustments are reported in my Exhibit
7 USPS-11B, and a Cost and Revenue Analysis report for Base Year 2000 is
8 provided as Exhibit USPS-11C.

1

ATTACHMENT A2 CROSSWALK BETWEEN FISCAL YEAR 1999 CRA AND FISCAL YEAR/BASE
3 YEAR 2000 CRA CATEGORIES

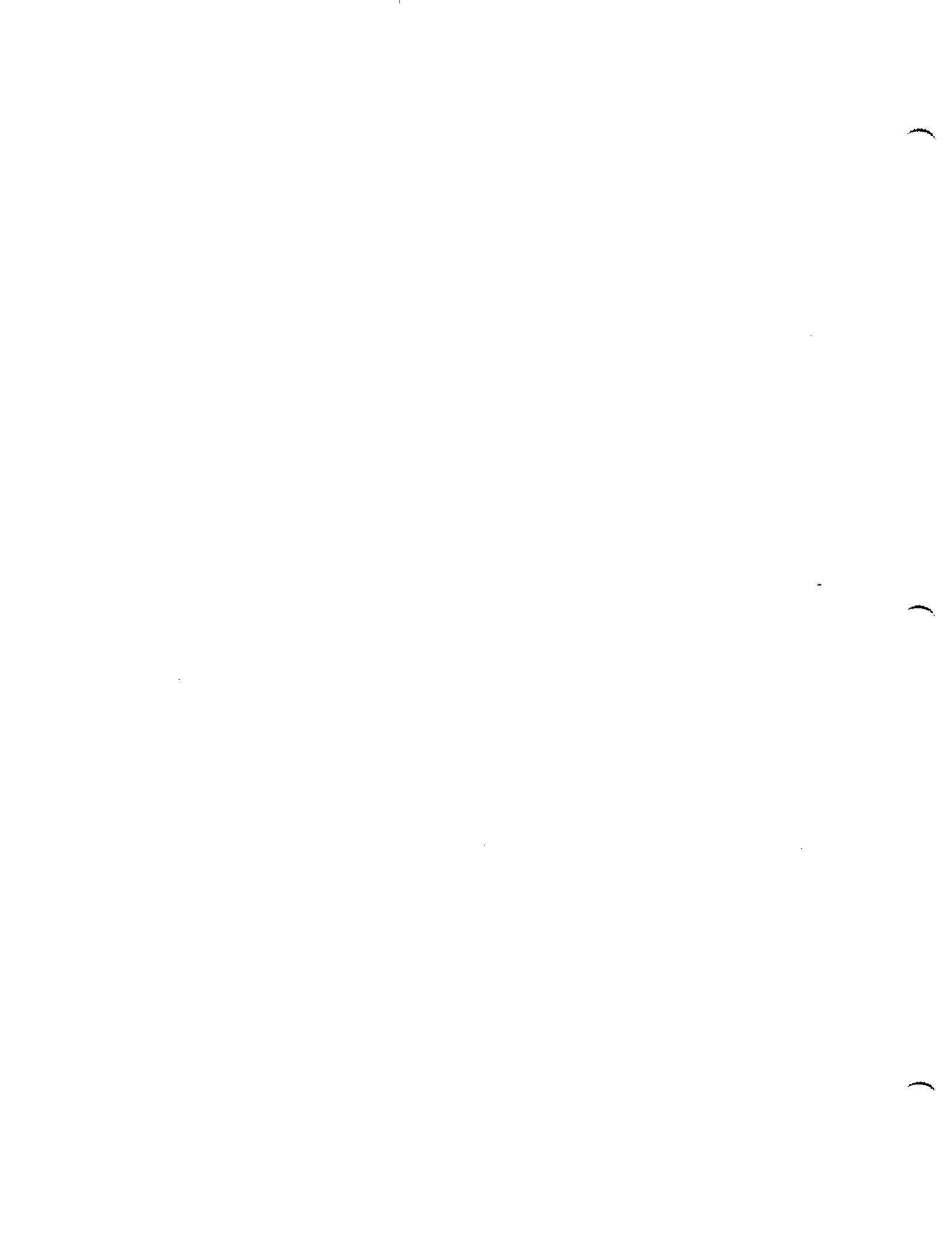
4

5 The following table shows the Fiscal Year 1999 CRA categories and a
6 cross walk to the new Fiscal Year/Base Year 2000 CRA categories.

	<u>1999 CRA Categories</u>	<u>2000 CRA Categories</u>
8	First-Class Letters	First-Class Single Piece Letters
9	First-Class Letters	First-Class Presort Letters
10	First-Class Cards	First-Class Single Piece Cards
11	First-Class Cards	First-Class Presort Cards
12	In-County Periodicals	In-County Periodicals
13	Nonprofit Periodicals	Outside County Periodicals
14	Classroom Periodicals	Outside County Periodicals
15	Regular Periodicals	Outside County Periodicals
16	Standard A single piece	--
17	Standard A Regular	Standard Regular
18	Standard A Nonprofit	Standard Regular
19	Standard A ECR	Standard ECR
20	Standard A Nonprofit ECR	Standard ECR
21	Parcel Zone Rate	Parcel Post
22	Bound Printed Matter	Bound Printed Matter
23	Special Standard	Media Mail
24	Library Rate	Media Mail

USPS-T-11

**EXHIBIT USPS-11A
COST SEGMENTS AND COMPONENTS
BASE YEAR 2000**



COST SEGMENTS AND COMPONENTS
BASE YEAR 2000

NOTE: THERE ARE 2 PAGES FOR EVERY COST COMPONENT.
FOOTNOTES FOR A COST COMPONENT APPEAR ON A
SEPARATE PAGE FOLLOWING THE DETAIL FOR A
COST COMPONENT.

PAGE REFERENCES NOT PRECEDED BY A WORKPAPER REFERENCE
REFER TO PAGES WITHIN THIS DOCUMENT.

ALL EXTERNAL REFERENCES ARE TO USPS-T-11, WORKPAPER A-2: VARIABLE COSTS LESS PESSA COSTS
OR USPS-T-11, WORKPAPER A-4: PLANT, EQUIPMENT, SERVICEWIDE AND SELECTED
ADMINISTRATIVE COSTS (PESSA COSTS)



DEVELOPMENT OF COST BY

ENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-1 POSTMASTERS	C/S-2 SUPERVISORS & TECHNICIANS	C/S-3 CLERKS AND MAILHANDLER	C/S-4 CLERKS OFFICES	C/S-6&7 CAG-K OFFICES	C/S-8 CITY DEL CARRIERS	VEHICLE SER DRIVERS
FIRST-CLASS MAIL:							
SINGLE-PIECE LETTERS	108 204	647 440	5 778 862	1 923	1 904 787	30 329	
PRESORT LETTERS	62 381	218 204	1 505 155	529	1 014 879	20 420	
TOTAL LETTERS	170 585	865 644	7 284 017	2 452	2 919 666	50 749	
SINGLE-PIECE CARDS	2 780	28 511	226 728	68	106 293	221	
PRESORT CARDS	2 220	6 872	42 889	15	37 458	288	
TOTAL CARDS	5 000	35 383	269 617	83	143 751	509	
TOTAL FIRST-CLASS	175 585	901 027	7 553 634	2 535	3 063 417	51 258	
PRIORITY MAIL	24 031	85 385	841 221	146	167 096	32 551	
EXPRESS MAIL	4 950	19 825	165 785	--	37 241	1 714	
MAILGRAMS	--	42	176	--	305	1	
PERIODICALS:							
IN-COUNTY	381	3 585	19 170	7	21 105	2 441	
OUTSIDE COUNTY	10 318	100 068	780 019	317	358 776	41 541	
TOTAL PERIODICALS	10 699	103 653	799 189	324	379 881	43 982	
STANDARD MAIL:							
ENHANCED CARRIER ROUTE	25 323	101 825	410 396	91	765 621	50 963	
REGULAR	49 772	363 450	2 921 928	704	1 463 976	55 759	
TOTAL STANDARD MAIL	75 095	465 275	3 332 324	795	2 229 597	106 722	
PACKAGE SERVICES:							
PARCEL POST	5 178	33 185	310 106	80	55 293	49 498	
BOUND PRINTED MATTER	2 499	19 234	156 125	41	62 602	16 593	
MEDIA MAIL	1 814	12 684	120 382	31	29 512	5 364	
TOTAL PACKAGE SVCS	9 491	65 103	586 613	152	147 407	71 455	
US POSTAL SERVICE	--	18 658	184 062	248	20 412	1 146	
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	1 430	13 156	--	3 483	418	
INTERNATIONAL MAIL	7 237	30 899	336 116	--	31 687	4 172	
TOTAL MAIL	307 088	1 691 297	13 812 276	4 200	6 080 526	313 419	

DEVELOPMENT OF COST BY COMPONENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-1 POSTMASTERS	C/S-2 SUPERVISORS & TECHNICIANS	C/S-3 CLERKS AND MAILHANDLER	C/S-4 CLERKS OFFICES	C/S-6&7 CAG-K CITY DEL CARRIERS	C/S-8 VEHICLE SER DRIVERS
SPECIAL SERVICES:						
REGISTRY	375	4 133	43 556	56	6 384	--
CERTIFIED	3 374	17 371	94 627	45	97 269	--
INSURANCE	533	3 790	30 711	2	6 975	--
COD	107	532	2 941	2	3 033	--
MONEY ORDERS	902	11 257	109 011	8	--	--
STAMPED CARDS	10	--	--	--	--	--
STAMPED ENVELOPES	67	337	3 277	--	--	--
SPECIAL HANDLING	--	88	962	1	--	--
POST OFFICE BOX	3 400	8 109	76 904	5	507	--
OTHER	85	10 303	72 930	69	34 693	--
TOTAL SPECIAL SVCS	8 853	55 920	434 919	188	148 861	--
TOTAL VOLUME VARIABLE	315 941	1 747 217	14 247 195	4 388	6 229 387	313 419
OTHER	1 457 070	1 917 672	4 499 213	2 687	6 910 602	205 143
TOTAL COSTS	1 773 011	3 664 889	18 746 408	7 075	13 139 989	518 562

SOURCE FOR COST SEGMENTS
AND COMPONENTS

SUMMARY TABLE

COLUMN TITLE

COLUMN SOURCE

1 C/S-1
(COMPONENT 251)

PAGES 9-10 COLUMN 3

2 C/S-2
(COMPONENT 284)

PAGES 17-18 COLUMN 4

3 C/S-3
(COMPONENT 478)

PAGES 23-24 COLUMN 2

4 C/S-4
(COMPONENT 254)

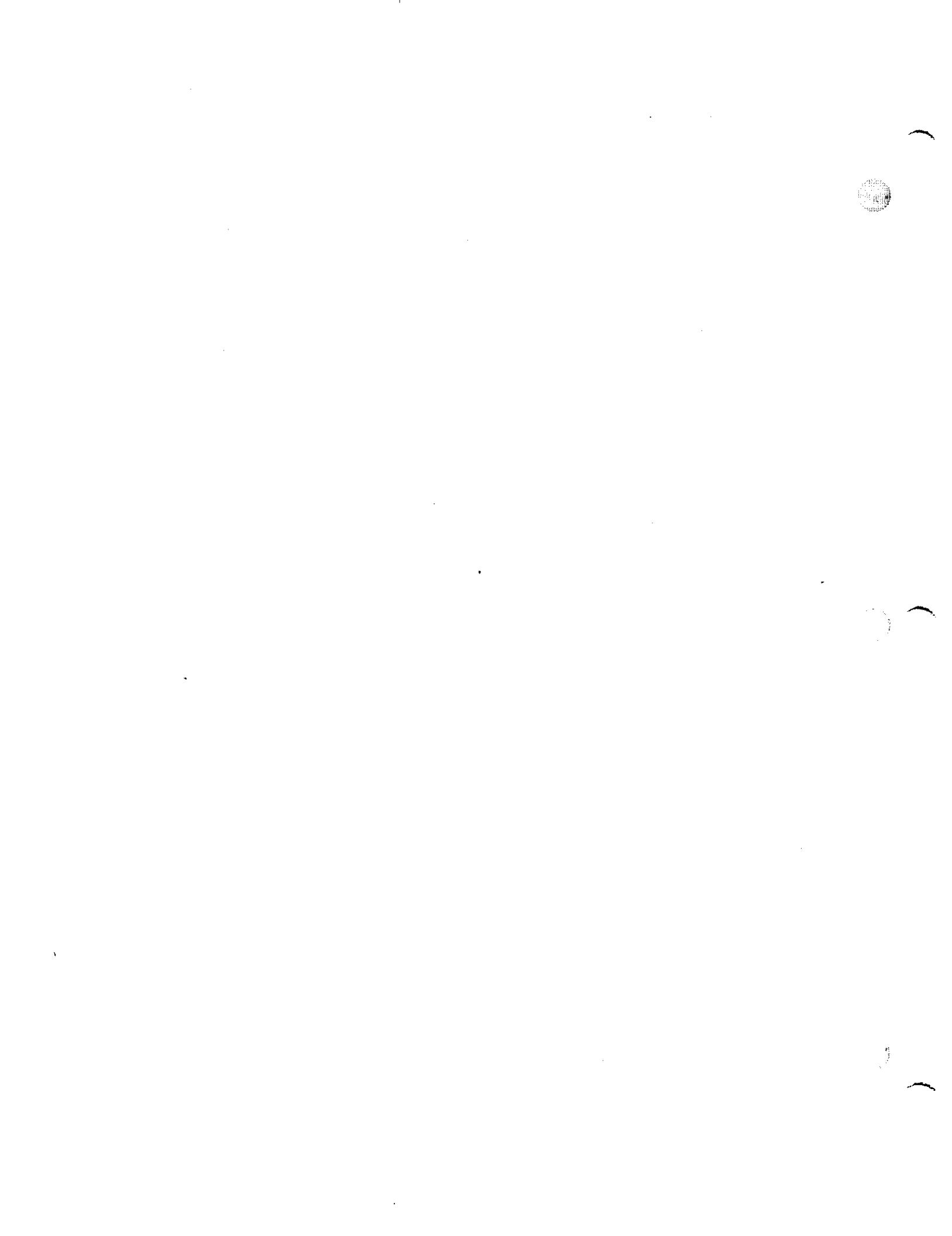
PAGES 25-26 COLUMN 1

5 C/S-6 & 7
(COMPONENT 281)

SUMMATION PAGES 27-28 COLUMN 5
AND PAGES 29-30 COLUMN 5

6 C/S-8
(COMPONENT 258)

PAGES 31-32 COLUMN 1



DEVELOPMENT OF COST BY RENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-10 RURAL CARRIERS	C/S-11 CUSTODIAL & MAINT SERV	C/S-12 MOTOR VEH SERVICE	C/S-13 MISC OPER COSTS	C/S-14 PURCHASED TRANSPORT	C/S-15 BUILDING OCCUPANCY
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	308 023	585 776	31 471	2 226	669 066	307 742
PRESORT LETTERS	264 217	177 660	17 439	1 291	423 126	95 470
TOTAL LETTERS	572 240	763 436	48 910	3 517	1 092 192	403 212
SINGLE-PIECE CARDS	17 353	19 790	1 514	125	13 000	11 945
PRESORT CARDS	12 435	4 830	720	49	6 208	2 923
TOTAL CARDS	29 788	24 620	2 234	174	19 208	14 868
TOTAL FIRST-CLASS	602 028	788 056	51 144	3 691	1 111 400	418 080
PRIORITY MAIL	37 840	53 516	16 063	200	872 383	50 691
EXPRESS MAIL	10 044	10 290	6 272	301	47 118	11 857
MAILGRAMS	17	16	30	--	--	19
PERIODICALS:						
IN-COUNTY	13 502	1 750	1 038	25	72	1 630
OUTSIDE COUNTY	142 508	64 609	14 636	423	354 099	46 712
TOTAL PERIODICALS	156 010	66 359	15 674	448	354 171	48 342
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	428 783	54 578	27 438	1 015	57 046	44 911
REGULAR	492 085	299 250	29 813	1 834	408 240	179 129
TOTAL STANDARD MAIL	920 868	353 828	57 251	2 849	465 286	224 040
PACKAGE SERVICES:						
PARCEL POST	22 040	30 179	13 961	67	297 601	18 897
BOUND PRINTED MATTER	19 233	16 640	8 315	73	79 861	10 498
MEDIA MAIL	6 970	13 291	3 409	32	75 865	7 606
TOTAL PACKAGE SVCS	48 243	60 110	25 685	172	453 327	37 001
US POSTAL SERVICE	1 746	14 267	430	23	6 443	10 732
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	2 508	1 560	166	6	5 327	804
INTERNATIONAL MAIL	3 018	24 681	2 692	81	726 082	16 602
TOTAL MAIL	1 782 322	1 372 683	175 407	7 771	4 041 537	818 168

DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-10 RURAL CARRIERS	C/S-11 CUSTODIAL & MAINT SERV	C/S-12 MOTOR VEH SERVICE	C/S-13 MISC OPER COSTS	C/S-14 PURCHASED TRANSPORT	C/S-15 BUILDING OCCUPANCY
SPECIAL SERVICES:						
REGISTRY	2 486	4 722	141	12	--	4 946
CERTIFIED	63 512	8 611	1 624	154	--	10 508
INSURANCE	8 063	1 577	170	12	--	1 960
COD	2 561	306	70	5	--	369
MONEY ORDERS	1 254	4 693	17	--	--	5 841
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	143	--	--	--	177
SPECIAL HANDLING	--	334	--	--	--	48
POST OFFICE BOX	--	123 162	1	--	--	156 349
OTHER	27	9 424	397	59	--	6 459
TOTAL SPECIAL SVCS	77 903	152 972	2 420	242	--	186 657
TOTAL VOLUME VARIABLE	1 860 225	1 525 655	177 827	8 013	4 041 537	1 004 825
OTHER	2 373 340	1 034 668	594 634	348 569	679 837	551 121
TOTAL COSTS	4 233 565	2 560 323	772 461	356 582	4 721 374	1 555 946

SOURCE FOR COST SEGMENTS
AND COMPONENTS

SUMMARY TABLE

COLUMN TITLE	COLUMN SOURCE
1 C/S-10 (COMPONENT 260)	PAGES 33-34 COLUMN 4
2 C/S-11 (COMPONENT 482)	PAGES 35-36 COLUMN 5
3 C/S-12 (COMPONENT 262)	PAGES 37-38 COLUMN 4
4 C/S-13 (COMPONENT 263)	PAGES 41-42 COLUMN 5
5 C/S-14 (COMPONENT 264)	PAGES 45-46 COLUMN 2
6 C/S-15 (COMPONENT 289)	PAGES 47-48 COLUMN 4



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-16 SUPPLIES AND SERVICES	C/S-17 RESEARCH & DEVELOPMENT	C/S-18 ADMIN & AREA OPERATIONS	C/S-19 GEN MGMT SYSTEMS	C/S-20 OTHER ACCR'D EXPENSES
FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	455 735	--	756 604	--	889 337
PRESORT LETTERS	108 905	--	263 144	--	284 967
TOTAL LETTERS	564 640	--	1 019 748	--	1 174 304
SINGLE-PIECE CARDS	19 344	--	32 382	--	33 414
PRESORT CARDS	3 528	--	8 621	--	8 242
TOTAL CARDS	22 872	--	41 003	--	41 656
TOTAL FIRST-CLASS	587 512	--	1 060 751	--	1 215 960
PRIORITY MAIL	766 663	--	101 249	--	95 549
EXPRESS MAIL	15 163	--	20 534	--	22 297
MAILGRAMS	14	--	44	--	41
PERIODICALS:					
IN-COUNTY	1 624	--	5 003	--	3 944
OUTSIDE COUNTY	46 963	--	121 206	--	109 703
TOTAL PERIODICALS	48 587	--	126 209	--	113 647
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	49 361	--	148 166	--	121 541
REGULAR	197 007	--	456 226	--	479 345
TOTAL STANDARD MAIL	246 368	--	604 392	--	600 886
PACKAGE SERVICES:					
PARCEL POST	17 142	--	41 362	--	52 295
BOUND PRINTED MATTER	9 823	--	23 967	--	28 563
MEDIA MAIL	6 908	--	15 532	--	21 824
TOTAL PACKAGE SVCS	33 873	--	80 861	--	102 682
US POSTAL SERVICE	8 195	--	19 574	--	21 970
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	827	--	1 830	--	2 179
INTERNATIONAL MAIL	18 422	--	35 746	--	42 711
TOTAL MAIL	1 725 624	--	2 051 190	--	2 217 922

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

	C/S-16 SUPPLIES AND SERVICES	C/S-17 RESEARCH & DEVELOPMENT,	C/S-18 ADMIN & AREA OPERATIONS	C/S-19 GEN MGMT SYSTEMS	C/S-20 OTHER ACCR'D EXPENSES
SPECIAL SERVICES:					
REGISTRY	2 031	--	5 132	--	10 645
CERTIFIED	6 821	--	23 053	--	19 187
INSURANCE	1 197	--	4 180	--	29 531
COD	230	--	768	--	3 381
MONEY ORDERS	4 644	--	10 324	--	9 261
STAMPED CARDS	3 006	--	--	--	--
STAMPED ENVELOPES	7 453	--	312	--	280
SPECIAL HANDLING	65	--	112	--	244
POST OFFICE BOX	12 865	--	24 444	--	139 568
OTHER	5 925	--	10 415	--	13 039
TOTAL SPECIAL SVCS	44 237	--	78 740	--	225 136
TOTAL VOLUME VARIABLE	1 769 861	--	2 129 930	--	2 443 058
OTHER	1 547 420	42 395	3 247 135	21 240	1 529 619
TOTAL COSTS	3 317 281	42 395	5 377 065	21 240	3 972 677

SOURCE FOR COST SEGMENTS
AND COMPONENTS

SUMMARY TABLE

COLUMN TITLE

COLUMN SOURCE

1 C/S-16
(COMPONENT 490)

PAGES 53-54 COLUMN 2

2 C/S-17
(COMPONENT 267)

WORKPAPER A-2, PAGES 5-6 COLUMN 3

3 C/S-18
(COMPONENT 459)

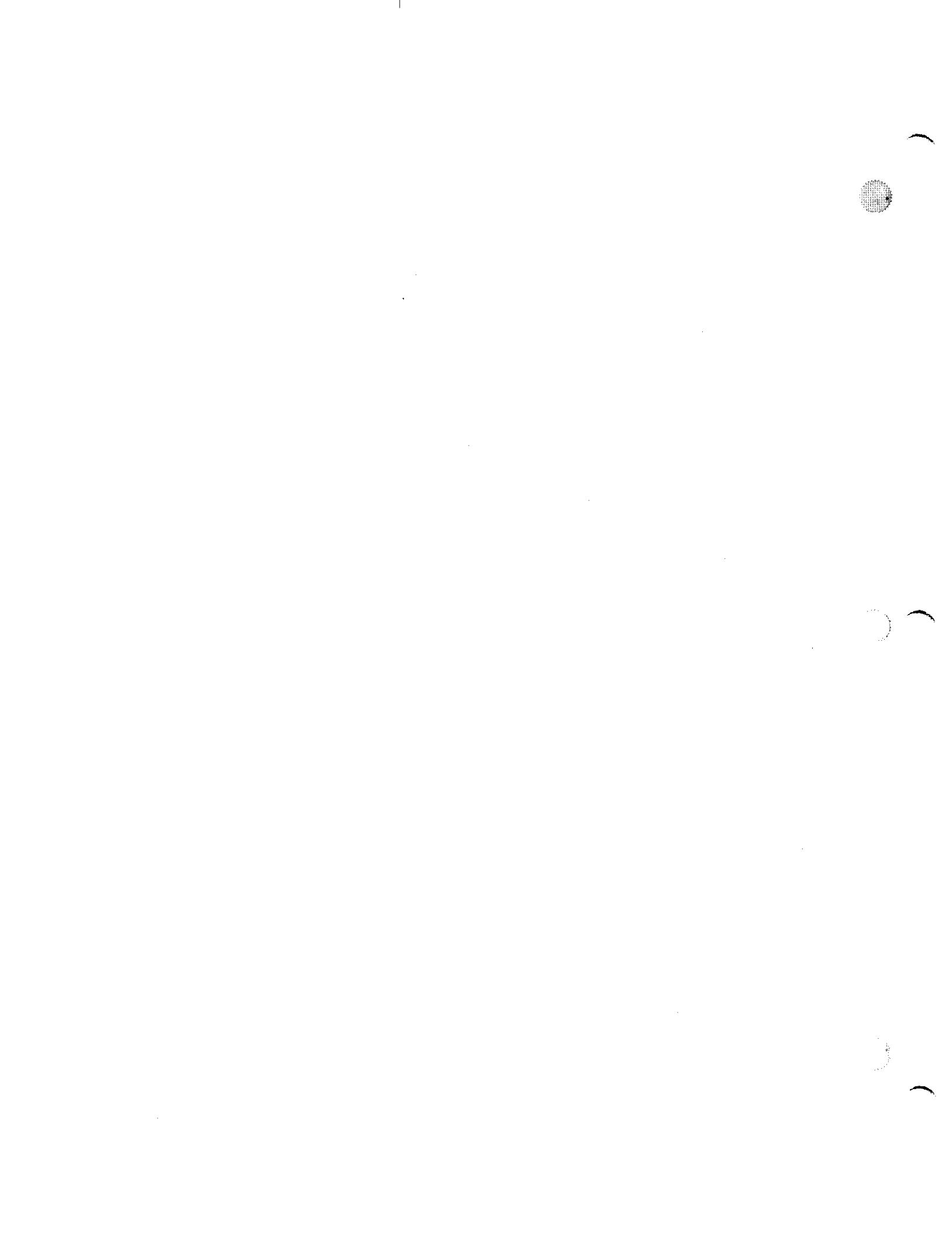
PAGES 63-64 COLUMN 6

4 C/S-19
(COMPONENT 269)

WORKPAPER A-2, PAGES 5-6 COLUMN 5

5 C/S-20
(COMPONENT 475)

PAGES 67-68 COLUMN 3



USPS 1030
ALA430

DEVELOPMENT OF COST BY MEDIUM AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

TOTAL

FIRST-CLASS MAIL:

SINGLE-PIECE LETTERS	12 477 525
PRESORT LETTERS	4 457 787
TOTAL LETTERS	16 935 312
SINGLE-PIECE CARDS	513 468
PRESORT CARDS	137 298
TOTAL CARDS	650 766
TOTAL FIRST-CLASS	17 586 078

PRIORITY MAIL 3 144 584

EXPRESS MAIL 373 391

MAILGRAMS 705

PERIODICALS:

IN-COUNTY	75 277
OUTSIDE COUNTY	2 191 898
TOTAL PERIODICALS	2 267 175

STANDARD MAIL:

ENHANCED CARRIER ROUTE	2 287 058
REGULAR	7 398 518
TOTAL STANDARD MAIL	9 685 576

PACKAGE SERVICES:

PARCEL POST	946 884
BOUND PRINTED MATTER	454 067
MEDIA MAIL	321 224
TOTAL PACKAGE SVCS	1 722 175

US POSTAL SERVICE 307 906

FREE MAIL - BLIND, HNDCPD,
& SERVICEMEN 33 694

INTERNATIONAL MAIL 1 280 146

TOTAL MAIL 36 401 430

*** PAGE 7 ***

USPS 1 '30
ALA430

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT SUMMARY

TOTAL

SPECIAL SERVICES:

REGISTRY	84 619
CERTIFIED	346 156
INSURANCE	88 701
COD	14 305
MONEY ORDERS	157 212
STAMPED CARDS	3 016
STAMPED ENVELOPES	12 046
SPECIAL HANDLING	1 854
POST OFFICE BOX	545 314
OTHER	163 825

TOTAL SPECIAL SVCS 1 417 048

TOTAL VOLUME VARIABLE 37 818 478

OTHER 26 962 365

TOTAL COSTS 64 780 843

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SOURCE FOR COST SEGMENTS
AND COMPONENTS

SUMMARY TABLE

COLUMN TITLE

COLUMN SOURCE

1 TOTAL
(COMPONENT 460)

SUMMATION PAGES 1-6 ALL COLUMNS



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 1. POSTMASTERS

(1.1 THRU 1.2)

	POSTMASTERS EAS 23 & BELOW (1.1)	POSTMASTERS EAS 24 & ABOVE (1.2)	TOTAL C/S 01

FIRST-CLASS MAIL:			
SINGLE-PIECE LETTERS	108 204	--	108 204
PRESORT LETTERS	62 381	--	62 381
TOTAL LETTERS	170 585	--	170 585
SINGLE-PIECE CARDS	2 780	--	2 780
PRESORT CARDS	2 220	--	2 220
TOTAL CARDS	5 000	--	5 000
TOTAL FIRST-CLASS	175 585	--	175 585
PRIORITY MAIL	24 031	--	24 031
EXPRESS MAIL	4 950	--	4 950
MAILGRAMS	--	--	--
PERIODICALS:			
IN-COUNTY	381	--	381
OUTSIDE COUNTY	10 318	--	10 318
TOTAL PERIODICALS	10 699	--	10 699
STANDARD MAIL:			
ENHANCED CARRIER ROUTE	25 323	--	25 323
REGULAR	49 772	--	49 772
TOTAL STANDARD MAIL	75 095	--	75 095
PACKAGE SERVICES:			
PARCEL POST	5 178	--	5 178
BOUND PRINTED MATTER	2 499	--	2 499
MEDIA MAIL	1 814	--	1 814
TOTAL PACKAGE SVCS	9 491	--	9 491
US POSTAL SERVICE	--	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--	--
INTERNATIONAL MAIL	7 237	--	7 237
TOTAL MAIL	307 088	--	307 088

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

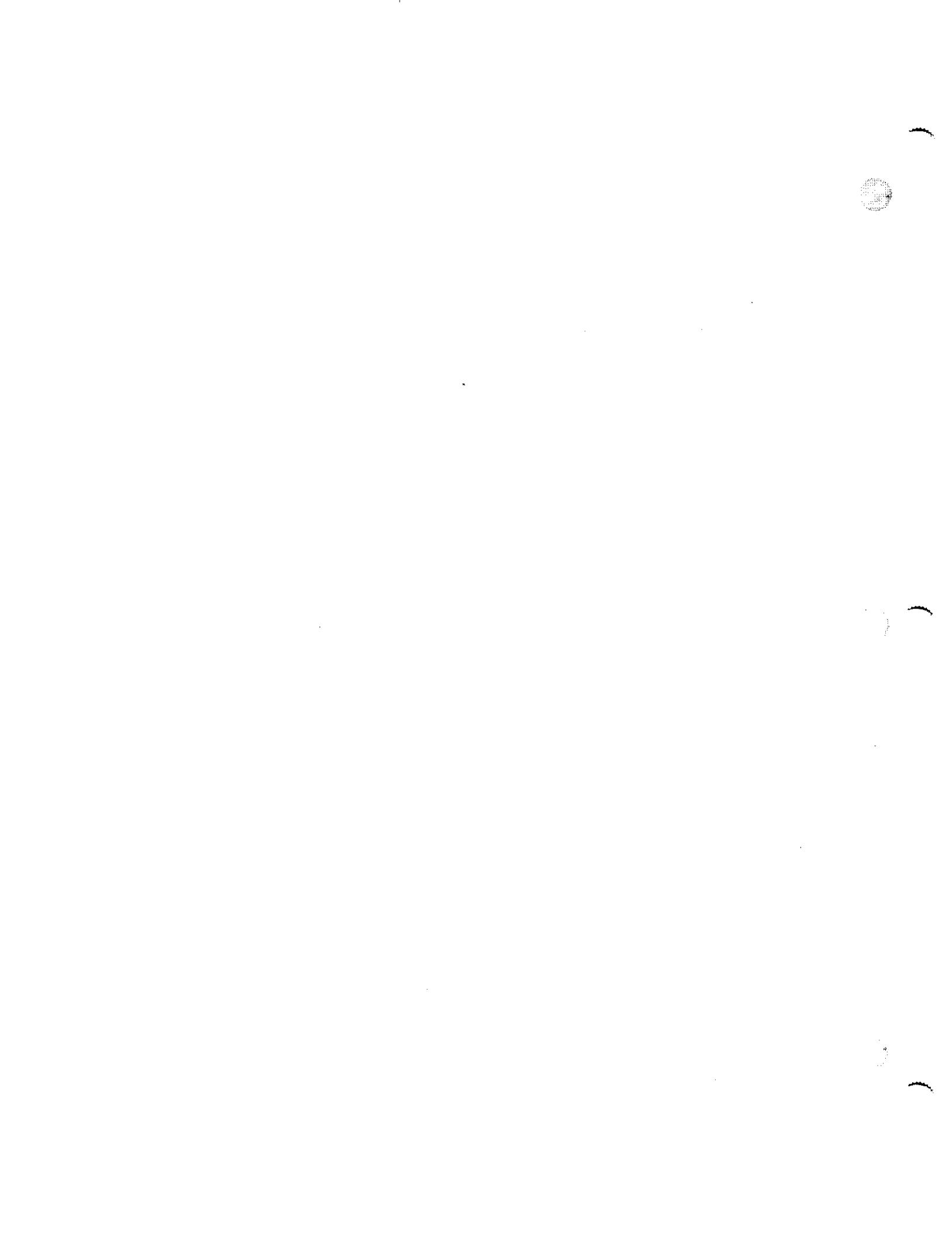
COST SEGMENT 1. POSTMASTERS

(1.1 THRU 1.2)

	POSTMASTERS EAS 23 & BELOW (1.1)	POSTMASTERS EAS 24 & ABOVE (1.2)	TOTAL C/S 01
SPECIAL SERVICES:			
REGISTRY	375	--	375
CERTIFIED	3 374	--	3 374
INSURANCE	533	--	533
COD	107	--	107
MONEY ORDERS	902	--	902
STAMPED CARDS	10	--	10
STAMPED ENVELOPES	67	--	67
SPECIAL HANDLING	--	--	--
POST OFFICE BOX	3 400	--	3 400
OTHER	85	--	85
TOTAL SPECIAL SVCS	8 853	--	8 853
TOTAL VOLUME VARIABLE	315 941	--	315 941
OTHER	1 417 140	39 930	1 457 070
TOTAL COSTS	1 733 081	39 930	1 773 011

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COST SEGMENT 01: POSTMASTERS	COLUMN SOURCE
	1 POSTMASTERS EAS 23 & BELOW (COMPONENT 001)	WORKPAPER A-2, PAGES 9-10	COLUMN 1
	2 POSTMASTERS EAS 24 & ABOVE (COMPONENT 002)	WORKPAPER A-2, PAGES 9-10	COLUMN 2
	3 TOTAL C/S 01 (COMPONENT 251)		SUMMATION COLUMNS 1-2

PAGE 10-1



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS

(2.1 THRU 2.3)

	MAIL PROCESSING (2.1)	CENTRAL MAIL MARKUP (2.1)	SUBTOTAL (2.1)	WINDOW SERVICE (2.2)	ADMIN & SUPPORT ACTIVITIES (2.3)

FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	317 551	17 191	334 742	43 555	14 692
PRESORT LETTERS	87 187	12 366	99 553	2 463	5 123
TOTAL LETTERS	404 738	29 557	434 295	46 018	19 815
SINGLE-PIECE CARDS	11 448	984	12 432	2 960	630
PRESORT CARDS	2 396	328	2 724	106	168
TOTAL CARDS	13 844	1 312	15 156	3 066	798
TOTAL FIRST-CLASS	418 582	30 869	449 451	49 084	20 613
PRIORITY MAIL	47 849	328	48 177	5 235	1 956
EXPRESS MAIL	7 115	--	7 115	2 755	396
MAILGRAMS	9	--	9	--	1
PERIODICALS:					
IN-COUNTY	1 088	94	1 182	--	98
OUTSIDE COUNTY	46 909	4 544	51 453	119	2 355
TOTAL PERIODICALS	47 997	4 638	52 635	119	2 453
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	22 147	422	22 569	522	2 895
REGULAR	172 042	3 185	175 227	4 326	8 864
TOTAL STANDARD MAIL	194 189	3 607	197 796	4 848	11 759
PACKAGE SERVICES:					
PARCEL POST	18 512	--	18 512	629	800
BOUND PRINTED MATTER	9 412	281	9 693	88	464
MEDIA MAIL	7 157	94	7 251	309	300
TOTAL PACKAGE SVCS	35 081	375	35 456	1 026	1 564
US POSTAL SERVICE	9 523	1 874	11 397	2 115	377
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	799	47	846	--	35
INTERNATIONAL MAIL	18 577	234	18 811	2 331	688
TOTAL MAIL	779 721	41 972	821 693	67 513	39 842

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DEVELOPMENT OF COST BY
ELEMENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT 2. SUPERVISORS AND TECHNICIANS

(2.1 THRU 2.3)

	MAIL PROCESSING (2.1)	CENTRAL MAIL MARKUP (2.1)	SUBTOTAL (2.1)	WINDOW SERVICE (2.2)	ADMIN & SUPPORT ACTIVITIES (2.3)
SPECIAL SERVICES:					
REGISTRY	2 292	--	2 292	494	97
CERTIFIED	1 830	--	1 830	5 262	447
INSURANCE	100	--	100	2 530	81
COD	67	--	67	136	15
MONEY ORDERS	313	--	313	9 146	199
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	9	--	9	275	6
SPECIAL HANDLING	31	--	31	40	2
POST OFFICE BOX	219	--	219	6 400	335
OTHER	2 818	1 358	4 176	1 930	200
TOTAL SPECIAL SVCS	7 679	1 358	9 037	26 213	1 382
TOTAL VOLUME VARIABLE	787 400	43 330	830 730	93 726	41 224
OTHER	171 767	3 513	175 280	104 538	28 671
TOTAL COSTS	959 167	46 843	1 006 010	198 264	69 895



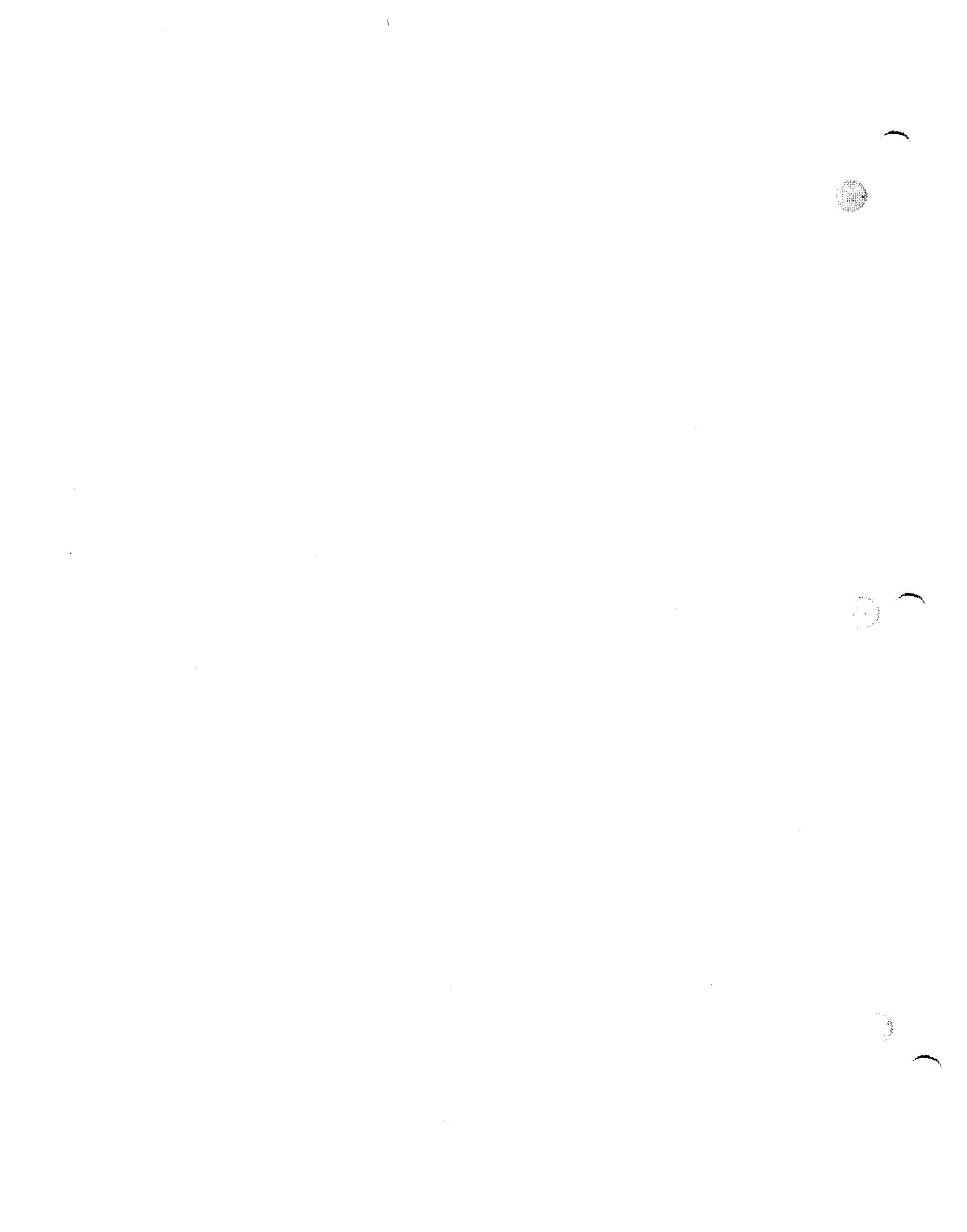
SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 02: SUPERVISORS AND TECHNICIANS

COLUMN TITLE

COLUMN SOURCE

1 MAIL PROCESSING (COMPONENT 272)	WORKPAPER A-2, PAGES 15-16 COLUMN 1
2 CENTRAL MAIL MARKUP (COMPONENT 677)	WORKPAPER A-2, PAGES 27-28 COLUMN 5
3 SUBTOTAL (COMPONENT 820)	SUMMATION COLUMNS 1-2
4 WINDOW SERVICE (COMPONENT 007)	WORKPAPER A-2, PAGES 15-16 COLUMN 2
5 ADMIN & SUPPORT ACTIVITIES (COMPONENT 483)	SUMMATION WORKPAPER A-2, PAGES 17-18 COLUMN 1 AND WORKPAPER A-4, PAGES 5-6 COLUMN 1



DEVELOPMENT OF COST BY ENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS

SUPERVISION OF COLLECTION & DELIV. (2.4)

	CITY DELIVERY CARRIERS (2.4)	EXPEDITED DELIVERY (2.4)	RURAL DELIVERY CARRIERS (2.4)	VEHICLE SERVICE (2.4)	SUBTOTAL (2.4)
SPECIAL SERVICES:					
REGISTRY	429	6	14	--	449
CERTIFIED	6 538	--	360	--	6 898
INSURANCE	469	--	46	--	515
COD	204	1	15	--	220
MONEY ORDERS	--	--	7	--	7
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--
POST OFFICE BOX	34	--	--	--	34
OTHER	2 332	2	--	--	2 334
TOTAL SPECIAL SVCS	10 006	9	442	--	10 457
TOTAL VOLUME VARIABLE	418 724	4 748	10 532	20 756	454 760
OTHER	464 526	6 281	11 373	13 586	495 766
TOTAL COSTS	883 250	11 029	21 905	34 342	950 526

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 02: SUPERVISORS AND TECHNICIANS SUPERVISION OF COLLECTION AND DELIVERY
COLUMN TITLE	COLUMN SOURCE
1 CITY DELIVERY CARRIERS (COMPONENT 020)	WORKPAPER A-2, PAGES 21-22 COLUMN 1
2 EXPEDITED DELIVERY (COMPONENT 026)	WORKPAPER A-2, PAGES 23-24 COLUMN 1
3 RURAL DELIVERY CARRIERS (COMPONENT 674)	WORKPAPER A-2, PAGES 27-28 COLUMN 2
4 VEHICLE SERVICE (COMPONENT 675)	WORKPAPER A-2, PAGES 27-28 COLUMN 3
5 SUBTOTAL (COMPONENT 821)	SUMMATION COLUMNS 1-4

PAGE 14-1



DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS

TECH PERSONNEL & OTHER SUPV (2.5)

	EMPLOYEE & LABOR RELATIONS (2.5)	HIGHER LEVEL SUPERVISORS (2.5)	GENERAL SUPV OF MAIL PROCESSING (2.5)	GENERAL SUPV OF COLLECT/DELIVERY (2.5)	SUPERVISOR TRAINING (2.5)	QUALITY CONTROL REVENUE PROTECT (2.5)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	40	20 505	101	20	9 281	12 507
PRESORT LETTERS	14	7 119	28	9	3 122	3 434
TOTAL LETTERS	54	27 624	129	29	12 403	15 941
SINGLE-PIECE CARDS	2	887	4	1	409	451
PRESORT CARDS	1	234	1	--	98	94
TOTAL CARDS	3	1 121	5	1	507	545
TOTAL FIRST-CLASS	57	28 745	134	30	12 910	16 486
PRIORITY MAIL	5	2 688	15	2	1 224	1 885
EXPRESS MAIL	1	542	2	1	286	280
MAILGRAMS	--	1	--	--	1	--
PERIODICALS:						
IN-COUNTY	--	138	--	--	51	43
OUTSIDE COUNTY	7	3 308	15	3	1 431	1 848
TOTAL PERIODICALS	7	3 446	15	3	1 482	1 891
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	8	4 067	7	7	1 438	872
REGULAR	24	12 417	55	13	5 187	6 776
TOTAL STANDARD MAIL	32	16 484	62	20	6 625	7 648
PACKAGE SERVICES:						
PARCEL POST	2	1 113	6	1	474	729
BOUND PRINTED MATTER	1	648	3	1	275	371
MEDIA MAIL	1	417	2	--	181	282
TOTAL PACKAGE SVCS	4	2 178	11	2	930	1 382
US POSTAL SERVICE	1	527	3	--	269	375
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	50	--	--	20	31
INTERNATIONAL MAIL	2	950	6	--	444	732
TOTAL MAIL	109	55 611	248	58	24 191	30 710

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS			TECH PERSONNEL & OTHER SUPV			(2.5)
EMPLOYEE & LABOR RELATIONS	HIGHER LEVEL SUPERVISORS	GENERAL SUPV OF MAIL PROCESSING	GENERAL SUPV OF COLLECT/DELIVERY	SUPERVISOR	QUALITY CONTROL	REVENUE PROTECT
(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
SPECIAL SERVICES:						
REGISTRY	--	130	1	--	59	90
CERTIFIED	1	623	--	1	247	72
INSURANCE	--	113	--	--	55	4
COD	--	21	--	--	8	3
MONEY ORDERS	1	277	--	1	163	12
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	8	--	--	5	--
SPECIAL HANDLING	--	3	--	--	1	1
POST OFFICE BOX	1	193	--	1	115	9
OTHER	1	278	1	--	149	111
TOTAL SPECIAL SVCS	4	1 646	2	3	802	302
TOTAL VOLUME VARIABLE	113	57 257	250	61	24 993	31 012
OTHER	78	147 287	55	68	26 403	6 792
TOTAL COSTS	191	204 544	305	129	51 396	37 804

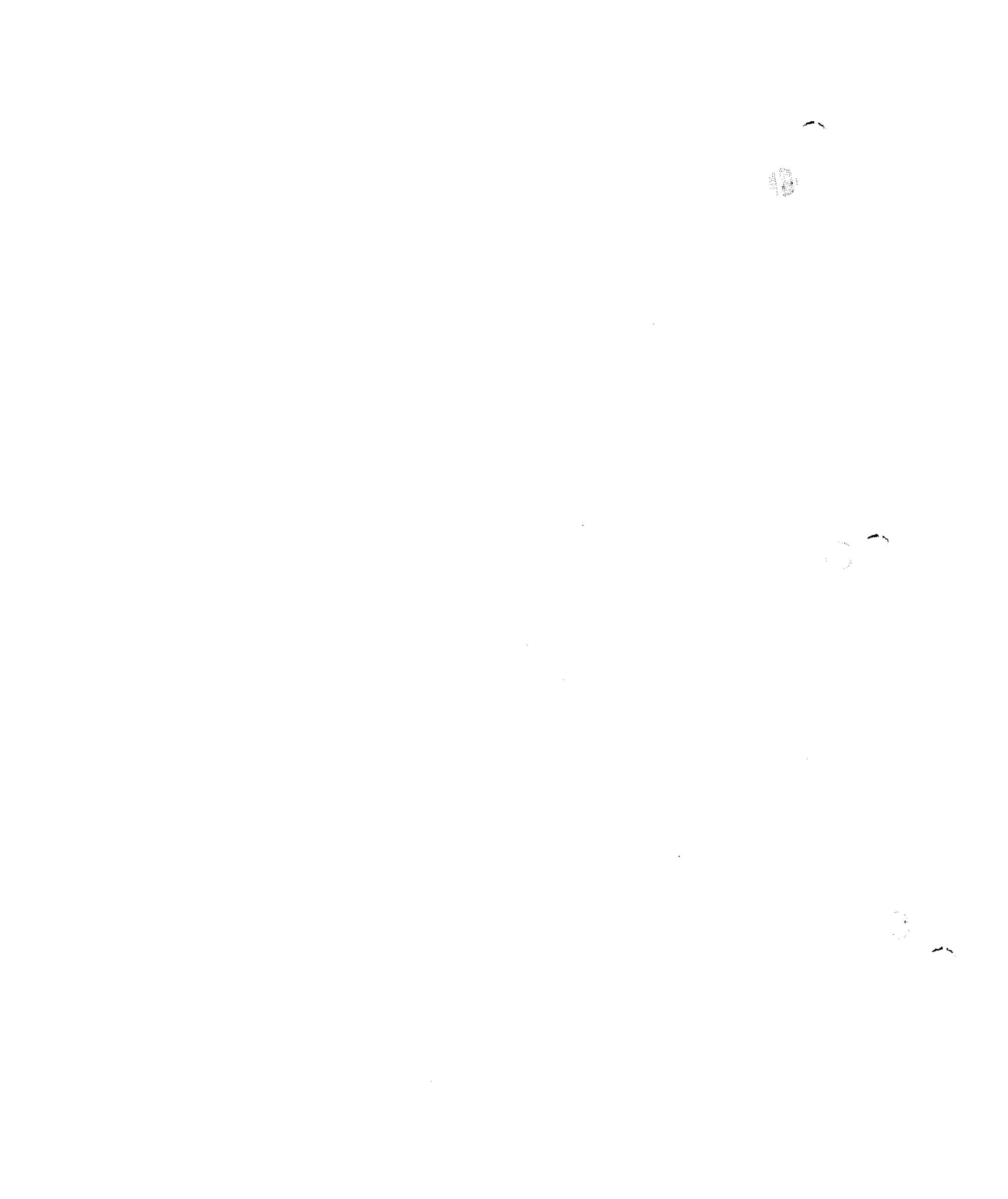
SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 02: SUPERVISORS AND TECHNICIANS
TECH PERSONNEL & OTHER SUPV

COLUMN TITLE

COLUMN SOURCE

1 EMPLOYEE & LABOR RELATIONS (COMPONENT 528)	SUMMATION WORKPAPER A-2, PAGES 25-26 COLUMN 1 AND WORKPAPER A-4, PAGES 5-6 COLUMN 2
2 HIGHER LEVEL SUPERVISORS (COMPONENT 836)	WORKPAPER A-2, PAGES 25-26 COLUMN 2
3 GEN SUP OF MAIL PROCESSING (COMPONENT 031)	WORKPAPER A-2, PAGES 25-26 COLUMN 3
4 GENERAL SUPERVISION OF COLLECTION & DELIVERY (COMPONENT 032)	WORKPAPER A-2, PAGES 25-26 COLUMN 4
5 SUPERVISOR TRAINING (COMPONENT 601)	WORKPAPER A-2, PAGES 27-28 COLUMN 1
6 QUALITY CONTROL REVENUE PROTECTION (COMPONENT 676)	WORKPAPER A-2, PAGES 27-28 COLUMN 4



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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS TECH PERSONNEL & OTHER SUPV (2.5)

	JOINT SUPV CLERKS/CARRIERS (2.5)	OTHER (2.5)	SUBTOTAL (2.5)	TOTAL C/S 02

FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	80 142	--	122 596	647 440
PRESORT LETTERS	26 243	--	39 969	218 204
TOTAL LETTERS	106 385	--	162 565	865 644
SINGLE-PIECE CARDS	3 474	--	5 228	28 511
PRESORT CARDS	836	--	1 264	6 872
TOTAL CARDS	4 310	--	6 492	35 383
TOTAL FIRST-CLASS	110 695	--	169 057	901 027
PRIORITY MAIL	10 513	--	16 332	85 385
EXPRESS MAIL	1 939	--	3 051	19 825
MAILGRAMS	5	--	7	42
PERIODICALS:				
IN-COUNTY	417	--	649	3 585
OUTSIDE COUNTY	11 852	--	18 464	100 068
TOTAL PERIODICALS	12 269	--	19 113	103 653
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	12 173	--	18 572	101 825
REGULAR	45 677	--	70 149	363 450
TOTAL STANDARD MAIL	57 850	--	88 721	465 275
PACKAGE SERVICES:				
PARCEL POST	3 797	--	6 122	33 185
BOUND PRINTED MATTER	2 275	--	3 574	19 234
MEDIA MAIL	1 562	--	2 445	12 684
TOTAL PACKAGE SVCS	7 634	--	12 141	65 103
US POSTAL SERVICE	2 135	--	3 310	18 658
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	173	--	274	1 430
INTERNATIONAL MAIL	3 806	--	5 940	30 899
TOTAL MAIL	207 019	--	317 946	1 691 297

DEVELOPMENT OF COST BY IDENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 2. SUPERVISORS AND TECHNICIANS

TECH PERSONNEL & OTHER SUPV (2.5)

SPECIAL SERVICES:

REGISTRY	521	--	801	4 133
CERTIFIED	1 990	--	2 934	17 371
INSURANCE	392	--	564	3 790
COD	62	--	94	532
MONEY ORDERS	1 138	--	1 592	11 257
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	34	--	47	337
SPECIAL HANDLING	10	--	15	88
POST OFFICE BOX	802	--	1 121	8 109
OTHER	1 123	--	1 663	10 303
TOTAL SPECIAL SVCS	6 072	--	8 831	55 920
TOTAL VOLUME VARIABLE	213 091	--	326 777	1 747 217
OTHER	117 999	814 735	1 113 417	1 917 672
TOTAL COSTS	331 090	814 735	1 440 194	3 664 889

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 02: SUPERVISORS AND TECHNICIANS TECH PERSONNEL AND OTHER SUPV
COLUMN TITLE	COLUMN SOURCE
1 JOINT SUPERVISION CLERKS AND CARRIERS (COMPONENT 678)	WORKPAPER A-2, PAGES 29-30 COLUMN 1
2 OTHER (COMPONENT 033)	WORKPAPER A-2, PAGES 29-30 COLUMN 2
3 SUBTOTAL (COMPONENT 822)	SUMMATION PAGES 15-16 ALL COLUMNS AND PAGES 17-18 COLUMNS 1-2
4 TOTAL C/S 02 (COMPONENT 284)	SUMMATION PAGES 11-12 COLUMNS 3-5 PAGES 13-14 COLUMN 5 AND PAGES 17-18 COLUMN 3



DEVELOPMENT OF COST BY CRAFT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J

(3.1 THRU 3.2)

	MAIL PROCESSING (3.1)	WINDOW SERVICE (3.2)
FIRST-CLASS MAIL:		
SINGLE-PIECE LETTERS	4 963 795	480 334
PRESORT LETTERS	1 362 861	27 161
TOTAL LETTERS	6 326 656	507 495
SINGLE-PIECE CARDS	178 951	32 645
PRESORT CARDS	37 452	1 168
TOTAL CARDS	216 403	33 813
TOTAL FIRST-CLASS	6 543 059	541 308
PRIORITY MAIL	747 955	57 737
EXPRESS MAIL	111 219	30 377
MAILGRAMS	144	--
PERIODICALS:		
IN-COUNTY	17 013	--
OUTSIDE COUNTY	733 259	1 309
TOTAL PERIODICALS	750 272	1 309
STANDARD MAIL:		
ENHANCED CARRIER ROUTE	346 187	5 761
REGULAR	2 689 268	47 709
TOTAL STANDARD MAIL	3 035 455	53 470
PACKAGE SERVICES:		
PARCEL POST	289 361	6 938
BOUND PRINTED MATTER	147 126	974
MEDIA MAIL	111 867	3 404
TOTAL PACKAGE SVCS	548 354	11 316
US POSTAL SERVICE	148 864	23 326
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	12 481	--
INTERNATIONAL MAIL	290 392	25 711
TOTAL MAIL	12 188 195	744 554

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J

(3.1 THRU 3.2)

	MAIL PROCESSING (3.1)	WINDOW SERVICE (3.2)
SPECIAL SERVICES:		
REGISTRY	35 824	5 450
CERTIFIED	28 605	58 025
INSURANCE	1 566	27 901
COD	1 038	1 500
MONEY ORDERS	4 892	100 863
STAMPED CARDS	--	--
STAMPED ENVELOPES	147	3 033
SPECIAL HANDLING	480	445
POST OFFICE BOX	3 424	70 585
OTHER	44 051	21 288
TOTAL SPECIAL SVCS	120 027	289 090
TOTAL VOLUME VARIABLE	12 308 222	1 033 644
OTHER	2 684 978	1 152 876
TOTAL COSTS	14 993 200	2 186 520

SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 03: CLERKS AND MAILHANDLERS -- CAG A-J

COLUMN TITLE

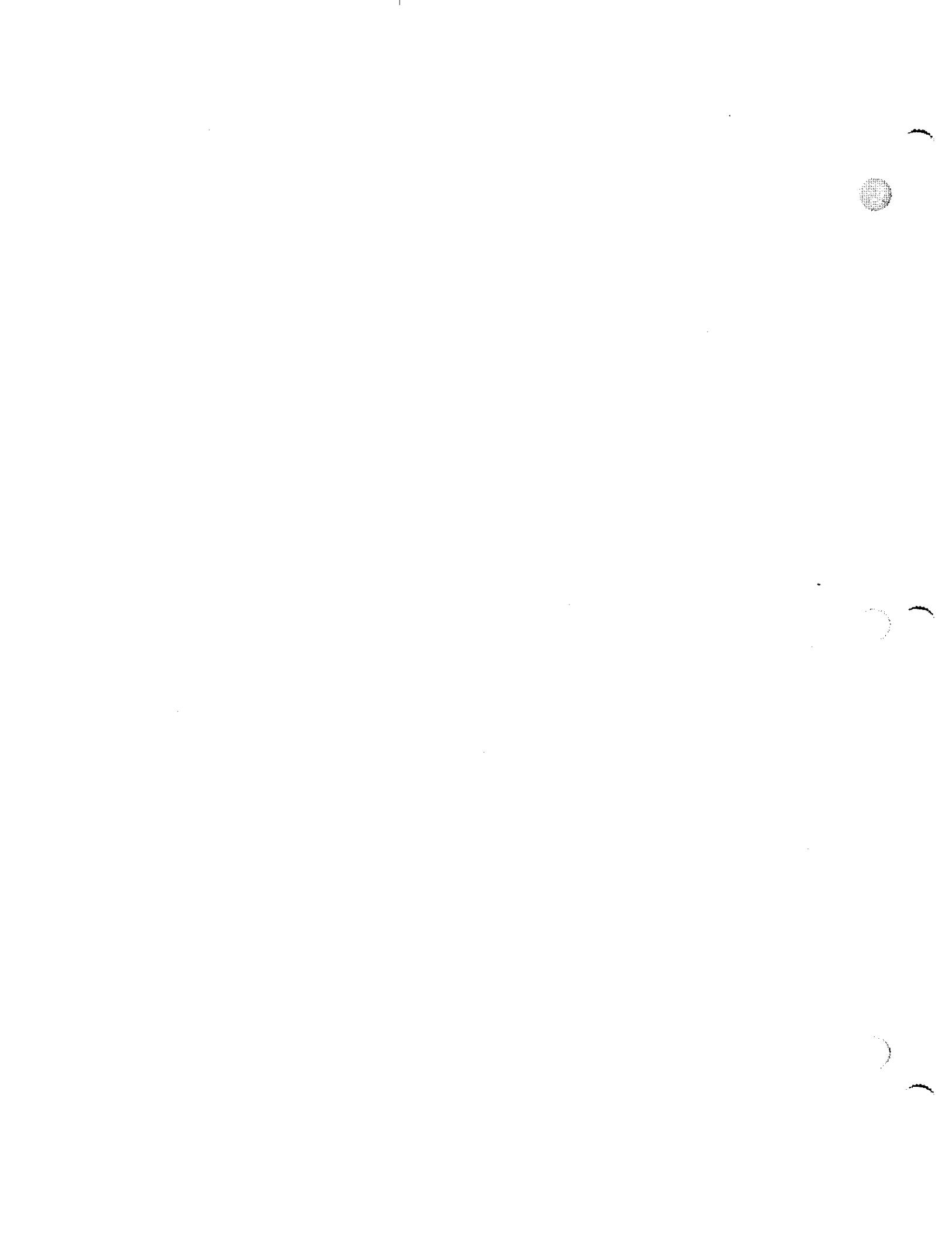
COLUMN SOURCE

1 MAIL PROCESSING
(COMPONENT 035)

WORKPAPER A-2, PAGES 35-36 COLUMN 1

2 WINDOW SERVICE
(COMPONENT 040)

WORKPAPER A-2, PAGES 35-36 COLUMN 2



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J ADMINISTRATIVE & SUPPORT ACTIVITIES (3.3)

	ADMINISTRATIVE CLERKS (3.3)	TIME AND ATTENDANCE (3.3)	PRODUCT SPECIFIC (3.3)	SUBTOTAL (3.3)

FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	287 641	46 797	--	334 438
PRESORT LETTERS	98 684	16 317	--	115 001
TOTAL LETTERS	386 325	63 114	--	449 439
SINGLE-PIECE CARDS	13 109	2 008	--	15 117
PRESORT CARDS	3 726	535	--	4 261
TOTAL CARDS	16 835	2 543	--	19 378
TOTAL FIRST-CLASS	403 160	65 657	--	468 817
PRIORITY MAIL	28 937	6 230	--	35 167
EXPRESS MAIL	6 267	1 261	--	7 528
MAILGRAMS	12	3	--	15
PERIODICALS:				
IN-COUNTY	1 845	311	--	2 156
OUTSIDE COUNTY	37 938	7 503	--	45 441
TOTAL PERIODICALS	39 783	7 814	--	47 597
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	49 224	9 221	--	58 445
REGULAR	156 716	28 233	--	184 949
TOTAL STANDARD MAIL	205 940	37 454	--	243 394
PACKAGE SERVICES:				
PARCEL POST	11 243	2 549	--	13 792
BOUND PRINTED MATTER	6 545	1 479	--	8 024
MEDIA MAIL	4 153	956	--	5 109
TOTAL PACKAGE SVCS	21 941	4 984	--	26 925
US POSTAL SERVICE	10 666	1 201	--	11 867
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	562	113	--	675
INTERNATIONAL MAIL	14 749	2 191	--	16 940
TOTAL MAIL	732 017	126 908	--	858 925

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J ADMINISTRATIVE & SUPPORT ACTIVITIES (3.3)

	ADMINISTRATIVE CLERKS (3.3)	TIME AND ATTENDANCE (3.3)	PRODUCT SPECIFIC (3.3)	SUBTOTAL (3.3)
SPECIAL SERVICES:				
REGISTRY	1 949	308	--	2 257
CERTIFIED	6 573	1 424	--	7 997
INSURANCE	986	258	--	1 244
COD	354	47	--	401
MONEY ORDERS	2 621	635	--	3 256
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	78	19	--	97
SPECIAL HANDLING	30	7	--	37
POST OFFICE BOX	1 828	1 067	--	2 895
OTHER	6 944	637	--	7 581
TOTAL SPECIAL SVCS	21 363	4 402	--	25 765
TOTAL VOLUME VARIABLE	753 380	131 310	--	884 690
OTHER	532 252	91 327	10 479	634 058
TOTAL COSTS	1 285 632	222 637	10 479	1 518 748

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	SUMMATION WORKPAPER A-2, PAGES 37-40 ALL COLUMNS
COST SEGMENT 03: CLERKS AND MAILHANDLERS -- CAG A-J ADMINISTRATIVE & SUPPORT ACTIVITIES	1 ADMINISTRATIVE CLERKS (COMPONENT 476)	SUMMATION WORKPAPER A-2, PAGES 41-42 COLUMN 2 AND WORKPAPER A-4, PAGES 7-8 COLUMN 1	
	2 TIME AND ATTENDANCE (COMPONENT 477)	WORKPAPER A-2, PAGES 41-42 COLUMN 1	
	3 PRODUCT-SPECIFIC (COMPONENT 279)	SUMMATION COLUMNS 1-3	
	4 SUBTOTAL (COMPONENT 824)		

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J EXPEDITED DELIVERY (3.4)

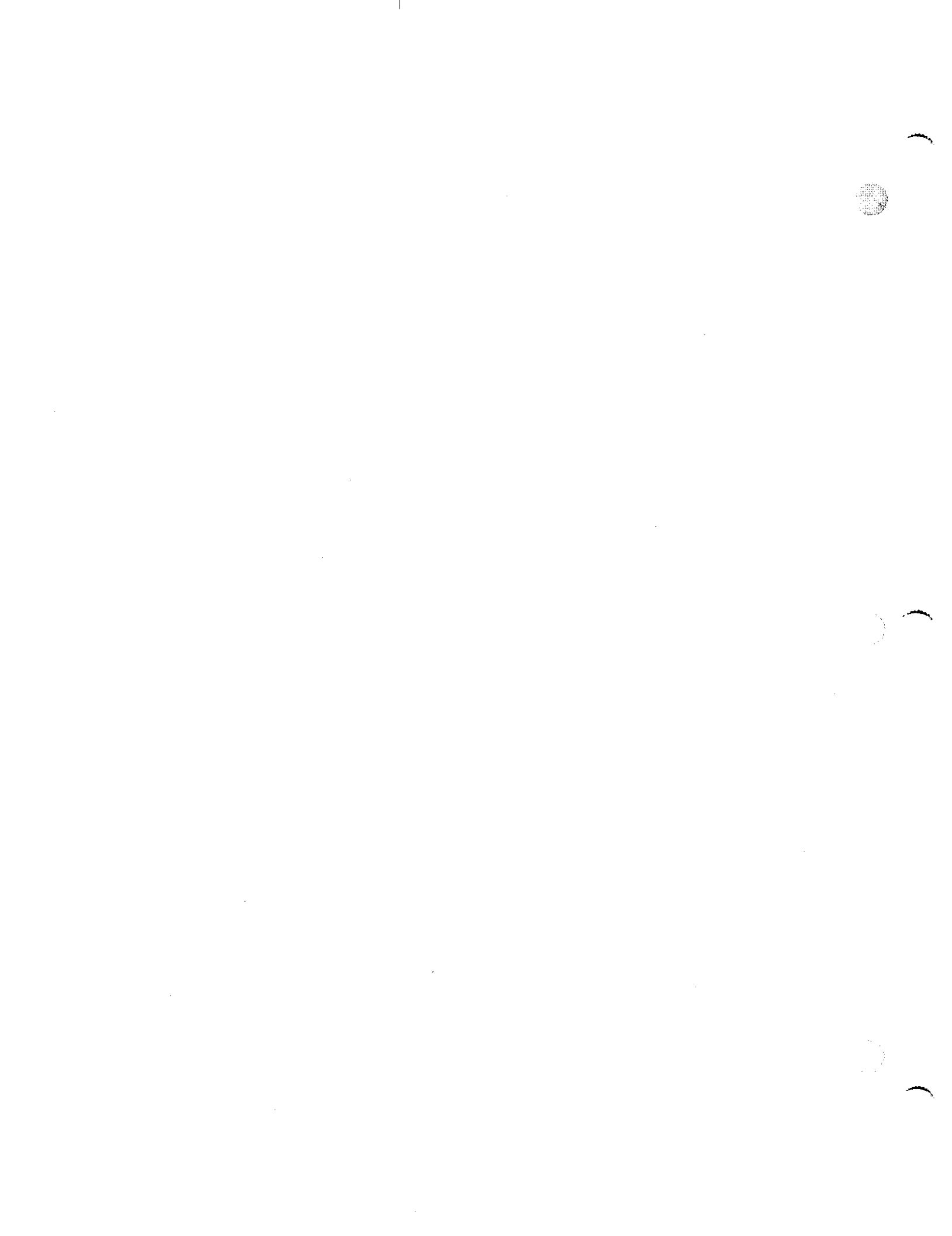
	EXPEDITED DELIVERY (3.4)	TOTAL C/S 03
FIRST-CLASS MAIL:		
SINGLE-PIECE LETTERS	295	5 778 862
PRESORT LETTERS	132	1 505 155
TOTAL LETTERS	427	7 284 017
SINGLE-PIECE CARDS	15	226 728
PRESORT CARDS	8	42 889
TOTAL CARDS	23	269 617
TOTAL FIRST-CLASS	450	7 553 634
PRIORITY MAIL	362	841 221
EXPRESS MAIL	16 661	165 785
MAILGRAMS	17	176
PERIODICALS:		
IN-COUNTY	1	19 170
OUTSIDE COUNTY	10	780 019
TOTAL PERIODICALS	11	799 189
STANDARD MAIL:		
ENHANCED CARRIER ROUTE	3	410 396
REGULAR	2	2 921 928
TOTAL STANDARD MAIL	5	3 332 324
PACKAGE SERVICES:		
PARCEL POST	15	310 106
BOUND PRINTED MATTER	1	156 125
MEDIA MAIL	2	120 382
TOTAL PACKAGE SVCS	18	586 613
US POSTAL SERVICE	5	184 062
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	13 156
INTERNATIONAL MAIL	3 073	336 116
TOTAL MAIL	20 602	13 812 276

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DEVELOPMENT OF COST BY ELEMENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 3. CLERKS AND MAILHANDLERS--CAGS A-J EXPEDITED DELIVERY (3.4)

	EXPEDITED DELIVERY (3.4)	TOTAL C/S 03
SPECIAL SERVICES:		
REGISTRY	25	43 556
CERTIFIED	--	94 627
INSURANCE	--	30 711
COD	2	2 941
MONEY ORDERS	--	109 011
STAMPED CARDS	--	--
STAMPED ENVELOPES	--	3 277
SPECIAL HANDLING	--	962
POST OFFICE BOX	--	76 904
OTHER	10	72 930
TOTAL SPECIAL SVCS	37	434 919
TOTAL VOLUME VARIABLE	20 639	14 247 195
OTHER	27 301	4 499 213
TOTAL COSTS	47 940	18 746 408



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DEVELOPMENT OF COST BY ENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 4. CLERKS, CAG-K POST OFFICES

(4.1)

FIRST-CLASS MAIL:

SINGLE-PIECE LETTERS	1 923
PRESORT LETTERS	529
TOTAL LETTERS	2 452
SINGLE-PIECE CARDS	68
PRESORT CARDS	15
TOTAL CARDS	83
TOTAL FIRST-CLASS	2 535

PRIORITY MAIL	146
---------------	-----

EXPRESS MAIL	--
--------------	----

MAILGRAMS	--
-----------	----

PERIODICALS:

IN-COUNTY	7
OUTSIDE COUNTY	317
TOTAL PERIODICALS	324

STANDARD MAIL:	
ENHANCED CARRIER ROUTE	91

REGULAR	704
TOTAL STANDARD MAIL	795

PACKAGE SERVICES:

PARCEL POST	80
BOUND PRINTED MATTER	41
MEDIA MAIL	31
TOTAL PACKAGE SVCS	152

US POSTAL SERVICE	248
-------------------	-----

FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--
--	----

INTERNATIONAL MAIL	--
--------------------	----

TOTAL MAIL	4 200
------------	-------

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 4. CLERKS, CAG-K POST OFFICES

(4.1)

***** TOTAL *****	
(4.1)	
***** *****	
SPECIAL SERVICES:	
REGISTRY	56
CERTIFIED	45
INSURANCE	2
COD	2
MONEY ORDERS	8
STAMPED CARDS	--
STAMPED ENVELOPES	--
SPECIAL HANDLING	1
POST OFFICE BOX	5
OTHER	69
TOTAL SPECIAL SVCS	188
TOTAL VOLUME VARIABLE	4 388
OTHER	2 687
TOTAL COSTS	7 075

SOURCE FOR COST SEGMENTS
AND COMPONENTS

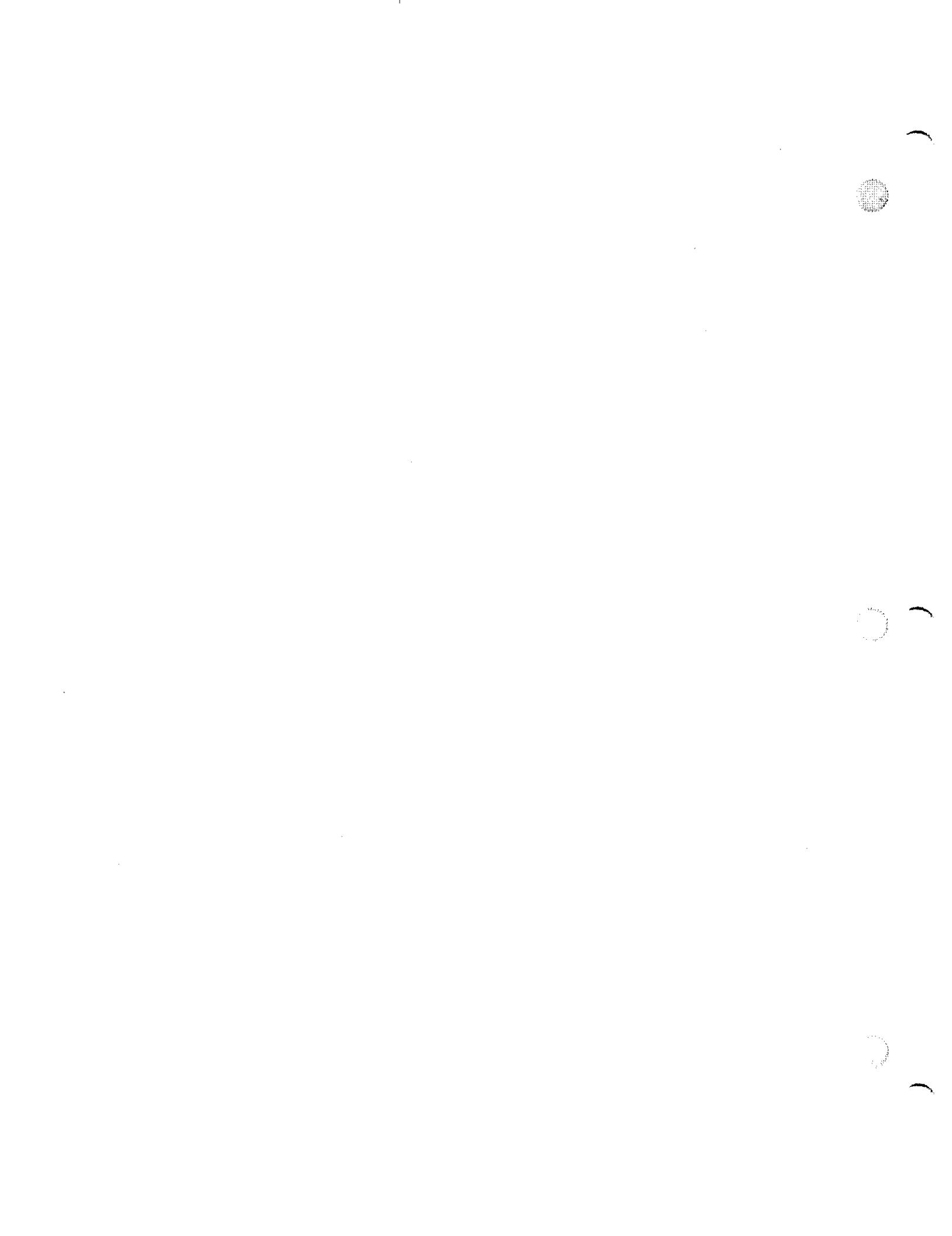
COST SEGMENT 04: CLERKS -- CAG K OFFICES

COLUMN TITLE

COLUMN SOURCE

1 TOTAL C/S 04
(COMPONENT 254)

WORKPAPER A-2, PAGES 45-46 COLUMN 2



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DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 6. CITY DELIVERY CARRIERS, OFFICE ACTIVITY

(6.1 THRU 6.2)

	IN-OFFICE DIRECT LABOR (6.1)	CAG K (6.2)	IN-OFFICE SUPPORT (6.2)	SUBTOTAL (6.2)	TOTAL C/S 06
FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	1 111 700	71	202 306	202 377	1 314 077
PRESORT LETTERS	503 724	32	91 667	91 699	595 423
TOTAL LETTERS	1 615 424	103	293 973	294 076	1 909 500
SINGLE-PIECE CARDS	60 145	4	10 945	10 949	71 094
PRESORT CARDS	15 028	1	2 735	2 736	17 764
TOTAL CARDS	75 173	5	13 680	13 685	88 858
TOTAL FIRST-CLASS	1 690 597	108	307 653	307 761	1 998 358
PRIORITY MAIL	45 390	3	8 260	8 263	53 653
EXPRESS MAIL	3 947	--	718	718	4 665
MAILGRAMS	--	--	--	--	--
PERIODICALS:					
IN-COUNTY	8 966	1	1 632	1 633	10 599
OUTSIDE COUNTY	194 751	12	35 441	35 453	230 204
TOTAL PERIODICALS	203 717	13	37 073	37 086	240 803
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	294 124	19	53 525	53 544	347 668
REGULAR	775 523	50	141 129	141 179	916 702
TOTAL STANDARD MAIL	1 069 647	69	194 654	194 723	1 264 370
PACKAGE SERVICES:					
PARCEL POST	6 605	--	1 202	1 202	7 807
BOUND PRINTED MATTER	10 661	1	1 940	1 941	12 602
MEDIA MAIL	4 272	--	777	777	5 049
TOTAL PACKAGE SVCS	21 538	1	3 919	3 920	25 458
US POSTAL SERVICE	12 900	1	2 348	2 349	15 249
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	1 062	--	193	193	1 255
INTERNATIONAL MAIL	14 684	1	2 672	2 673	17 357
TOTAL MAIL	3 063 482	196	557 490	557 686	3 621 168

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

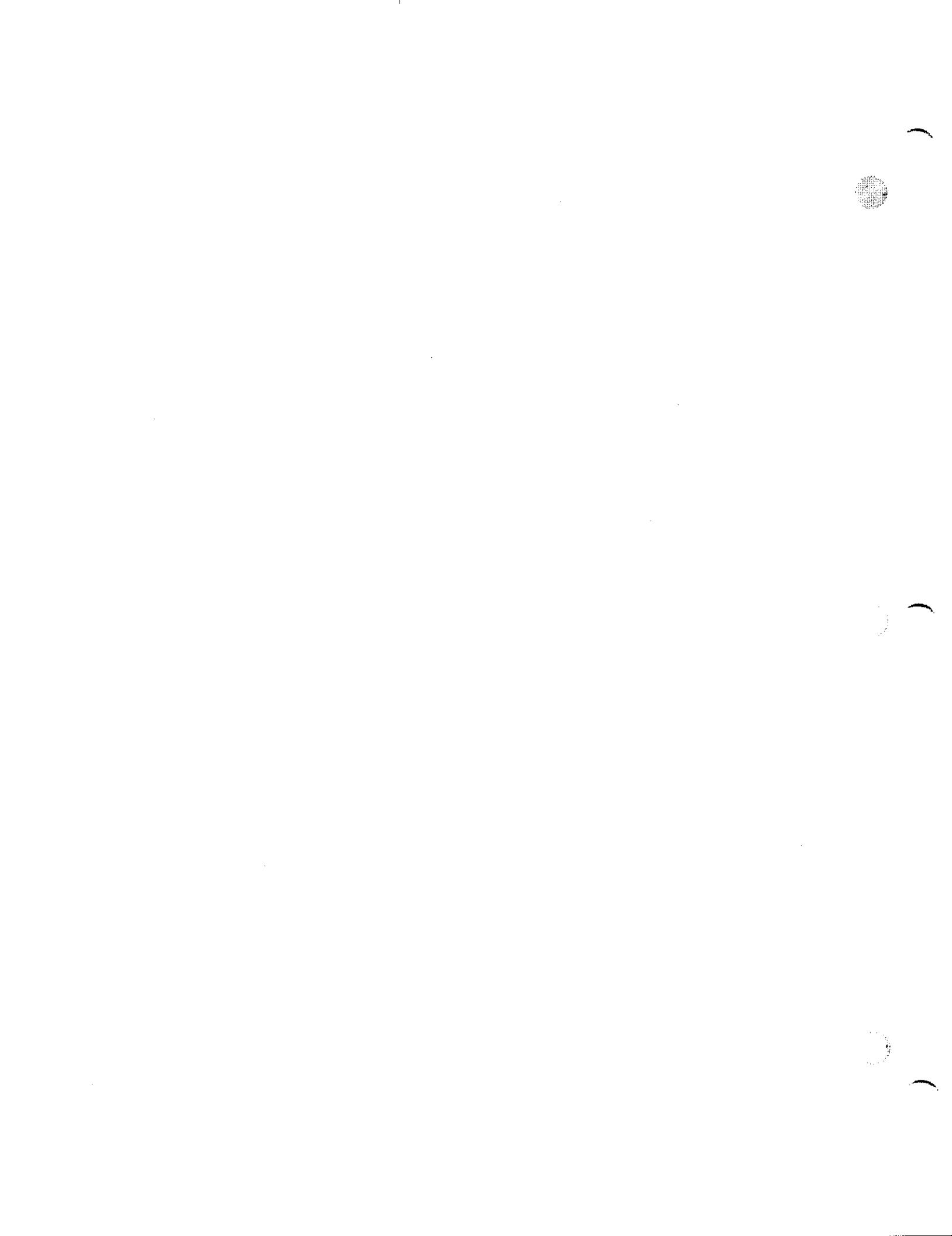
COST SEGMENT 6. CITY DELIVERY CARRIERS, OFFICE ACTIVITY

(6.1 THRU 6.2)

	IN-OFFICE DIRECT LABOR (6.1)	CAG K (6.2)	IN-OFFICE SUPPORT (6.2)	SUBTOTAL (6.2)	TOTAL C/S 06
SPECIAL SERVICES:					
REGISTRY	886	--	161	161	1 047
CERTIFIED	28 065	2	5 107	5 109	33 174
INSURANCE	1 412	--	257	257	1 669
COD	543	--	99	99	642
MONEY ORDERS	--	--	--	--	--
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--
POST OFFICE BOX	373	--	68	68	441
OTHER	5 591	--	1 018	1 018	6 609
TOTAL SPECIAL SVCS	36 870	2	6 710	6 712	43 582
TOTAL VOLUME VARIABLE	3 100 352	198	564 200	564 398	3 664 750
OTHER	417 187	27	75 919	75 946	493 133
TOTAL COSTS	3 517 539	225	640 119	640 344	4 157 883

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	COST SEGMENT 06: CITY DELIVERY CARRIERS - OFFICE
1 IN-OFFICE DIRECT LABOR (COMPONENT 043)		WORKPAPER A-2, PAGES 47-48 COLUMN 1	
2 CAG K (COMPONENT 045)		WORKPAPER A-2, PAGES 47-48 COLUMN 3	
3 IN-OFFICE SUPPORT (COMPONENT 044)		WORKPAPER A-2, PAGES 47-48 COLUMN 2	
4 SUBTOTAL (COMPONENT 837)			SUMMATION COLUMNS 2-3
5 TOTAL C/S 06 (COMPONENT 256)			SUMMATION COLUMNS 1 AND 4

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 7. CITY DELIVERY CARRIERS, STREET ACTIVTY

(7.1 THRU 7.4)

	ROUTE (7.1)	ACCESS (7.2)	ELEMENTAL LOAD (7.3)	STREET SUPPORT (7.4)	TOTAL C/S 07
FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	7 758	97 647	231 427	253 878	590 710
PRESORT LETTERS	7 178	44 348	230 965	136 965	419 456
TOTAL LETTERS	14 936	141 995	462 392	390 843	1 010 166
SINGLE-PIECE CARDS	130	6 595	14 266	14 208	35 199
PRESORT CARDS	71	3 116	11 376	5 131	19 694
TOTAL CARDS	201	9 711	25 642	19 339	54 893
TOTAL FIRST-CLASS	15 137	151 706	488 034	410 182	1 065 059
PRIORITY MAIL	17 077	32 311	40 554	23 501	113 443
EXPRESS MAIL	1 482	9 051	16 689	5 354	32 576
MAILGRAMS	60	110	91	44	305
PERIODICALS:					
IN-COUNTY	1 404	1 002	5 215	2 885	10 506
OUTSIDE COUNTY	14 821	10 578	55 037	48 136	128 572
TOTAL PERIODICALS	16 225	11 580	60 252	51 021	139 078
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	19 346	58 570	234 833	105 204	417 953
REGULAR	18 171	31 832	300 776	196 495	547 274
TOTAL STANDARD MAIL	37 517	90 402	535 609	301 699	965 227
PACKAGE SERVICES:					
PARCEL POST	9 629	10 984	18 909	7 964	47 486
BOUND PRINTED MATTER	6 886	18 256	15 895	8 963	50 000
MEDIA MAIL	5 132	7 963	7 120	4 248	24 463
TOTAL PACKAGE SVCS	21 647	37 203	41 924	21 175	121 949
US POSTAL SERVICE	275	550	1 639	2 699	5 163
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	109	88	1 548	483	2 228
INTERNATIONAL MAIL	837	5 049	4 124	4 320	14 330
TOTAL MAIL	110 366	338 050	1 190 464	820 478	2 459 358

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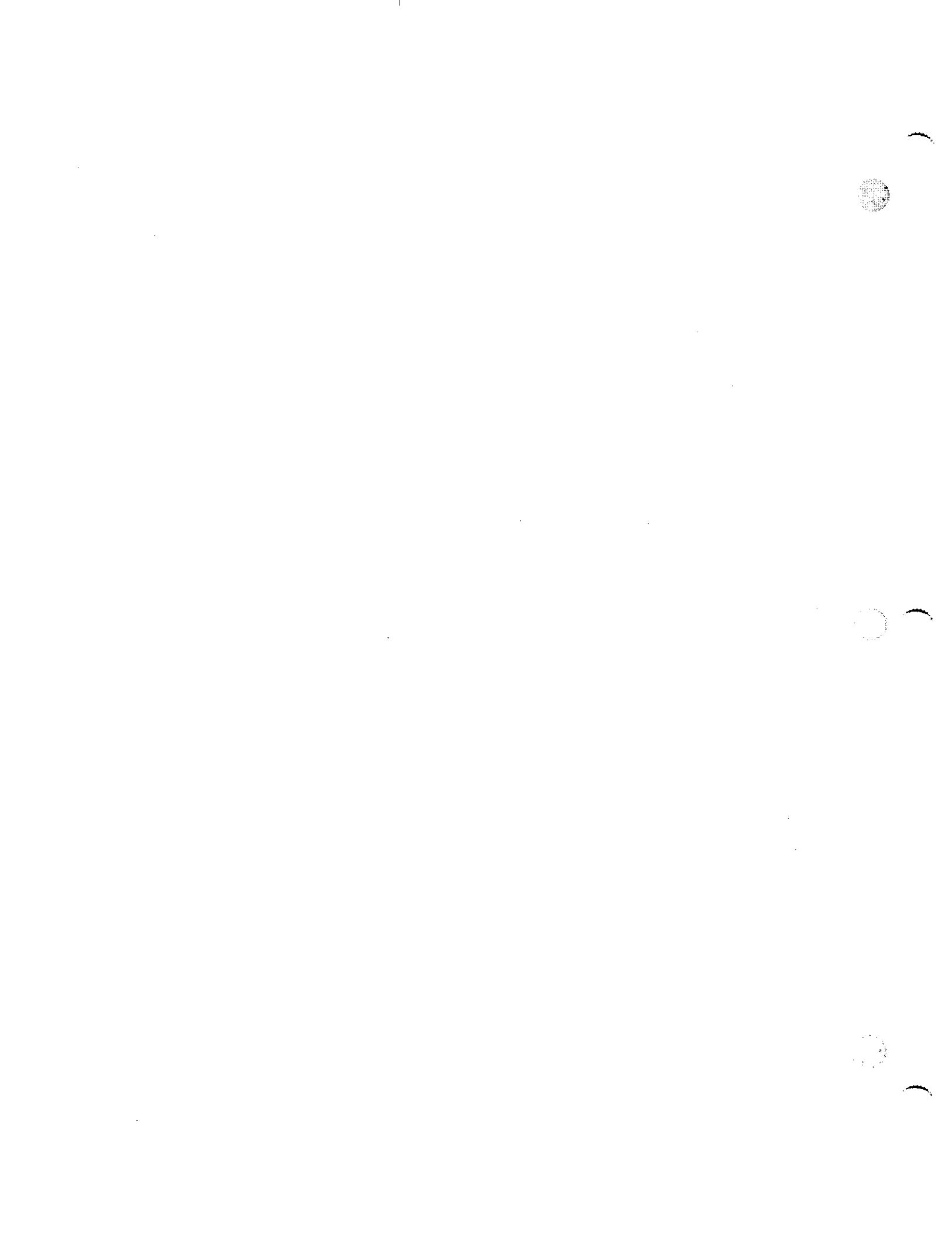
DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT 7. CITY DELIVERY CARRIERS, STREET ACTIVTY (7.1 THRU 7.4)

	ROUTE (7.1)	ACCESS (7.2)	ELEMENTAL LOAD (7.3)	STREET SUPPORT (7.4)	TOTAL C/S 07
SPECIAL SERVICES:					
REGISTRY	--	--	4 432	905	5 337
CERTIFIED	--	--	50 602	13 493	64 095
INSURANCE	--	--	4 327	979	5 306
COD	--	--	1 964	427	2 391
MONEY ORDERS	--	--	--	--	--
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--
POST OFFICE BOX	--	--	--	66	66
OTHER	--	--	23 185	4 899	28 084
TOTAL SPECIAL SVCS	--	--	84 510	20 769	105 279
TOTAL VOLUME VARIABLE	110 366	338 050	1 274 974	841 247	2 564 637
OTHER	2 695 645	2 657 303	46 306	1 018 215	6 417 469
TOTAL COSTS	2 806 011	2 995 353	1 321 280	1 859 462	8 982 106

SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 07: CITY DELIVERY CARRIERS - STREET

COLUMN TITLE	COLUMN SOURCE
1 ROUTE (COMPONENT 390)	WORKPAPER A-2, PAGES 51-52 COLUMN 3
2 ACCESS (COMPONENT 048)	WORKPAPER A-2, PAGES 49-50 COLUMN 2
3 ELEMENTAL LOAD (COMPONENT 046)	WORKPAPER A-2, PAGES 49-50 COLUMN 1
4 STREET SUPPORT (COMPONENT 280)	SUMMATION WORKPAPER A-2, PAGES 49-50 COLUMNS 3-4 AND PAGES 51-52 COLUMNS 1-2
5 TOTAL C/S 07 (COMPONENT 838)	SUMMATION COLUMNS 1-4



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 8. VEHICLE SERVICE DRIVERS

(8.1)

TOTAL
C/S 08

FIRST-CLASS MAIL:	
SINGLE-PIECE LETTERS	30 329
PRESORT LETTERS	20 420
TOTAL LETTERS	50 749
SINGLE-PIECE CARDS	221
PRESORT CARDS	288
TOTAL CARDS	509
TOTAL FIRST-CLASS	51 258
PRIORITY MAIL	32 551
EXPRESS MAIL	1 714
MAILGRAMS	1
PERIODICALS:	
IN-COUNTY	2 441
OUTSIDE COUNTY	41 541
TOTAL PERIODICALS	43 982
STANDARD MAIL:	
ENHANCED CARRIER ROUTE	50 963
REGULAR	55 759
TOTAL STANDARD MAIL	106 722
PACKAGE SERVICES:	
PARCEL POST	49 498
BOUND PRINTED MATTER	16 593
MEDIA MAIL	5 364
TOTAL PACKAGE SVCS	71 455
US POSTAL SERVICE	1 146
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	418
INTERNATIONAL MAIL	4 172
TOTAL MAIL	313 419

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT 8. VEHICLE SERVICE DRIVeRS

(8.1)

TOTAL
C/S 08

SPECIAL SERVICES:

REGISTRY	--
CERTIFIED	--
INSURANCE	--
COD	--
MONEY ORDERS	--
STAMPED CARDS	--
STAMPED ENVELOPES	--
SPECIAL HANDLING	--
POST OFFICE BOX	--
OTHER	--

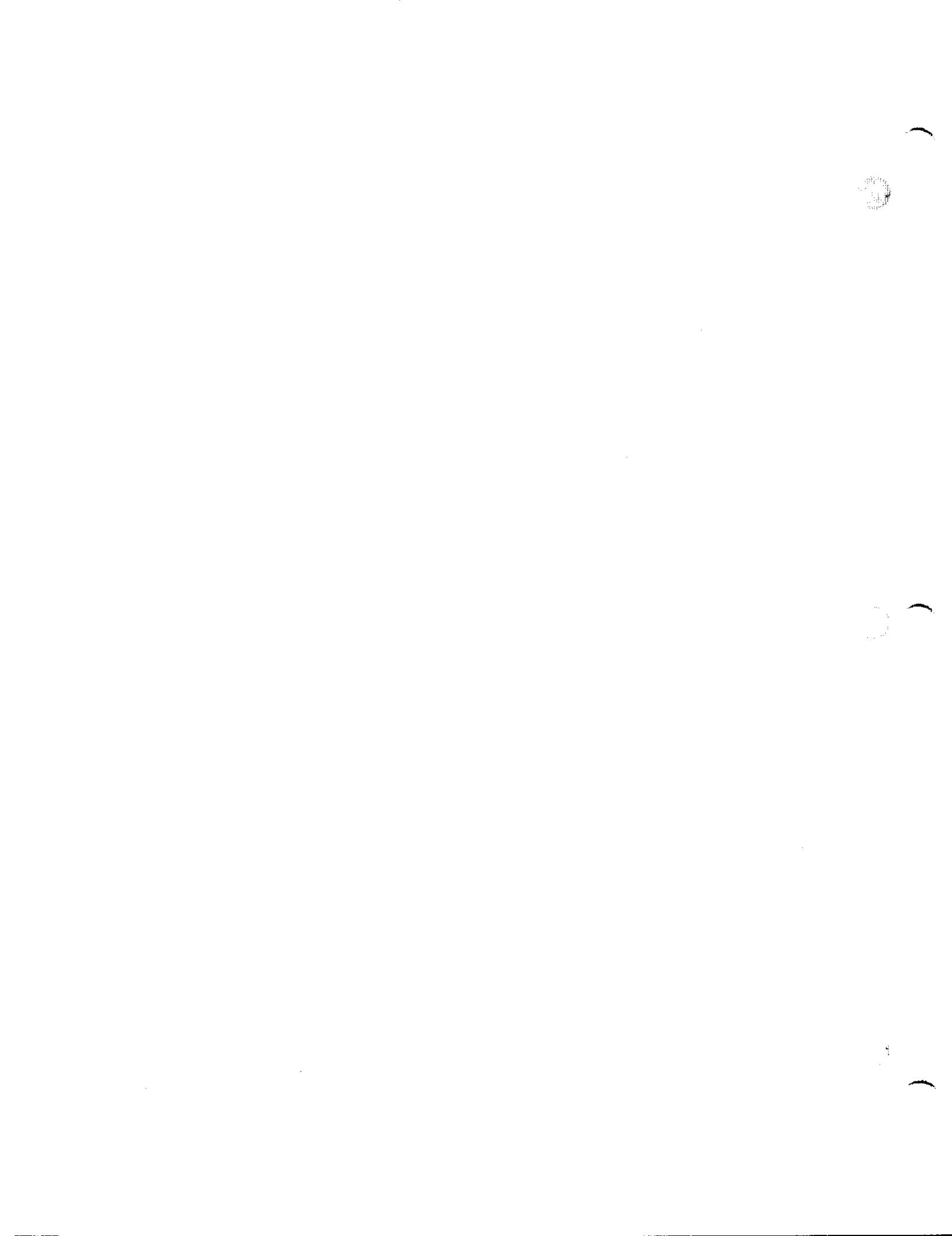
TOTAL SPECIAL SVCS

TOTAL VOLUME VARIABLE	313 419
OTHER	205 143
TOTAL COSTS	518 562

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 08: VEHICLE SERVICE DRIVERS
COLUMN TITLE	COLUMN SOURCE
1 TOTAL C/S 08 (COMPONENT 258)	WORKPAPER A-2, PAGES 53-54 COLUMN 2

***** PAGE 32.1 *****



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 10. RURAL CARRIERS

(10.1 THRU 10.3)

	EVALUATED ROUTES (10.1)	OTHER ROUTES (10.2)	EQUIP MAINT ALLOWANCE (10.3)	TOTAL C/S 10
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	281 614	26 409	--	308 023
PRESORT LETTERS	241 486	22 731	--	264 217
TOTAL LETTERS	523 100	49 140	--	572 240
SINGLE-PIECE CARDS	15 801	1 552	--	17 353
PRESORT CARDS	11 327	1 108	--	12 435
TOTAL CARDS	27 128	2 660	--	29 788
TOTAL FIRST-CLASS	550 228	51 800	--	602 028
PRIORITY MAIL	34 590	3 250	--	37 840
EXPRESS MAIL	9 093	951	--	10 044
MAILGRAMS	15	2	--	17
PERIODICALS:				
IN-COUNTY	12 406	1 096	--	13 502
OUTSIDE COUNTY	130 940	11 568	--	142 508
TOTAL PERIODICALS	143 346	12 664	--	156 010
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	393 379	35 404	--	428 783
REGULAR	450 820	41 265	--	492 085
TOTAL STANDARD MAIL	844 199	76 669	--	920 868
PACKAGE SERVICES:				
PARCEL POST	20 133	1 907	--	22 040
BOUND PRINTED MATTER	17 601	1 632	--	19 233
MEDIA MAIL	6 371	599	--	6 970
TOTAL PACKAGE SVCS	44 105	4 138	--	48 243
US POSTAL SERVICE	1 600	146	--	1 746
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	2 287	221	--	2 508
INTERNATIONAL MAIL	2 754	264	--	3 018
TOTAL MAIL	1 632 217	150 105	--	1 782 322

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DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

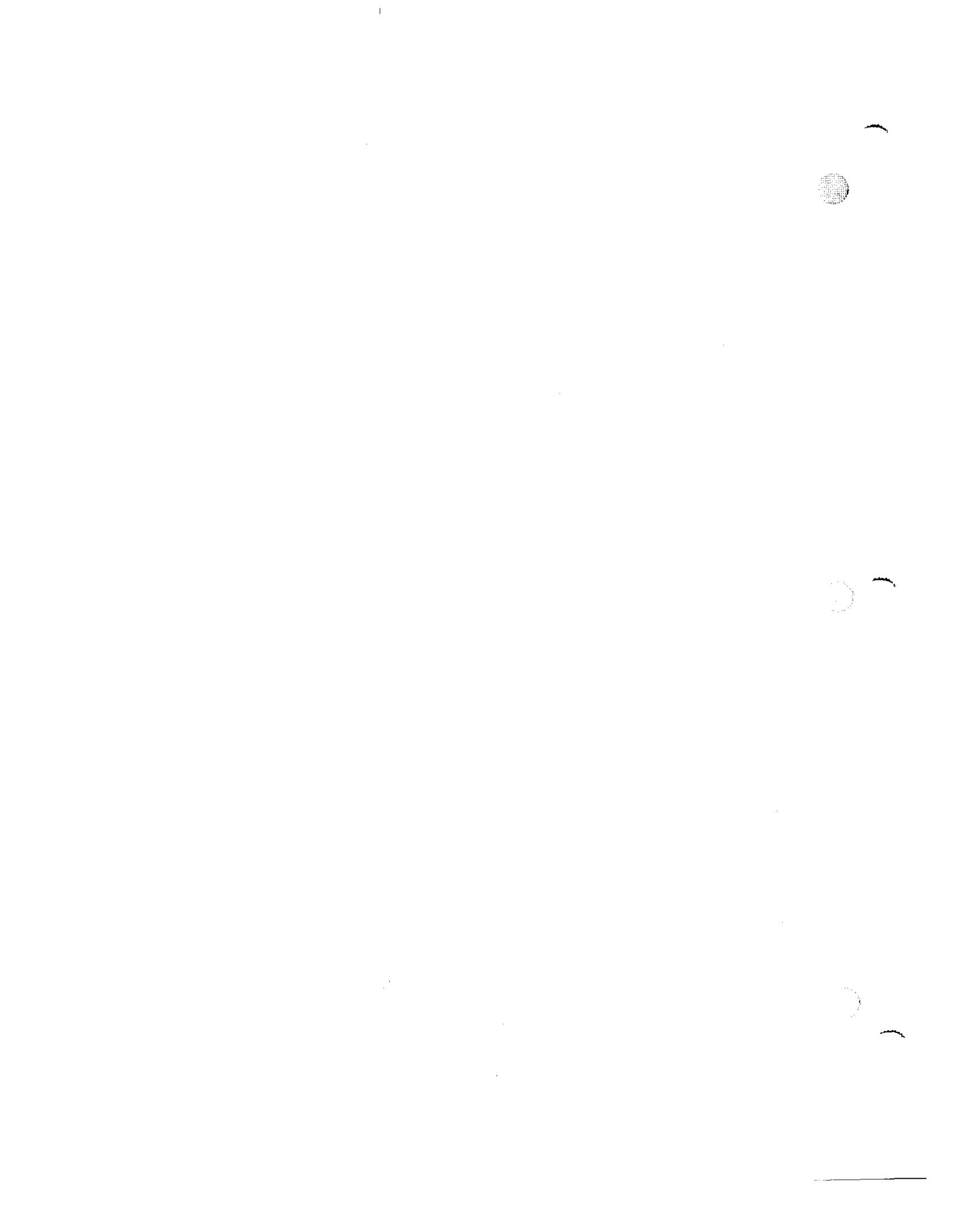
COST SEGMENT 10. RURAL CARRIERS

(10.1 THRU 10.3)

	EVALUATED ROUTES (10.1)	OTHER ROUTES (10.2)	EQUIP MAINT ALLOWANCE (10.3)	TOTAL C/S 10
SPECIAL SERVICES:				
REGISTRY	2 250	236	--	2 486
CERTIFIED	57 498	6 014	--	63 512
INSURANCE	7 300	763	--	8 063
COD	2 316	245	--	2 561
MONEY ORDERS	1 106	148	--	1 254
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	--	--	--	--
SPECIAL HANDLING	--	--	--	--
POST OFFICE BOX	--	--	--	--
OTHER	24	3	--	27
TOTAL SPECIAL SVCS	70 494	7 409	--	77 903
TOTAL VOLUME VARIABLE	1 702 711	157 514	--	1 860 225
OTHER	1 831 352	177 407	364 581	2 373 340
TOTAL COSTS	3 534 063	334 921	364 581	4 233 565

SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 10: RURAL CARRIERS
COLUMN TITLE	COLUMN SOURCE
1 EVALUATED ROUTES (COMPONENT 069)	WORKPAPER A-2, PAGES 55-56 COLUMN 1
2 OTHER ROUTES (COMPONENT 070)	WORKPAPER A-2, PAGES 55-56 COLUMN 2
3 EQUIPMENT MAINTENANCE ALLOWANCE (COMPONENT 073)	WORKPAPER A-2, PAGES 55-56 COLUMN 4
4 TOTAL C/S 10 (COMPONENT 260)	SUMMATION COLUMNS 1-3

***** PAGE 34.1 *****



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 11. CUSTODIAL AND MAINTENANCE SERVICES

(11.1 THRU 11.3)

	CUSTODIAL PERSONNEL (11.1.1)	CONTRACT CLEANERS (11.1.2)	OPER EQUIP MAINTENANCE (11.2)	PLANT & BUILDING EQUIP MAINT (11.3)	TOTAL C/S 11
FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	174 476	12 620	318 077	80 603	585 776
PRESORT LETTERS	53 773	3 890	95 155	24 842	177 660
TOTAL LETTERS	228 249	16 510	413 232	105 445	763 436
SINGLE-PIECE CARDS	6 662	482	9 568	3 078	19 790
PRESORT CARDS	1 638	118	2 318	756	4 830
TOTAL CARDS	8 300	600	11 886	3 834	24 620
TOTAL FIRST-CLASS	236 549	17 110	425 118	109 279	788 056
PRIORITY MAIL	28 714	2 077	9 460	13 265	53 516
EXPRESS MAIL	6 301	456	622	2 911	10 290
MAILGRAMS	10	1	--	5	16
PERIODICALS:					
IN-COUNTY	910	66	354	420	1 750
OUTSIDE COUNTY	26 942	1 949	23 272	12 446	64 609
TOTAL PERIODICALS	27 852	2 015	23 626	12 866	66 359
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	24 689	1 786	16 697	11 406	54 578
REGULAR	102 655	7 425	141 746	47 424	299 250
TOTAL STANDARD MAIL	127 344	9 211	158 443	58 830	353 828
PACKAGE SERVICES:					
PARCEL POST	11 088	802	13 167	5 122	30 179
BOUND PRINTED MATTER	6 072	439	7 324	2 805	16 640
MEDIA MAIL	4 400	318	6 540	2 033	13 291
TOTAL PACKAGE SVCS	21 560	1 559	27 031	9 960	60 110
US POSTAL SERVICE	6 080	440	4 938	2 809	14 267
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	474	34	833	219	1 560
INTERNATIONAL MAIL	9 465	685	10 158	4 373	24 681
TOTAL MAIL	464 349	33 588	660 229	214 517	1 372 683

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 11. CUSTODIAL AND MAINTENANCE SERVICES

(11.1 THRU 11.3)

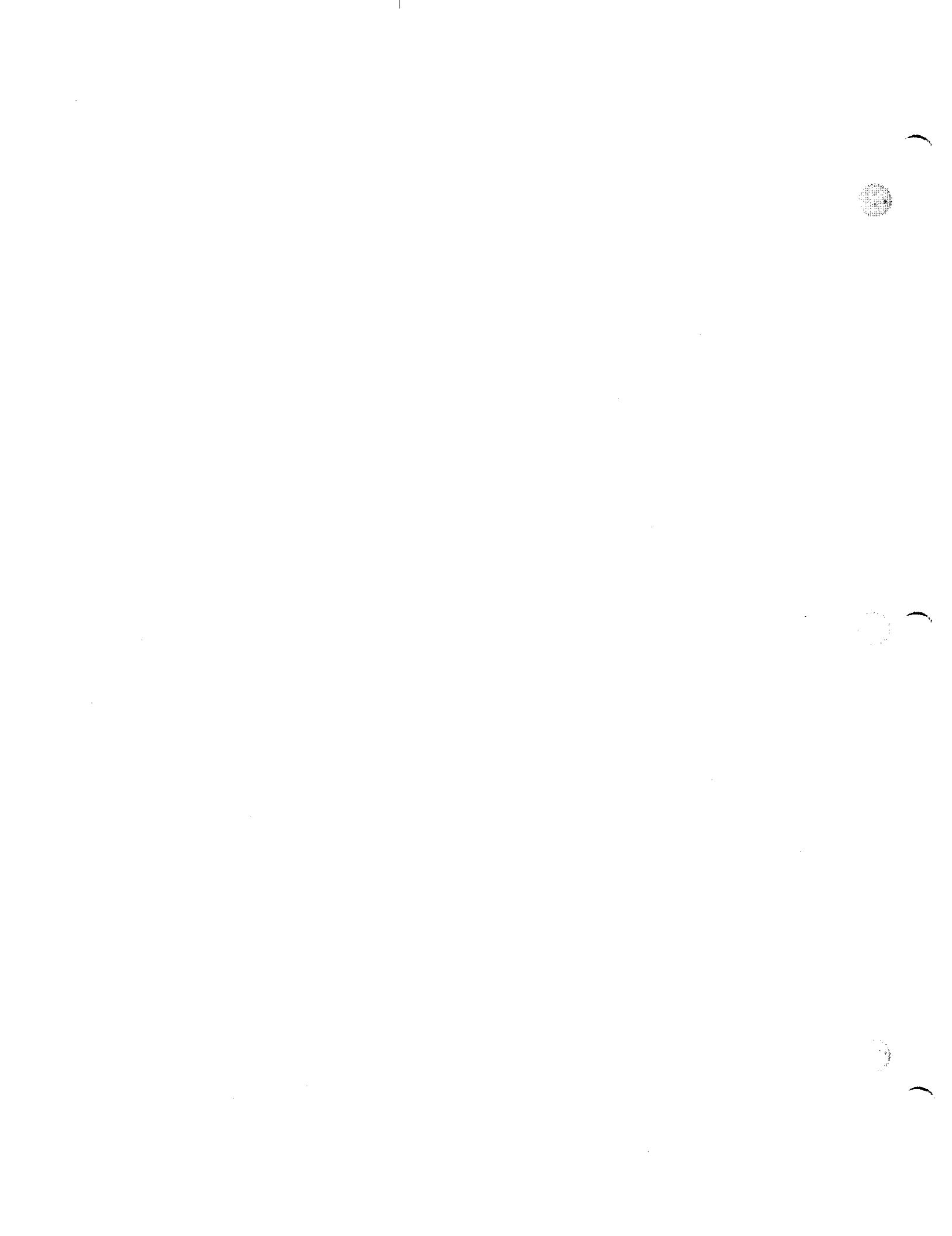
	CUSTODIAL PERSONNEL (11.1.1)	CONTRACT CLEANERS (11.1.2)	OPER EQUIP MAINTENANCE (11.2)	PLANT & BUILDING EQUIP MAINT (11.3)	TOTAL C/S 11
SPECIAL SERVICES:					
REGISTRY	2 691	195	593	1 243	4 722
CERTIFIED	5 543	401	106	2 561	8 611
INSURANCE	1 026	74	3	474	1 577
COD	197	14	4	91	306
MONEY ORDERS	3 058	221	2	1 412	4 693
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	93	7	--	43	143
SPECIAL HANDLING	26	2	294	12	334
POST OFFICE BOX	80 271	5 806	2	37 083	123 162
OTHER	3 538	256	3 996	1 634	9 424
TOTAL SPECIAL SVCS	96 443	6 976	5 000	44 553	152 972
TOTAL VOLUME VARIABLE	560 792	40 564	665 229	259 070	1 525 655
OTHER	354 646	25 652	490 533	163 837	1 034 668
TOTAL COSTS	915 438	66 216	1 155 762	422 907	2 560 323

COST SEGMENT 11: CUSTODIAL AND MAINTENANCE SOURCE FOR COST SEGMENTS AND COMPONENTS

COST SEGMENT 11: CUSTODIAL AND MAINTENANCE

COLUMN TITLE	COLUMN SOURCE
1 CUSTODIAL PERSONNEL (COMPONENT 359)	WORKPAPER A-4, PAGES 9-10 COLUMN 1
2 CONTRACT CLEANERS (COMPONENT 344)	WORKPAPER A-4, PAGES 9-10 COLUMN 2
3 OPERATING EQUIPMENT MAINTENANCE (COMPONENT 075)	WORKPAPER A-2, PAGES 61-62 COLUMN 1
4 PLANT AND BUILDING EQUIPMENT MAINTENANCE (COMPONENT 079)	WORKPAPER A-4, PAGES 9-10 COLUMN 3
5 TOTAL C/S 11 (COMPONENT 482)	SUMMATION COLUMNS 1-4

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 12. MOTOR VEHICLE SERVICE

(12.1 THRU 12.3)

	PERSONNEL (12.1)	SUPPLIES & MATERIALS (12.2)	VEHICLE HIRE (12.3)	TOTAL C/S 12

FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	11 321	14 351	5 799	31 471
PRESORT LETTERS	6 132	8 170	3 137	17 439
TOTAL LETTERS	17 453	22 521	8 936	48 910
SINGLE-PIECE CARDS	557	650	307	1 514
PRESORT CARDS	274	335	111	720
TOTAL CARDS	831	985	418	2 234
TOTAL FIRST-CLASS	18 284	23 506	9 354	51 144
PRIORITY MAIL	6 476	8 696	891	16 063
EXPRESS MAIL	2 718	3 213	341	6 272
MAILGRAMS	14	16	--	30
PERIODICALS:				
IN-COUNTY	385	563	90	1 038
OUTSIDE COUNTY	5 181	7 933	1 522	14 636
TOTAL PERIODICALS	5 566	8 496	1 612	15 674
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	10 219	14 411	2 808	27 438
REGULAR	10 235	14 754	4 824	29 813
TOTAL STANDARD MAIL	20 454	29 165	7 632	57 251
PACKAGE SERVICES:				
PARCEL POST	5 144	8 063	754	13 961
BOUND PRINTED MATTER	3 396	4 531	388	8 315
MEDIA MAIL	1 429	1 826	154	3 409
TOTAL PACKAGE SVCS	9 969	14 420	1 296	25 685
US POSTAL SERVICE	144	214	72	430
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	60	92	14	166
INTERNATIONAL MAIL	1 090	1 422	180	2 692
TOTAL MAIL	64 775	89 240	21 392	175 407

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 12. MOTOR VEHICLE SERVICE

(12.1 THRU 12.3)

	PERSONNEL (12.1)	SUPPLIES & MATERIALS (12.2)	VEHICLE HIRE (12.3)	TOTAL C/S 12
SPECIAL SERVICES:				
REGISTRY	56	67	18	141
CERTIFIED	593	756	275	1 624
INSURANCE	66	85	19	170
COD	27	34	9	70
MONEY ORDERS	7	10	--	17
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	--	--	--	--
SPECIAL HANDLING	--	--	--	--
POST OFFICE BOX	--	--	1	1
OTHER	143	156	98	397
TOTAL SPECIAL SVCS	892	1 108	420	2 420
TOTAL VOLUME VARIABLE	65 667	90 348	21 812	177 827
OTHER	262 941	303 715	27 978	594 634
TOTAL COSTS	328 608	394 063	49 790	772 461

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	COST SEGMENT 12: MOTOR VEHICLE SERVICE
1 PERSONNEL (COMPONENT 090)		WORKPAPER A-2, PAGES 65-66	COLUMN 1
2 SUPPLIES AND MATERIALS (COMPONENT 099)		WORKPAPER A-2, PAGES 65-66	COLUMN 2
3 VEHICLE HIRE (COMPONENT 108)		WORKPAPER A-2, PAGES 65-66	COLUMN 3
4 TOTAL C/S 12 (COMPONENT 262)		SUMMATION	COLUMNS 1-3

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 13. MISCELLANEOUS OPERATING COSTS

(13.1 THRU 13.3)

	CONTRACT STATIONS (13.1)	CARFARE (13.2)	DRIVEOUT (13.2)	TOLLS & FERRIAGE (13.2)	SUBTOTAL (13.2)	FED RESERVE & COMMERCIAL BKS (13.3)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	--	1 263	963	--	2 226	--
PRESORT LETTERS	--	732	559	--	1 291	--
TOTAL LETTERS	--	1 995	1 522	--	3 517	--
SINGLE-PIECE CARDS	--	70	55	--	125	--
PRESORT CARDS	--	28	21	--	49	--
TOTAL CARDS	--	98	76	--	174	--
TOTAL FIRST-CLASS	--	2 093	1 598	--	3 691	--
PRIORITY MAIL	--	116	84	--	200	--
EXPRESS MAIL	--	279	22	--	301	--
MAILGRAMS	--	--	--	--	--	--
PERIODICALS:						
IN-COUNTY	--	14	11	--	25	--
OUTSIDE COUNTY	--	240	183	--	423	--
TOTAL PERIODICALS	--	254	194	--	448	--
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	--	574	441	--	1 015	--
REGULAR	--	1 038	796	--	1 834	--
TOTAL STANDARD MAIL	--	1 612	1 237	--	2 849	--
PACKAGE SERVICES:						
PARCEL POST	--	38	29	--	67	--
BOUND PRINTED MATTER	--	41	32	--	73	--
MEDIA MAIL	--	18	14	--	32	--
TOTAL PACKAGE SVCS	--	97	75	--	172	--
US POSTAL SERVICE	--	13	10	--	23	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	3	3	--	6	--
INTERNATIONAL MAIL	--	66	15	--	81	--
TOTAL MAIL	--	4 533	3 238	--	7 771	--

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 13. MISCELLANEOUS OPERATING COSTS

(13.1 THRU 13.3)

	CONTRACT STATIONS (13.1)	CARFARE (13.2)	DRIVEOUT (13.2)	TOLLS & FERRIAGE (13.2)	SUBTOTAL (13.2)	FED RESERVE & COMMERCIAL BKS (13.3)
SPECIAL SERVICES:						
REGISTRY	--	7	5	--	12	--
CERTIFIED	--	87	67	--	154	--
INSURANCE	--	7	5	--	12	--
COD	--	3	2	--	5	--
MONEY ORDERS	--	--	--	--	--	--
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--	--
POST OFFICE BOX	--	--	--	--	--	--
OTHER	--	34	25	--	59	--
TOTAL SPECIAL SVCS	--	138	104	--	242	--
TOTAL VOLUME VARIABLE	--	4 671	3 342	--	8 013	--
OTHER	69 351	50 243	2 046	1 475	53 764	75 497
TOTAL COSTS	69 351	54 914	5 388	1 475	61 777	75 497

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	COST SEGMENT 13: MISCELLANEOUS OPERATING EXPENSES
1 CONTRACT STATIONS (COMPONENT 111)		WORKPAPER A-2, PAGES 81-82 COLUMN 2	
2 CARFARE (COMPONENT 135)		WORKPAPER A-2, PAGES 79-80 COLUMN 4	
3 DRIVEOUT (COMPONENT 141)		WORKPAPER A-2, PAGES 79-80 COLUMN 5	
4 TOLLS AND FERRIAGE (COMPONENT 113)		WORKPAPER A-2, PAGES 83-84 COLUMN 1	
5 SUBTOTAL (COMPONENT 825)		SUMMATION COLUMNS 2-4	
6 FED RESERVE & COMMERCIAL BANKS (COMPONENT 125)		WORKPAPER A-2, PAGES 87-88 COLUMN 1	

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 13. MISCELLANEOUS OPERATING COSTS

(13.4 THRU 13.7)

EMPLOYEE AWARDS (13.4)	EQUIPMENT SHOPS (13.5)	CAG L RENTAL ALLOWANCE (13.6)	OTHER LOCAL OPERATIONS (13.7)	TOTAL C/S 13

FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	--	--	--	2 226
PRESORT LETTERS	--	--	--	1 291
TOTAL LETTERS	--	--	--	3 517
SINGLE-PIECE CARDS	--	--	--	125
PRESORT CARDS	--	--	--	49
TOTAL CARDS	--	--	--	174
TOTAL FIRST-CLASS	--	--	--	3 691
PRIORITY MAIL	--	--	--	200
EXPRESS MAIL	--	--	--	301
MAILGRAMS	--	--	--	--
PERIODICALS:				
IN-COUNTY	--	--	--	25
OUTSIDE COUNTY	--	--	--	423
TOTAL PERIODICALS	--	--	--	448
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	--	--	--	1 015
REGULAR	--	--	--	1 834
TOTAL STANDARD MAIL	--	--	--	2 849
PACKAGE SERVICES:				
PARCEL POST	--	--	--	67
BOUND PRINTED MATTER	--	--	--	73
MEDIA MAIL	--	--	--	32
TOTAL PACKAGE SVCS	--	--	--	172
US POSTAL SERVICE	--	--	--	23
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--	--	6
INTERNATIONAL MAIL	--	--	--	81
TOTAL MAIL	--	--	--	7 771

DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 13. MISCELLANEOUS OPERATING COSTS

(13.4 THRU 13.7)

EMPLOYEE AWARDS (13.4)	EQUIPMENT SHOPS (13.5)	CAG L RENTAL ALLOWANCE (13.6)	OTHER LOCAL OPERATIONS (13.7)	TOTAL C/S 13
SPECIAL SERVICES:				
REGISTRY	--	--	--	12
CERTIFIED	--	--	--	154
INSURANCE	--	--	--	12
COD	--	--	--	5
MONEY ORDERS	--	--	--	--
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	--	--	--	--
SPECIAL HANDLING	--	--	--	--
POST OFFICE BOX	--	--	--	--
OTHER	--	--	--	59
TOTAL SPECIAL SVCS	--	--	--	242
TOTAL VOLUME VARIABLE	--	--	--	8 013
OTHER	59 159	34 555	20	56 223
TOTAL COSTS	59 159	34 555	20	348 569
				356 582

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	COST SEGMENT 13: MISCELLANEOUS OPERATING EXPENSES
1 EMPLOYEE AWARDS (COMPONENT 115)		WORKPAPER A-2, PAGES 83-84 COLUMN 2	
2 EQUIPMENT SHOPS (COMPONENT 826)		SUMMATION WORKPAPER A-2, PAGES 81-82 COLUMN 1 AND PAGES 85-86 COLUMN 2	
3 CAG L RENTAL ALLOWANCE (COMPONENT 112)		WORKPAPER A-2, PAGES 81-82 COLUMN 3	
4 OTHER LOCAL OPERATIONS (COMPONENT 827)		WORKPAPER A-2, PAGES 81-82 COLUMN 4	
5 TOTAL C/S 13 (COMPONENT 263)		SUMMATION PAGES 39-40 COLUMNS 1, 5, 6 AND PAGES 41-42 COLUMNS 1-4	

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DEVELOPMENT OF COST BY CARRIER AND COMPONENT - BASE YEAR 2000

COST SEGMENT 14. TRANSPORTATION

(14.1)

	DOMESTIC AIR (14.1)	DOMESTIC ALASKA AIR (14.1)	HIGHWAY (14.1)	RAILROAD (14.1)	DOMESTIC WATER (14.1)	SUBTOTAL (14.1)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	347 916	17	310 755	8 546	1 832	669 066
PRESORT LETTERS	277 993	--	133 034	11 187	912	423 126
TOTAL LETTERS	625 909	17	443 789	19 733	2 744	1 092 192
SINGLE-PIECE CARDS	8 459	--	4 332	187	22	13 000
PRESORT CARDS	2 929	--	2 971	288	20	6 208
TOTAL CARDS	11 388	--	7 303	475	42	19 208
TOTAL FIRST-CLASS	637 297	17	451 092	20 208	2 786	1 111 400
PRIORITY MAIL	554 232	67	308 896	7 175	2 013	872 383
EXPRESS MAIL	29 539	--	17 205	268	106	47 118
MAILGRAMS	--	--	--	--	--	--
PERIODICALS:						
IN-COUNTY	--	--	71	--	1	72
OUTSIDE COUNTY	27 168	14	211 441	111 924	3 552	354 099
TOTAL PERIODICALS	27 168	14	211 512	111 924	3 553	354 171
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	644	43	46 031	9 335	993	57 046
REGULAR	31 725	40	299 068	68 604	8 803	408 240
TOTAL STANDARD MAIL	32 369	83	345 099	77 939	9 796	465 286
PACKAGE SERVICES:						
PARCEL POST	13 688	7 254	244 950	26 445	5 264	297 601
BOUND PRINTED MATTER	4 338	9	64 840	9 194	1 480	79 861
MEDIA MAIL	2 633	10	58 629	12 582	2 011	75 865
TOTAL PACKAGE SVCS	20 659	7 273	368 419	48 221	8 755	453 327
US POSTAL SERVICE	2 498	16	2 878	985	66	6 443
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	1 528	--	3 164	575	60	5 327
INTERNATIONAL MAIL	36 314	--	32 932	7 733	463	77 442
TOTAL MAIL	1 341 604	7 470	1 741 197	275 028	27 598	3 392 897

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 14. TRANSPORTATION

(14.1)

	DOMESTIC AIR (14.1)	DOMESTIC ALASKA AIR (14.1)	HIGHWAY (14.1)	RAILROAD (14.1)	DOMESTIC WATER (14.1)	SUBTOTAL (14.1)

SPECIAL SERVICES:						
REGISTRY	--	--	--	--	--	--
CERTIFIED	--	--	--	--	--	--
INSURANCE	--	--	--	--	--	--
COD	--	--	--	--	--	--
MONEY ORDERS	--	--	--	--	--	--
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--	--
POST OFFICE BOX	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL SPECIAL SVCS	--	--	--	--	--	--
TOTAL VOLUME VARIABLE	1 341 604	7 470	1 741 197	275 028	27 598	3 392 897
OTHER	235 542	98 164	413 769	1 709	2 157	751 341
TOTAL COSTS	1 577 146	105 634	2 154 966	276 737	29 755	4 144 238

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SOURCE FOR COST SEGMENTS AND COMPONENTS		COST SEGMENT 14: TRANSPORTATION			
COLUMN TITLE	COLUMN SOURCE				
1 DOMESTIC AIR (COMPONENT 142)	WORKPAPER A-2, PAGES 95-96	COLUMN 1			
2 DOMESTIC ALASKA AIR (COMPONENT 6B1)	WORKPAPER A-4, PAGES 3-4	COLUMN 4			
3 HIGHWAY (COMPONENT 143)	WORKPAPER A-2, PAGES 95-96	COLUMN 3			
4 RAILROAD (COMPONENT 144)	WORKPAPER A-2, PAGES 95-96	COLUMN 4			
5 DOMESTIC WATER (COMPONENT 145)	WORKPAPER A-2, PAGES 95-96	COLUMN 5			
6 SUBTOTAL (COMPONENT 542)	SUMMATION COLUMNS 1-5				

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DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 14. TRANSPORTATION

(14.2)

	INTERNATIONAL TRANSPORTATION	TOTAL C/S 14 (14.2)
FIRST-CLASS MAIL:		
SINGLE-PIECE LETTERS	--	669 066
PRESORT LETTERS	--	423 126
TOTAL LETTERS	--	1 092 192
SINGLE-PIECE CARDS	--	13 000
PRESORT CARDS	--	6 208
TOTAL CARDS	--	19 208
TOTAL FIRST-CLASS	--	1 111 400
PRIORITY MAIL	--	872 383
EXPRESS MAIL	--	47 118
MAILGRAMS	--	--
PERIODICALS:		
IN-COUNTY	--	72
OUTSIDE COUNTY	--	354 099
TOTAL PERIODICALS	--	354 171
STANDARD MAIL:		
ENHANCED CARRIER ROUTE	--	57 046
REGULAR	--	408 240
TOTAL STANDARD MAIL	--	465 286
PACKAGE SERVICES:		
PARCEL POST	--	297 601
BOUND PRINTED MATTER	--	79 861
MEDIA MAIL	--	75 865
TOTAL PACKAGE SVCS	--	453 327
US POSTAL SERVICE	--	6 443
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	5 327
INTERNATIONAL MAIL	648 640	726 082
TOTAL MAIL	648 640	4 041 537

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MENT AND COMPONENT - BASE YEAR 2000

(14.2)

DEVELOPMENT OF COST BY
COST SEGMENT 14. TRANSPORTATION

	INTERNATIONAL TRANSPORTATION	TOTAL C/S 14 (14.2)

SPECIAL SERVICES:		
REGISTRY	--	--
CERTIFIED	--	--
INSURANCE	--	--
COD	--	--
MONEY ORDERS	--	--
STAMPED CARDS	--	--
STAMPED ENVELOPES	--	--
SPECIAL HANDLING	--	--
POST OFFICE BOX	--	--
OTHER	--	--
TOTAL SPECIAL SVCS	--	--
TOTAL VOLUME VARIABLE	648 640	4 041 537
OTHER	71 504 -	679 837
TOTAL COSTS	577 136	4 721 374

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COST SEGMENT 14: TRANSPORTATION DOMESTIC AND INTERNATIONAL	COLUMN SOURCE	SUMMATION WORKPAPER A-2, PAGES 97-98	COLUMNS 2-6 AND PAGES 45-46
1 INTERNATIONAL TRANSPORTATION (COMPONENT 828)					
2 TOTAL C/S 14 (COMPONENT 264)					

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 15. BUILDING OCCUPANCY

(15.1 THRU 15.3)

	RENTS (15.1)	FUEL & UTILITIES (15.2)	COMMUNICATIONS & OTHER (15.3)	TOTAL C/S 15
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	218 861	88 881	--	307 742
PRESORT LETTERS	68 077	27 393	--	95 470
TOTAL LETTERS	286 938	116 274	--	403 212
SINGLE-PIECE CARDS	8 551	3 394	--	11 945
PRESORT CARDS	2 089	834	--	2 923
TOTAL CARDS	10 640	4 228	--	14 868
TOTAL FIRST-CLASS	297 578	120 502	--	418 080
PRIORITY MAIL	36 064	14 627	--	50 691
EXPRESS MAIL	8 647	3 210	--	11 857
MAILGRAMS	14	5	--	19
PERIODICALS:				
IN-COUNTY	1 166	464	--	1 630
OUTSIDE COUNTY	32 988	13 724	--	46 712
TOTAL PERIODICALS	34 154	14 188	--	48 342
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	32 334	12 577	--	44 911
REGULAR	126 835	52 294	--	179 129
TOTAL STANDARD MAIL	159 169	64 871	--	224 040
PACKAGE SERVICES:				
PARCEL POST	13 249	5 648	--	18 897
BOUND PRINTED MATTER	7 405	3 093	--	10 498
MEDIA MAIL	5 364	2 242	--	7 606
TOTAL PACKAGE SVCS	26 018	10 983	--	37 001
US POSTAL SERVICE	7 634	3 098	--	10 732
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	562	242	--	804
INTERNATIONAL MAIL	11 780	4 822	--	16 602
TOTAL MAIL	581 620	236 548	--	818 168

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DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 15. BUILDING OCCUPANCY

(15.1 THRU 15.3)

	RENTS (15.1)	FUEL & UTILITIES (15.2)	COMMUNICATIONS & OTHER (15.3)	TOTAL C/S 15
SPECIAL SERVICES:				
REGISTRY	3 575	1 371	--	4 946
CERTIFIED	7 685	2 823	--	10 508
INSURANCE	1 437	523	--	1 960
COD	269	100	--	369
MONEY ORDERS	4 284	1 557	--	5 841
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	130	47	--	177
SPECIAL HANDLING	35	13	--	48
POST OFFICE BOX	115 458	40 891	--	156 349
OTHER	4 656	1 803	--	6 459
TOTAL SPECIAL SVCS	137 529	49 128	--	186 657
TOTAL VOLUME VARIABLE	719 149	285 676	--	1 004 825
OTHER	1 725	180 663	368 733	551 121
TOTAL COSTS	720 874	466 339	368 733	1 555 946

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE	COST SEGMENT 15: BUILDING OCCUPANCY COSTS
1 RENTS (COMPONENT 329)		WORKPAPER A-4, PAGES 11-12	COLUMN 4
2 FUEL AND UTILITIES (COMPONENT 314)		WORKPAPER A-4, PAGES 13-14	COLUMN 3
3 COMMUNICATIONS AND OTHER (COMPONENT 393)		SUMMATION WORKPAPER A-2, AND PAGES 105-106	COLUMNS 3-4 COLUMNS 1-2
4 TOTAL C/S 15 (COMPONENT 289)		SUMMATION COLUMNS 1-3	

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DEVELOPMENT OF COST BY MEDIUM AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

(16.1 THRU 16.2)

	STAMPS & DISPENSERS (16.1)	MONEY ORDERS (16.1)	STAMPED CARDS & EMB. STP. ENVEL. (16.1)	SUBTOTAL (16.1)	SUPPLY PERSONNEL (16.2)

FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	137 939	--	--	137 939	--
PRESORT LETTERS	5 812	--	--	5 812	--
TOTAL LETTERS	143 751	--	--	143 751	--
SINGLE-PIECE CARDS	6 863	--	--	6 863	--
PRESORT CARDS	377	--	--	377	--
TOTAL CARDS	7 240	--	--	7 240	--
TOTAL FIRST-CLASS	150 991	--	--	150 991	--
PRIORITY MAIL	587	--	--	587	--
EXPRESS MAIL	34	--	--	34	--
MAILGRAMS	--	--	--	--	--
PERIODICALS:					
IN-COUNTY	--	--	--	--	--
OUTSIDE COUNTY	--	--	--	--	--
TOTAL PERIODICALS	--	--	--	--	--
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	1 335	--	--	1 335	--
REGULAR	14 336	--	--	14 336	--
TOTAL STANDARD MAIL	15 671	--	--	15 671	--
PACKAGE SERVICES:					
PARCEL POST	15	--	--	15	--
BOUND PRINTED MATTER	4	--	--	4	--
MEDIA MAIL	26	--	--	26	--
TOTAL PACKAGE SVCS	45	--	--	45	--
US POSTAL SERVICE	--	--	--	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--	--	--	--
INTERNATIONAL MAIL	688	11	464	1 163	--
TOTAL MAIL	168 016	11	464	168 491	--

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ALA430

DEVELOPMENT OF COST BY EVENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

(16.1 THRU 16.2)

	STAMPS & DISPENSERS (16.1)	MONEY ORDERS (16.1)	STAMPED CARDS & EMB. STP. ENVEL. (16.1)	SUBTOTAL (16.1)	SUPPLY PERSONNEL (16.2)
SPECIAL SERVICES:					
REGISTRY	--	--	--	--	--
CERTIFIED	--	--	--	--	--
INSURANCE	--	--	--	--	--
COD	--	--	--	--	--
MONEY ORDERS	--	1 636	--	1 636	--
STAMPED CARDS	--	--	3 006	3 006	--
STAMPED ENVELOPES	--	--	7 362	7 362	--
SPECIAL HANDLING	--	--	--	--	--
POST OFFICE BOX	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL SPECIAL SVCS	--	1 636	10 368	12 004	--
TOTAL VOLUME VARIABLE	168 016	1 647	10 832	180 495	--
OTHER	428	--	--	428	18 069
TOTAL COSTS	168 444	1 647	10 832	180 923	18 069

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SOURCE FOR COST SEGMENTS AND COMPONENTS COST SEGMENT 16: SUPPLIES AND SERVICES

COLUMN TITLE COLUMN SOURCE

**STAMPS & DISPENSERS
(COMPONENT 180)**

WORKPAPER A-2, PAGES 111-112 COLUMN 2

WORKPAPER A-2, PAGES 111-112 COLUMN 3

STAMPED CARDS AND
EMBOSSED STAMPED ENVELOPES
(COMPONENT 248)

WORKPAPER A-2, PAGES 111-112 COLUMN 4

SUMMATION COLUMNS 1-3

WORKPAPER A-2, PAGES 109-110 COLUMN 1

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

(16.3)

	CUSTODIAL & BUILDING (16.3.1)	EQUIPMENT (16.3.2)	COMPREHENSIVE TRACKING/TRACING (16.3.3)	OTHER MISCELLANEOUS (16.3.4)	ADVERTISING (16.3.5)	REMOTE ENCODING S&S (16.3.6)

FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	23 913	105 323	--	188 555	--	5
PRESORT LETTERS	7 370	29 748	--	65 974	--	1
TOTAL LETTERS	31 283	135 071	--	254 529	--	6
SINGLE-PIECE CARDS	913	3 452	--	8 116	--	--
PRESORT CARDS	224	758	--	2 169	--	--
TOTAL CARDS	1 137	4 210	--	10 285	--	--
TOTAL FIRST-CLASS	32 420	139 281	--	264 814	--	6
PRIORITY MAIL	3 935	10 833	--	751 308	--	--
EXPRESS MAIL	864	1 352	--	12 913	--	--
MAILGRAMS	1	2	--	11	--	--
PERIODICALS:						
IN-COUNTY	125	238	--	1 261	--	--
OUTSIDE COUNTY	3 692	13 007	--	30 264	--	--
TOTAL PERIODICALS	3 817	13 245	--	31 525	--	--
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	3 384	7 175	--	37 467	--	--
REGULAR	14 070	54 757	--	113 843	--	1
TOTAL STANDARD MAIL	17 454	61 932	--	151 310	--	1
PACKAGE SERVICES:						
PARCEL POST	1 520	5 388	--	10 219	--	--
BOUND PRINTED MATTER	832	3 045	--	5 942	--	--
MEDIA MAIL	603	2 455	--	3 824	--	--
TOTAL PACKAGE SVCS	2 955	10 888	--	19 985	--	--
US POSTAL SERVICE	833	2 573	--	4 789	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	65	309	--	453	--	--
INTERNATIONAL MAIL	1 297	5 236	--	10 726	--	--
TOTAL MAIL	63 641	245 651	--	1 247 834	--	7

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

(16.3)

	CUSTODIAL & BUILDING (16.3.1)	EQUIPMENT (16.3.2)	COMPREHENSIVE TRACKING/TRACING (16.3.3)	OTHER MISCELLANEOUS (16.3.4)	ADVERTISING (16.3.5)	REMOTE ENCODING S&S (16.3.6)
SPECIAL SERVICES:						
REGISTRY	369	469	--	1 193	--	--
CERTIFIED	760	329	--	5 732	--	--
INSURANCE	141	18	--	1 038	--	--
COD	27	12	--	191	--	--
MONEY ORDERS	419	55	--	2 534	--	--
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	13	2	--	76	--	--
SPECIAL HANDLING	4	33	--	28	--	--
POST OFFICE BOX	11 002	39	--	1 824	--	--
OTHER	485	1 134	559	3 747	--	--
TOTAL SPECIAL SVCS	13 220	2 091	559	16 363	--	--
TOTAL VOLUME VARIABLE	76 861	247 742	559	1 264 197	--	7
OTHER	48 607	147 023	43	1 182 683	150 567	--
TOTAL COSTS	125 468	394 765	602	2 446 880	150 567	7

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COST SEGMENT 16: SUPPLIES AND SERVICES
	COLUMN SOURCE	COLUMN SOURCE
1 CUSTODIAL AND BUILDING (COMPONENT 389)	WORKPAPER A-4, PAGES 15-16 COLUMN 1	
2 EQUIPMENT (COMPONENT 184)	WORKPAPER A-2, PAGES 113-114 COLUMN 1	
3 COMPREHENSIVE TRACKING AND TRACING (COMPONENT 196)	WORKPAPER A-2, PAGES 113-114 COLUMN 3	
4 OTHER MISCELLANEOUS (COMPONENT 830)	SUMMATION WORKPAPER A-2, PAGES 109-110 COLUMNS 2-3 PAGES 111-112 COLUMNS 1 AND 5 PAGES 113-114 COLUMNS 2, 5, AND 6 AND PAGES 115-116 COLUMN 2	
5 ADVERTISING (COMPONENT 246)	WORKPAPER A-2, PAGES 115-116 COLUMN 3	
6 REMOTE ENCODING SUPPLIES AND SERVICES (COMPONENT 1426)	WORKPAPER A-2, PAGES 113-114 COLUMN 4	

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

(16.3)

	SUBTOTAL	TOTAL C/S 16
(16.3)		
FIRST-CLASS MAIL:		
SINGLE-PIECE LETTERS	317 796	455 735
PRESORT LETTERS	103 093	108 905
TOTAL LETTERS	420 889	564 640
SINGLE-PIECE CARDS	12 481	19 344
PRESORT CARDS	3 151	3 528
TOTAL CARDS	15 632	22 872
TOTAL FIRST-CLASS	436 521	587 512
PRIORITY MAIL	766 076	766 663
EXPRESS MAIL	15 129	15 163
MAILGRAMS	14	14
PERIODICALS:		
IN-COUNTY	1 624	1 624
OUTSIDE COUNTY	46 963	46 963
TOTAL PERIODICALS	48 587	48 587
STANDARD MAIL:		
ENHANCED CARRIER ROUTE	48 026	49 361
REGULAR	182 671	197 007
TOTAL STANDARD MAIL	230 697	246 368
PACKAGE SERVICES:		
PARCEL POST	17 127	17 142
BOUND PRINTED MATTER	9 819	9 823
MEDIA MAIL	6 882	6 908
TOTAL PACKAGE SVCS	33 828	33 873
US POSTAL SERVICE	8 195	8 195
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	827	827
INTERNATIONAL MAIL	17 259	18 422
TOTAL MAIL	1 557 133	1 725 624

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DEVELOPMENT OF COST BY ITEM AND COMPONENT - BASE YEAR 2000

COST SEGMENT 16. SUPPLIES AND SERVICES

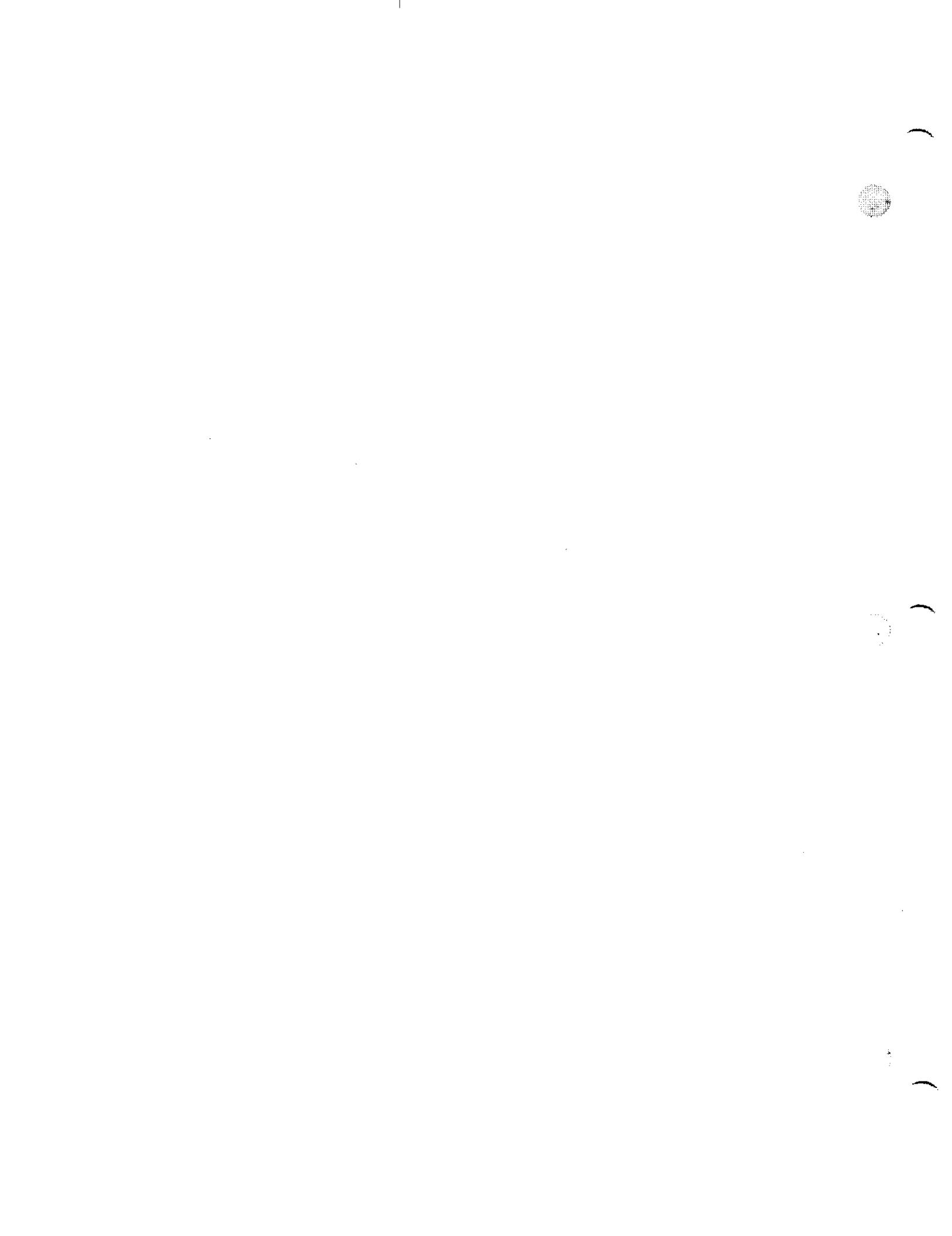
(16.3)

	SUBTOTAL	TOTAL
	C/S 16	
	(16.3)	
SPECIAL SERVICES:		
REGISTRY	2 031	2 031
CERTIFIED	6 821	6 821
INSURANCE	1 197	1 197
COD	230	230
MONEY ORDERS	3 008	4 644
STAMPED CARDS	--	3 006
STAMPED ENVELOPES	91	7 453
SPECIAL HANDLING	65	65
POST OFFICE BOX	12 865	12 865
OTHER	5 925	5 925
TOTAL SPECIAL SVCS	32 233	44 237
TOTAL VOLUME VARIABLE	1 589 366	1 769 861
OTHER	1 528 923	1 547 420
TOTAL COSTS	3 118 289	3 317 281

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 16: SUPPLIES AND SERVICES
COLUMN TITLE	COLUMN SOURCE
1 SUBTOTAL (COMPONENT 831)	SUMMATION PAGES 51-52 ALL COLUMNS
2 TOTAL C/S 16 (COMPONENT 490)	SUMMATION PAGES 49-50 COLUMNS 4-5 AND PAGES 53-54 COLUMN 1

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION PERSONNEL (18.1)

	HEADQUARTERS (18.1.1)	MONEY ORDER DIVISION (18.1.1)	AREA ADMINISTRATION (18.1.1)	SUBTOTAL (18.1.1)	POSTAL INSPECTION SERV (18.1.2)	SUBTOTAL (18.1)

FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	--	--	--	--	16 456	16 456
PRESORT LETTERS	--	--	--	--	5 072	5 072
TOTAL LETTERS	--	--	--	--	21 528	21 528
SINGLE-PIECE CARDS	--	--	--	--	628	628
PRESORT CARDS	--	--	--	--	154	154
TOTAL CARDS	--	--	--	--	782	782
TOTAL FIRST-CLASS	--	--	--	--	22 310	22 310
PRIORITY MAIL	--	--	--	--	2 708	2 708
EXPRESS MAIL	--	--	--	--	594	594
MAILGRAMS	--	--	--	--	1	1
PERIODICALS:						
IN-COUNTY	--	--	--	--	86	86
OUTSIDE COUNTY	--	--	--	--	2 541	2 541
TOTAL PERIODICALS	--	--	--	--	2 627	2 627
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	--	--	--	--	2 328	2 328
REGULAR	--	--	--	--	9 682	9 682
TOTAL STANDARD MAIL	--	--	--	--	12 010	12 010
PACKAGE SERVICES:						
PARCEL POST	--	--	--	--	1 046	1 046
BOUND PRINTED MATTER	--	--	--	--	573	573
MEDIA MAIL	--	--	--	--	415	415
TOTAL PACKAGE SVCS	--	--	--	--	2 034	2 034
US POSTAL SERVICE	--	--	--	--	573	573
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--	--	--	45	45
INTERNATIONAL MAIL	--	--	--	--	893	893
TOTAL MAIL	--	--	--	--	43 795	43 795

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

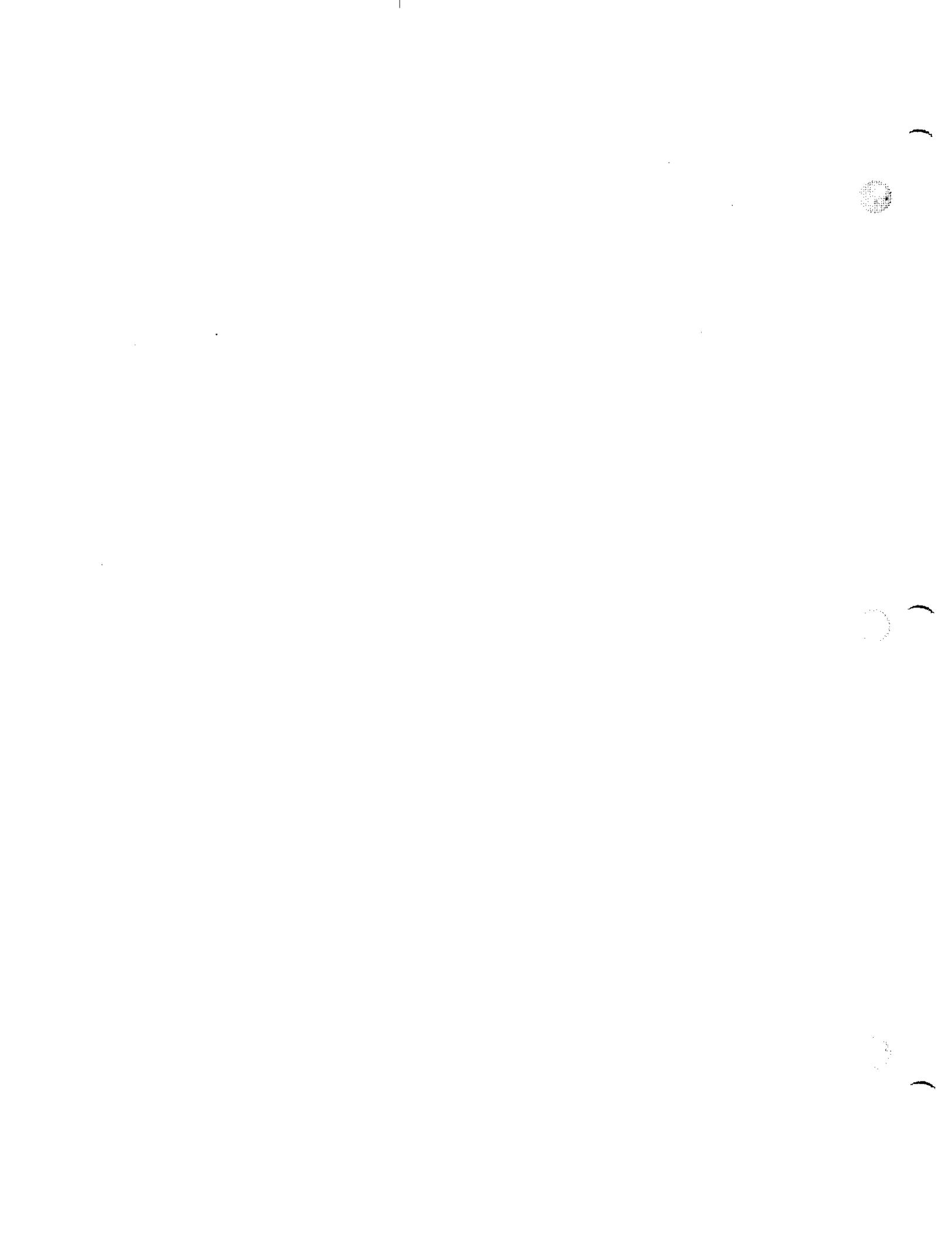
COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION PERSONNEL (18.1)

HEADQUARTERS	MONEY ORDER DIVISION	AREA ADMINISTRATION	SUBTOTAL	POSTAL INSPECTION SERV	SUBTOTAL
(18.1.1)	(18.1.1)	(18.1.1)	(18.1.1)	(18.1.2)	(18.1)

SPECIAL SERVICES:					
REGISTRY	--	--	--	254	254
CERTIFIED	--	--	--	523	523
INSURANCE	--	--	--	97	97
COD	--	--	--	18	18
MONEY ORDERS	--	--	--	288	288
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	9	9
SPECIAL HANDLING	--	--	--	2	2
POST OFFICE BOX	--	--	--	7 571	7 571
OTHER	--	--	--	334	334
TOTAL SPECIAL SVCS	--	--	--	9 096	9 096
TOTAL VOLUME VARIABLE	--	--	--	52 891	52 891
OTHER	609 363	2 161	174 476	367 059	1 153 059
TOTAL COSTS	609 363	2 161	174 476	786 000	419 950

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COST SEGMENT 18: ADMINISTRATION AND AREA OPERATIONS ADMINISTRATION PERSONNEL
1 HEADQUARTERS (COMPONENT 191)	COLUMN SOURCE	WORKPAPER A-2, PAGES 121-122 COLUMN 1
2 MONEY ORDER DIVISION (COMPONENT 192)		WORKPAPER A-2, PAGES 121-122 COLUMN 2
3 AREA ADMINISTRATION (COMPONENT 193)		WORKPAPER A-2, PAGES 121-122 COLUMN 3
4 SUBTOTAL (COMPONENT 834)		SUMMATION COLUMNS 1-3
5 POSTAL INSPECTION SERVICE (COMPONENT B32)		SUMMATION WORKPAPER A-2, PAGES 121-122 COLUMN 5 AND WORKPAPER A-4, PAGES 17-18 COLUMN 1
6 SUBTOTAL (COMPONENT 833)		SUMMATION COLUMNS 4-5

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DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION SUPPORT (18.2)

	SUPPLIES & SERVICES (18.2.1)	MISCELLANEOUS SUPPORT (18.2.2)	INSP EXPENSES & REIMBURSEMENTS (18.2.3)	EMPLOYEE LOSSES (18.2.4)	INDIVIDUAL AWARDS (18.2.5)	MISC. PERSONAL COMPENSATION (18.2.6)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	--	--	--	--	--	--
PRESORT LETTERS	--	--	--	--	--	--
TOTAL LETTERS	--	--	--	--	--	--
SINGLE-PIECE CARDS	--	--	--	--	--	--
PRESORT CARDS	--	--	--	--	--	--
TOTAL CARDS	--	--	--	--	--	--
TOTAL FIRST-CLASS	--	--	--	--	--	--
PRIORITY MAIL	--	--	--	--	--	--
EXPRESS MAIL	--	--	--	--	--	--
MAILGRAMS	--	--	--	--	--	--
PERIODICALS:						
IN-COUNTY	--	--	--	--	--	--
OUTSIDE COUNTY	--	--	--	--	--	--
TOTAL PERIODICALS	--	--	--	--	--	--
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	--	--	--	--	--	--
REGULAR	--	--	--	--	--	--
TOTAL STANDARD MAIL	--	--	--	--	--	--
PACKAGE SERVICES:						
PARCEL POST	--	--	--	--	--	--
BOUND PRINTED MATTER	--	--	--	--	--	--
MEDIA MAIL	--	--	--	--	--	--
TOTAL PACKAGE SVCS	--	--	--	--	--	--
US POSTAL SERVICE	--	--	--	--	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--	--	--	--	--
INTERNATIONAL MAIL	--	--	--	--	--	--
TOTAL MAIL	--	--	--	--	--	--

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION SUPPORT (18.2)

	SUPPLIES & SERVICES (18.2.1)	MISCELLANEOUS SUPPORT (18.2.2)	INSP EXPENSES & EMPLOYEE LOSSES (18.2.3)	REIMBURSEMENTS (18.2.4)	INDIVIDUAL AWARDS (18.2.5)	MISC. PERSONAL COMPENSATION (18.2.6)
SPECIAL SERVICES:						
REGISTRY	--	--	--	--	--	--
CERTIFIED	--	--	--	--	--	--
INSURANCE	--	--	--	--	--	--
COD	--	--	--	--	--	--
MONEY ORDERS	--	--	--	--	--	--
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	--	--	--	--	--
SPECIAL HANDLING	--	--	--	--	--	--
POST OFFICE BOX	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL SPECIAL SVCS	--	--	--	--	--	--
TOTAL VOLUME VARIABLE	--	--	--	--	--	--
OTHER	261 349	108 728	1 576	3 806-	6 968	296
TOTAL COSTS	261 349	108 728	1 576	3 806-	6 968	296

SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 18: ADMINISTRATION AND AREA OPERATIONS ADMINISTRATION SUPPORT
COLUMN TITLE	COLUMN SOURCE
1 SUPPLIES AND SERVICES (COMPONENT 210)	WORKPAPER A-2, PAGES 129-130 COLUMN 1
2 MISCELLANEOUS SUPPORT (COMPONENT 211)	WORKPAPER A-2, PAGES 129-130 COLUMN 2
3 INSPECTION EXPENSES & EMPLOYEE LOSSES (COMPONENT 212)	WORKPAPER A-2, PAGES 129-130 COLUMN 3
4 REIMBURSEMENTS (COMPONENT 213)	WORKPAPER A-2, PAGES 129-130 COLUMN 5
5 INDIVIDUAL AWARDS (COMPONENT 1429)	WORKPAPER A-2, PAGES 131-132 COLUMN 1
6 MISC. PERSONAL COMPENSATION (COMPONENT 1430)	WORKPAPER A-2, PAGES 131-132 COLUMN 2

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DEVELOPMENT OF COST BY ELEMENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION SUPPORT (18.2)

	MONEY ORDERS (18.2.7)	SUBTOTAL (18.2)
FIRST-CLASS MAIL:		
SINGLE-PIECE LETTERS	--	--
PRESORT LETTERS	--	--
TOTAL LETTERS	--	--
SINGLE-PIECE CARDS	--	--
PRESORT CARDS	--	--
TOTAL CARDS	--	--
TOTAL FIRST-CLASS	--	--
PRIORITY MAIL	--	--
EXPRESS MAIL	--	--
MAILGRAMS	--	--
PERIODICALS:		
IN-COUNTY	--	--
OUTSIDE COUNTY	--	--
TOTAL PERIODICALS	--	--
STANDARD MAIL:		
ENHANCED CARRIER ROUTE	--	--
REGULAR	--	--
TOTAL STANDARD MAIL	--	--
PACKAGE SERVICES:		
PARCEL POST	--	--
BOUND PRINTED MATTER	--	--
MEDIA MAIL	--	--
TOTAL PACKAGE SVCS	--	--
US POSTAL SERVICE	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	--
INTERNATIONAL MAIL	205	205
TOTAL MAIL	205	205

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DEVELOPMENT OF COST BY VMENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --ADMINISTRATION SUPPORT (18.2)

	MONEY ORDERS (18.2.7)	SUBTOTAL (18.2)
SPECIAL SERVICES:		
REGISTRY	--	--
CERTIFIED	--	--
INSURANCE	--	--
COD	--	--
MONEY ORDERS	--	--
STAMPED CARDS	--	--
STAMPED ENVELOPES	--	--
SPECIAL HANDLING	--	--
POST OFFICE BOX	--	--
OTHER	--	--
TOTAL SPECIAL SVCS	--	--
TOTAL VOLUME VARIABLE	205	205
OTHER	--	375 111
TOTAL COSTS	205	375 316

SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 18: ADMINISTRATION AND AREA OPERATIONS
ADMINISTRATION SUPPORT

COLUMN TITLE

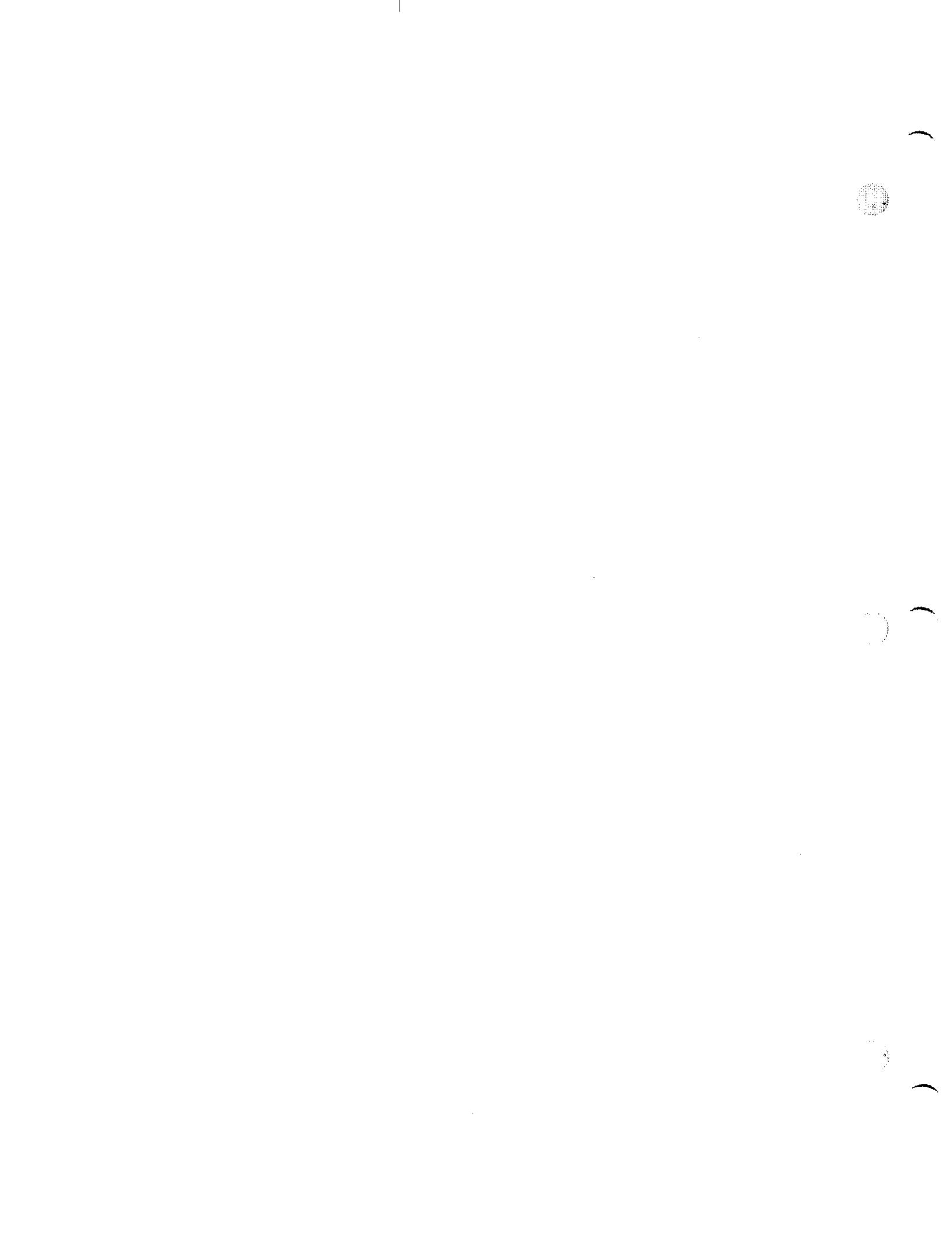
COLUMN SOURCE

1 MONEY ORDERS
(COMPONENT 244)

WORKPAPER A-2, PAGES 129-130 COLUMN 6

2 SUBTOTAL
(COMPONENT 840)

SUMMATION PAGES 57-58 ALL COLUMNS
AND PAGES 59-60 COLUMN 1



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ALA430.

DEVELOPMENT OF COST BY VENUE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --PERSONNEL BENEFITS (18.3)

	REPRICED ANNUAL LEAVE (18.3.1)	HOLIDAY LEAVE (18.3.1)	CIVIL SERVICE RETIREMENT (18.3.2)	FERS RETIREMENT (18.3.3)	WORKERS' COMPENSATION (18.3.4)	UNEMPLOYMENT COMPENSATION (18.3.5)

FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	19 607	1 596	271 651	--	146 324	7 723
PRESORT LETTERS	6 836	557	94 718	--	51 020	2 693
TOTAL LETTERS	26 443	2 153	366 369	--	197 344	10 416
SINGLE-PIECE CARDS	841	68	11 655	--	6 278	331
PRESORT CARDS	224	18	3 108	--	1 674	88
TOTAL CARDS	1 065	86	14 763	--	7 952	419
TOTAL FIRST-CLASS	27 508	2 239	381 132	--	205 296	10 835
PRIORITY MAIL	2 611	212	36 167	--	19 481	1 028
EXPRESS MAIL	528	43	7 319	--	3 942	208
MAILGRAMS	1	--	16	--	9	--
PERIODICALS:						
IN-COUNTY	130	11	1 805	--	972	51
OUTSIDE COUNTY	3 144	256	43 553	--	23 459	1 238
TOTAL PERIODICALS	3 274	267	45 358	--	24 431	1 289
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	3 863	314	53 526	--	28 832	1 522
REGULAR	11 829	963	163 892	--	88 279	4 660
TOTAL STANDARD MAIL	15 692	1 277	217 418	--	117 111	6 182
PACKAGE SERVICES:						
PARCEL POST	1 068	87	14 796	--	7 970	421
BOUND PRINTED MATTER	620	50	8 586	--	4 625	244
MEDIA MAIL	401	33	5 548	--	2 988	158
TOTAL PACKAGE SVCS	2 089	170	28 930	--	15 583	823
US POSTAL SERVICE	503	41	6 974	--	3 756	198
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	47	4	655	--	353	19
INTERNATIONAL MAIL	918	75	12 716	--	6 850	362
TOTAL MAIL	53 171	4 328	736 685	--	396 812	20 944

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --PERSONNEL BENEFITS (18.3)

	REPRICED ANNUAL LEAVE (18.3.1)	HOLIDAY LEAVE (18.3.1)	CIVIL SERVICE RETIREMENT (18.3.2)	FERS RETIREMENT (18.3.3)	WORKERS' COMPENSATION (18.3.4)	UNEMPLOYMENT COMPENSATION (18.3.5)
SPECIAL SERVICES:						
REGISTRY	129	10	1 791	--	964	51
CERTIFIED	597	49	8 269	--	4 454	235
INSURANCE	108	9	1 498	--	807	43
COD	20	2	275	--	148	8
MONEY ORDERS	266	22	3 683	--	1 984	105
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	8	1	111	--	60	3
SPECIAL HANDLING	3	--	40	--	22	1
POST OFFICE BOX	447	36	6 193	--	3 336	176
OTHER	267	22	3 700	--	1 993	105
TOTAL SPECIAL SVCS	1 845	151	25 560	--	13 768	727
TOTAL VOLUME VARIABLE	55 016	4 479	762 245	--	410 580	21 671
OTHER	40 784	3 321	565 069	--	520 650	16 065
TOTAL COSTS	95 800	7 800	1 327 314	--	931 230	37 736

SOURCE FOR COST SEGMENTS
AND COMPONENTS

COST SEGMENT 18: ADMINISTRATION AND AREA OPERATIONS
PERSONNEL BENEFITS COSTS

COLUMN TITLE

COLUMN SOURCE

1 REPRICED ANNUAL LEAVE
(COMPONENT 292)

SUMMATION WORKPAPER A-2, PAGES 123-124 COLUMN 1
AND WORKPAPER A-4, PAGES 23-24 COLUMN 3

2 HOLIDAY LEAVE
(COMPONENT 487)

SUMMATION WORKPAPER A-2, PAGES 123-124 COLUMN 2
AND WORKPAPER A-4, PAGES 23-24 COLUMN 2

3 CIVIL SERVICE RETIREMENT
(COMPONENT 488)

SUMMATION WORKPAPER A-2, PAGES 123-124 COLUMN 5
AND WORKPAPER A-4, PAGES 19-20 COLUMNS 3

4 FERS RETIREMENT
(COMPONENT 019)

SUMMATION WORKPAPER A-2, PAGES 125-126 COLUMN 2
AND WORKPAPER A-4, PAGES 19-20 COLUMN 6

5 WORKERS' COMPENSATION
(COMPONENT 486)

SUMMATION WORKPAPER A-2, PAGES 127-128 COLUMNS 2-4
AND WORKPAPER A-4, PAGES 21-22 COLUMN 4

6 UNEMPLOYMENT COMPENSATION
(COMPONENT 453)

WORKPAPER A-4, PAGES 23-24 COLUMN 1



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DEVELOPMENT OF COST BY AGENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --PERSONNEL BENEFITS (18.3)

	RETIREE HEALTH BENEFITS (18.3.6)	ANNUITANT LIFE INSURANCE (18.3.7)	ANNUITANT COLA/ PRINCIPAL (18.3.8)	ANNUITY PROTECT PROGRAM (18.3.9)	SUBTOTAL (18.3)	TOTAL C/S 18
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	152 167	1 371	139 709	--	740 148	756 604
PRESORT LETTERS	53 057	478	48 713	--	258 072	263 144
TOTAL LETTERS	205 224	1 849	188 422	--	998 220	1 019 748
SINGLE-PIECE CARDS	6 528	59	5 994	--	31 754	32 382
PRESORT CARDS	1 741	16	1 598	--	8 467	8 621
TOTAL CARDS	8 269	75	7 592	--	40 221	41 003
TOTAL FIRST-CLASS	213 493	1 924	196 014	--	1 038 441	1 060 751
PRIORITY MAIL	20 259	183	18 600	--	98 541	101 249
EXPRESS MAIL	4 099	37	3 764	--	19 940	20 534
MAILGRAMS	9	--	8	--	43	44
PERIODICALS:						
IN-COUNTY	1 011	9	928	--	4 917	5 003
OUTSIDE COUNTY	24 396	220	22 399	--	118 665	121 206
TOTAL PERIODICALS	25 407	229	23 327	--	123 582	126 209
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	29 983	270	27 528	--	145 838	148 166
REGULAR	91 805	827	84 289	--	446 544	456 226
TOTAL STANDARD MAIL	121 788	1 097	111 817	--	592 382	604 392
PACKAGE SERVICES:						
PARCEL POST	8 289	75	7 610	--	40 316	41 362
BOUND PRINTED MATTER	4 810	43	4 416	--	23 394	23 967
MEDIA MAIL	3 108	28	2 853	--	15 117	15 532
TOTAL PACKAGE SVCS	16 207	146	14 879	--	78 827	80 861
US POSTAL SERVICE	3 907	35	3 587	--	19 001	19 574
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	367	3	337	--	1 785	1 830
INTERNATIONAL MAIL	7 123	64	6 540	--	34 648	35 746
TOTAL MAIL	412 659	3 718	378 873	--	2 007 190	2 051 190

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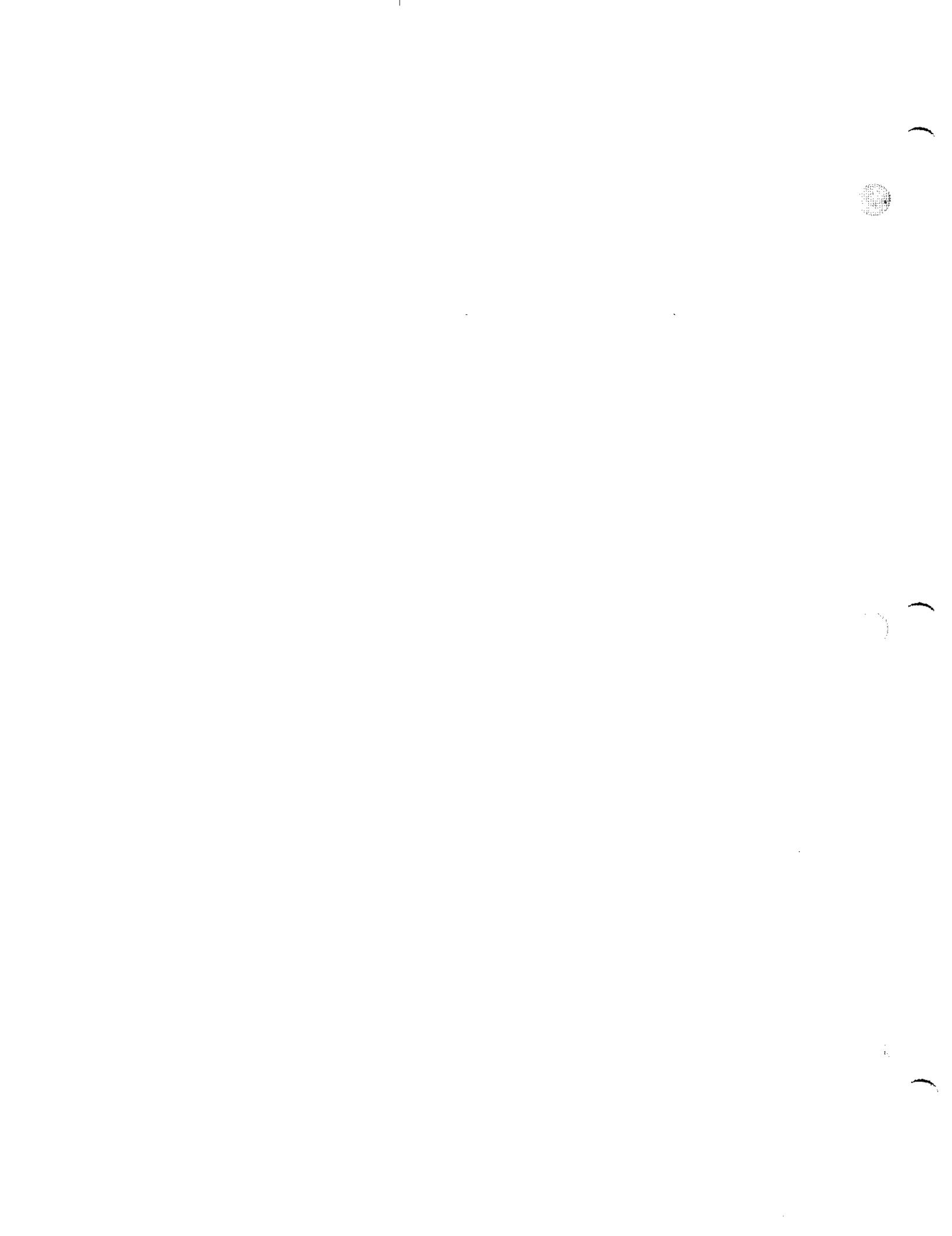
DEVELOPMENT OF COST BY EXPENSE AND COMPONENT - BASE YEAR 2000

COST SEGMENT 18. ADMINISTRATION AND AREA OPERATIONS --PERSONNEL BENEFITS (18.3)

	RETIREE HEALTH BENEFITS (18.3.6)	ANNUITANT LIFE INSURANCE (18.3.7)	ANNUITANT COLA/ PRINCIPAL (18.3.8)	ANNUITY PROTECT PROGRAM (18.3.9)	SUBTOTAL (18.3)	TOTAL C/S 18
SPECIAL SERVICES:						
REGISTRY	1 003	9	921	--	4 878	5 132
CERTIFIED	4 632	42	4 252	--	22 530	23 053
INSURANCE	839	8	771	--	4 083	4 180
COD	154	1	142	--	750	768
MONEY ORDERS	2 063	19	1 894	--	10 036	10 324
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	62	1	57	--	303	312
SPECIAL HANDLING	23	--	21	--	110	112
POST OFFICE BOX	3 469	31	3 185	--	16 873	24 444
OTHER	2 072	19	1 903	--	10 081	10 415
TOTAL SPECIAL SVCS	14 317	130	13 146	--	69 644	78 740
TOTAL VOLUME VARIABLE	426 976	3 848	392 019	--	2 076 834	2 129 930
OTHER	316 528	2 852	290 613	36 917-	1 718 965	3 247 135
TOTAL COSTS	743 504	6 700	682 632	36 917-	3 795 799	5 377 065

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COLUMN TITLE	COLUMN SOURCE
1 RETIREE HEALTH BENEFITS (COMPONENT 208)	WORKPAPER A-4, PAGES 21-22 COLUMN 1
2 ANNUITANT LIFE INSURANCE (COMPONENT 071)	WORKPAPER A-4, PAGES 21-22 COLUMN 2
3 ANNUITANT COLA/PRINCIPAL (COMPONENT 1435)	WORKPAPER A-4, PAGES 21-22 COLUMN 3
4 ANNUITY PROTECTION PROGRAM (COMPONENT 207)	WORKPAPER A-2, PAGES 129-130 COLUMN 4
5 SUBTOTAL (COMPONENT 835)	SUMMATION PAGES 61-62 ALL COLUMNS AND PAGES 63-64 COLUMNS 1-4
6 TOTAL C/S 18 (COMPONENT 459)	SUMMATION PAGES 55-56 COLUMN 6 PAGES 59-60 COLUMN 2 AND PAGES 63-64 COLUMN 5



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 20. OTHER ACCRUED EXPENSES (SERVICE-WIDE)

(20.1 THRU 20.6)

	EQUIPMENT DEPRECIATION (20.1)	VEHICLE DEPRECIATION (20.2)	BLDG & LEASEHLD DEPRECIATION (20.3)	INDEMNITIES (20.4)
FIRST-CLASS MAIL:				
SINGLE-PIECE LETTERS	281 239	5 390	226 126	--
PRESORT LETTERS	82 233	3 556	70 336	--
TOTAL LETTERS	363 472	8 946	296 462	--
SINGLE-PIECE CARDS	8 642	246	8 834	--
PRESORT CARDS	1 812	152	2 159	--
TOTAL CARDS	10 454	398	10 993	--
TOTAL FIRST-CLASS	373 926	9 344	307 455	--
PRIORITY MAIL	7 353	3 039	37 261	--
EXPRESS MAIL	551	1 695	8 934	1 258
MAILGRAMS	1	4	15	--
PERIODICALS:				
IN-COUNTY	197	232	1 205	--
OUTSIDE COUNTY	15 195	3 272	34 083	--
TOTAL PERIODICALS	15 392	3 504	35 288	--
STANDARD MAIL:				
ENHANCED CARRIER ROUTE	13 006	6 189	33 407	--
REGULAR	120 537	6 171	131 045	--
TOTAL STANDARD MAIL	133 543	12 360	164 452	--
PACKAGE SERVICES:				
PARCEL POST	14 572	3 144	13 689	--
BOUND PRINTED MATTER	7 445	1 519	7 651	--
MEDIA MAIL	7 621	611	5 542	--
TOTAL PACKAGE SVCS	29 638	5 274	26 882	--
US POSTAL SERVICE	4 413	86	7 888	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	648	38	581	--
INTERNATIONAL MAIL	10 141	606	12 171	2 283
TOTAL MAIL	575 606	35 950	600 927	3 541

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DEVELOPMENT OF COST BY ELEMENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 20. OTHER ACCRUED EXPENSES (SERVICE-WIDE)

(20.1 THRU 20.6)

	EQUIPMENT DEPRECIATION (20.1)	VEHICLE DEPRECIATION (20.2)	BLDG & LEASEHLD DEPRECIATION (20.3)	INDEMNITIES (20.4)
SPECIAL SERVICES:				
REGISTRY	591	21	3 693	3 757
CERTIFIED	249	310	7 939	--
INSURANCE	5	34	1 485	26 071
COD	10	12	278	2 723
MONEY ORDERS	--	3	4 426	--
STAMPED CARDS	--	--	--	--
STAMPED ENVELOPES	--	--	134	--
SPECIAL HANDLING	142	--	36	--
POST OFFICE BOX	--	--	119 290	--
OTHER	2 945	64	4 810	--
TOTAL SPECIAL SVCS	3 942	444	142 091	32 551
TOTAL VOLUME VARIABLE	579 548	36 394	743 018	36 092
OTHER	509 243	160 717	--	95 772
TOTAL COSTS	1 088 791	197 111	743 018	131 864

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SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 20: OTHER ACCRUED EXPENSES
COLUMN TITLE	COLUMN SOURCE
1 EQUIPMENT DEPRECIATION (COMPONENT 505)	WORKPAPER A-4, PAGES 29-30 COLUMN 3
2 VEHICLE DEPRECIATION (COMPONENT 447)	WORKPAPER A-4, PAGES 27-28 COLUMN 4
3 BUILDING & LEASEHOLD DEPRECIATION (COMPONENT 420)	WORKPAPER A-4, PAGES 31-32 COLUMN 5
4 INDEMNITIES (COMPONENT 397)	WORKPAPER A-2, PAGES 151-152 COLUMN 4



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DEVELOPMENT OF COST BY
COST SEGMENT 20. OTHER ACCRUED EXPENSES (SERVICE-WIDE)

ENT AND COMPONENT - BASE YEAR 2000
(20.1 THRU 20.6)

	INTEREST EXPENSE (20.5)	OTHER EXPENSES & CREDITS (20.6)	TOTAL C/S 20
FIRST-CLASS MAIL:			
SINGLE-PIECE LETTERS	376 582	--	889 337
PRESORT LETTERS	128 842	--	284 967
TOTAL LETTERS	505 424	--	1 174 304
SINGLE-PIECE CARDS	15 692	--	33 414
PRESORT CARDS	4 119	--	8 242
TOTAL CARDS	19 811	--	41 656
TOTAL FIRST-CLASS	525 235	--	1 215 960
PRIORITY MAIL	47 896	--	95 549
EXPRESS MAIL	9 859	--	22 297
MAILGRAMS	21	--	41
PERIODICALS:			
IN-COUNTY	2 310	--	3 944
OUTSIDE COUNTY	57 153	--	109 703
TOTAL PERIODICALS	59 463	--	113 647
STANDARD MAIL:			
ENHANCED CARRIER ROUTE	68 939	--	121 541
REGULAR	221 592	--	479 345
TOTAL STANDARD MAIL	290 531	--	600 886
PACKAGE SERVICES:			
PARCEL POST	20 890	--	52 295
BOUND PRINTED MATTER	11 948	--	28 563
MEDIA MAIL	8 050	--	21 824
TOTAL PACKAGE SVCS	40 888	--	102 682
US POSTAL SERVICE	9 583	--	21 970
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	912	--	2 179
INTERNATIONAL MAIL	17 510	--	42 711
TOTAL MAIL	1 001 898	--	2 217 922

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT 20. OTHER ACCRUED EXPENSES (SERVICE-WIDE)

(20.1 THRU 20.6)

	INTEREST EXPENSE (20.5)	OTHER EXPENSES & CREDITS (20.6)	TOTAL C/S 20
SPECIAL SERVICES:			
REGISTRY	2 583	--	10 645
CERTIFIED	10 689	--	19 187
INSURANCE	1 936	--	29 531
COD	358	--	3 381
MONEY ORDERS	4 832	--	9 261
STAMPED CARDS	--	--	--
STAMPED ENVELOPES	146	--	280
SPECIAL HANDLING	66	--	244
POST OFFICE BOX	20 278	--	139 568
OTHER	5 220	--	13 039
TOTAL SPECIAL SVCS	46 108	--	225 136
TOTAL VOLUME VARIABLE	1 048 006	--	2 443 058
OTHER	786 957	23 070-	1 529 619
TOTAL COSTS	1 834 963	23 070-	3 972 677

SOURCE FOR COST SEGMENTS AND COMPONENTS	COST SEGMENT 20: OTHER ACCRUED EXPENSES
COLUMN TITLE	COLUMN SOURCE
INTEREST EXPENSE (COMPONENT 283)	WORKPAPER A-4, PAGES 35-36 COLUMN 3
OTHER EXPENSES AND CREDITS (COMPONENT 399)	WORKPAPER A-2, PAGES 153-154 COLUMN 3
TOTAL C/S 20 (COMPONENT 475)	SUMMATION PAGES 65-66 ALL COLUMNS AND PAGES 67-68 COLUMNS 1-2



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DEVELOPMENT OF COST BY PLANT AND COMPONENT - BASE YEAR 2000
COST SEGMENT PLANT, EQUIP., SERVICEWIDE, SELECTED ADMIN COSTS

	EMPLOYEE & LABOR RELATIONS (2.5)	TIME AND ATTENDANCE (2.3 & 3.3)	CLEANING EQUIP- MENT & BUILDING (11.1 & 11.3)	RENTS, FUEL & UTILITIES (15.1 & 15.2)	SUPPLIES & SERVICES (16.3)	USPS SECURITY FORCE (18.1)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	1	1 793	267 699	307 742	23 913	16 456
PRESORT LETTERS	--	552	82 505	95 470	7 370	5 072
TOTAL LETTERS	1	2 345	350 204	403 212	31 283	21 528
SINGLE-PIECE CARDS	--	68	10 222	11 945	913	628
PRESORT CARDS	1	16	2 512	2 923	224	154
TOTAL CARDS	1	84	12 734	14 868	1 137	782
TOTAL FIRST-CLASS	2	2 429	362 938	418 080	32 420	22 310
PRIORITY MAIL	--	294	44 056	50 691	3 935	2 708
EXPRESS MAIL	--	66	9 668	11 857	864	594
MAILGRAMS	--	--	16	19	1	1
PERIODICALS:						
IN-COUNTY	--	10	1 396	1 630	125	86
OUTSIDE COUNTY	1	277	41 337	46 712	3 692	2 541
TOTAL PERIODICALS	1	287	42 733	48 342	3 817	2 627
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	--	254	37 881	44 911	3 384	2 328
REGULAR	--	1 054	157 504	179 129	14 070	9 682
TOTAL STANDARD MAIL	--	1 308	195 385	224 040	17 454	12 010
PACKAGE SERVICES:						
PARCEL POST	--	114	17 012	18 897	1 520	1 046
BOUND PRINTED MATTER	--	61	9 316	10 498	832	573
MEDIA MAIL	--	46	6 751	7 606	603	415
TOTAL PACKAGE SVCS	--	221	33 079	37 001	2 955	2 034
US POSTAL SERVICE	--	62	9 329	10 732	833	573
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	--	5	727	804	65	45
INTERNATIONAL MAIL	--	97	14 523	16 602	1 297	893
TOTAL MAIL	3	4 769	712 454	818 168	63 641	43 795

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DEVELOPMENT OF COST BY PLANT AND COMPONENT - BASE YEAR 2000
COST SEGMENT PLANT, EQUIP. SERVICEWIDE, SELECTED ADMIN COSTS

	EMPLOYEE & LABOR RELATIONS (2.5)	TIME AND ATTENDANCE (2.3 & 3.3)	CLEANING EQUIP- MENT & BUILDING (11.1 & 11.3)	RENTS, FUEL & UTILITIES (15.1 & 15.2)	SUPPLIES & SERVICES (16.3)	USPS SECURITY FORCE (18.1)
SPECIAL SERVICES:						
REGISTRY	--	28	4 129	4 946	369	254
CERTIFIED	--	56	8 505	10 508	760	523
INSURANCE	--	10	1 574	1 960	141	97
COD	--	2	302	369	27	18
MONEY ORDERS	--	31	4 691	5 841	419	288
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	1	143	177	13	9
SPECIAL HANDLING	--	--	40	48	4	2
POST OFFICE BOX	1	825	123 160	156 349	11 002	7 571
OTHER	--	36	5 428	6 459	485	334
TOTAL SPECIAL SVCS	1	989	147 972	186 657	13 220	9 096
TOTAL VOLUME VARIABLE	4	5 758	860 426	1 004 825	76 861	52 891
OTHER	--	--	544 135	182 388	48 607	33 449
TOTAL COSTS	4	5 758	1 404 561	1 187 213	125 468	86 340

SOURCE FOR COST SEGMENTS AND COMPONENTS	PLANT, EQUIPMENT, SERVICE WIDE AND SELECTED ADMIN COSTS
COLUMN TITLE	COLUMN SOURCE
1 EMPLOYEE & LABOR RELATIONS (2.5) (COMPONENT 427)	WORKPAPER A-4, PAGES 5-6 COLUMN 2
2 TIME AND ATTENDANCE (2.3 & 3.3) (COMPONENT 430)	SUMMATION WORKPAPER A-4, PAGES 5-6 COLUMN 1 AND PAGES 7-8 COLUMN 1
3 CLEANING EQUIPMENT AND BUILDING (11.1 & 11.3) (COMPONENT 479)	WORKPAPER A-4, PAGES 1-2 COLUMN 3
4 RENTS, FUEL & UTILITIES (15.1 & 15.2) (COMPONENT 480)	WORKPAPER A-4, PAGES 1-2 COLUMN 4
5 SUPPLIES AND SERVICES (16.3) (COMPONENT 389)	WORKPAPER A-4, PAGES 1-2 COLUMN 5
6 USPS SECURITY FORCE (18.1) (COMPONENT 374)	WORKPAPER A-4, PAGES 17-18 COLUMN 1

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT PLANT, EQUIP, SERVICEWIDE, SELECTED ADMIN COSTS

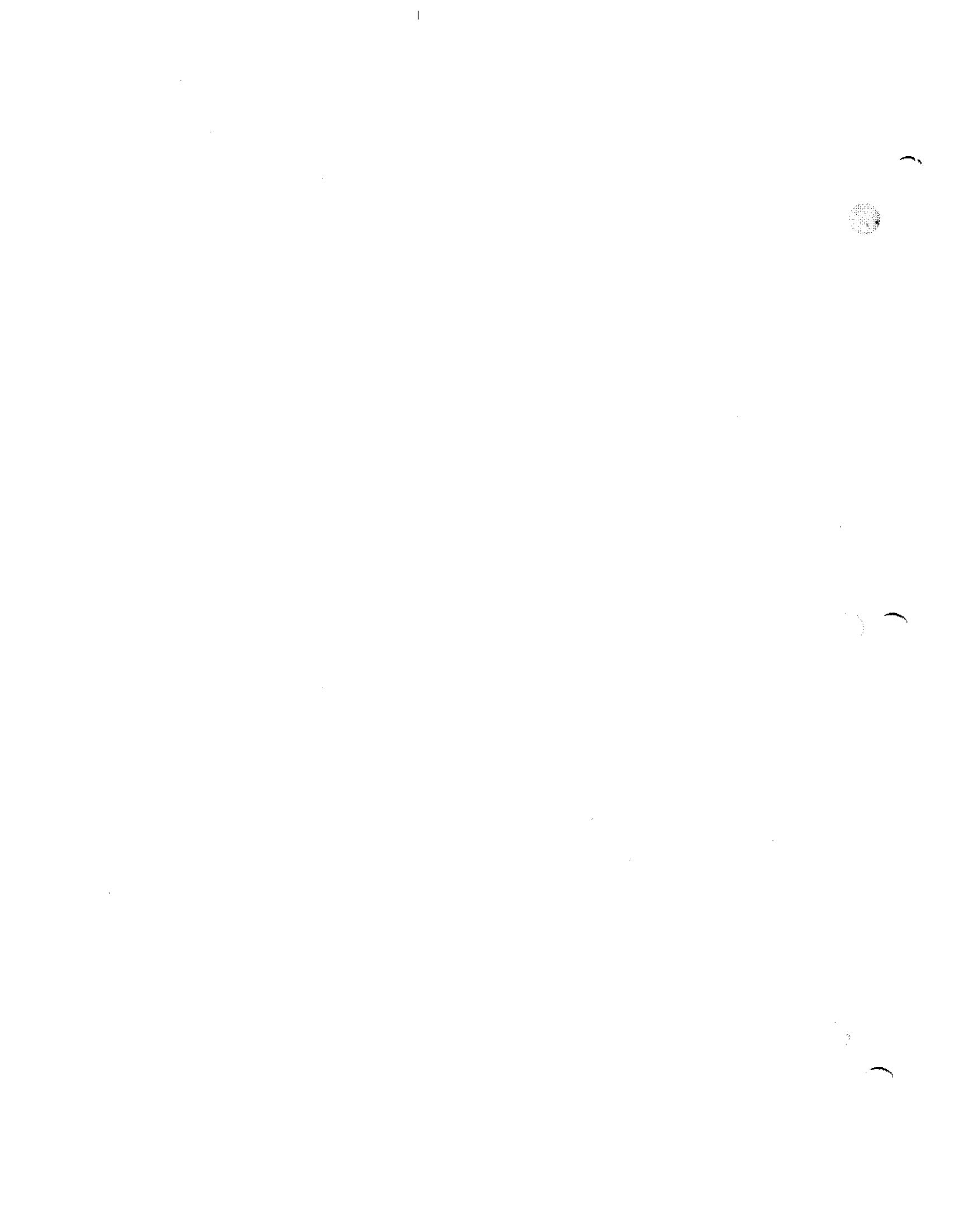
	REPRICED ANNUAL LEAVE (18.3)	HOLIDAY LEAVE (18.3)	CIVIL SERVICE RETIREMENT (18.3)	FERS RETIREMENT (18.3)	WORKERS' COMPENSATION (18.3)	UNEMPLOYMENT COMPENSATION (18.3)
FIRST-CLASS MAIL:						
SINGLE-PIECE LETTERS	572	46	249 434	--	4 264	7 723
PRESORT LETTERS	176	15	86 944	--	1 314	2 693
TOTAL LETTERS	748	61	336 378	--	5 578	10 416
SINGLE-PIECE CARDS	22	1	10 699	--	163	331
PRESORT CARDS	5	--	2 852	--	40	88
TOTAL CARDS	27	1	13 551	--	203	419
TOTAL FIRST-CLASS	775	62	349 929	--	5 781	10 835
PRIORITY MAIL	95	7	33 230	--	701	1 028
EXPRESS MAIL	20	2	6 727	--	154	208
MAILGRAMS	--	--	15	--	--	--
PERIODICALS:						
IN-COUNTY	3	1	1 656	--	22	51
OUTSIDE COUNTY	89	7	39 987	--	658	1 238
TOTAL PERIODICALS	92	8	41 643	--	680	1 289
STANDARD MAIL:						
ENHANCED CARRIER ROUTE	80	6	49 111	--	604	1 522
REGULAR	336	27	150 478	--	2 508	4 660
TOTAL STANDARD MAIL	416	33	199 589	--	3 112	6 182
PACKAGE SERVICES:						
PARCEL POST	36	3	13 592	--	271	421
BOUND PRINTED MATTER	20	1	7 886	--	148	244
MEDIA MAIL	15	2	5 097	--	107	158
TOTAL PACKAGE SVCS	71	6	26 575	--	526	823
US POSTAL SERVICE	20	2	6 410	--	148	198
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	1	--	602	--	12	19
INTERNATIONAL MAIL	31	3	11 681	--	232	362
TOTAL MAIL	1 521	123	676 401	--	11 346	20 944

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT PLANT, EQUIP, SERVICEWIDE, SELECTED ADMIN COSTS

	REPRICED ANNUAL LEAVE (18.3)	HOLIDAY LEAVE (18.3)	CIVIL SERVICE RETIREMENT (18.3)	FERS RETIREMENT (18.3)	WORKERS' COMPENSATION (18.3)	UNEMPLOYMENT COMPENSATION (18.3)
SPECIAL SERVICES:						
REGISTRY	9	--	1 650	--	65	51
CERTIFIED	18	2	7 594	--	136	235
INSURANCE	3	1	1 376	--	25	43
COD	1	--	253	--	4	8
MONEY ORDERS	10	1	3 384	--	75	105
STAMPED CARDS	--	--	--	--	--	--
STAMPED ENVELOPES	--	--	102	--	3	3
SPECIAL HANDLING	--	--	37	--	1	1
POST OFFICE BOX	263	21	5 978	--	1 962	176
OTHER	12	1	3 402	--	87	105
TOTAL SPECIAL SVCS	316	26	23 776	--	2 358	727
TOTAL VOLUME VARIABLE	1 837	149	700 177	--	13 704	21 671
OTHER	--	--	--	--	--	16 065
TOTAL COSTS	1 837	149	700 177	--	13 704	37 736

SOURCE FOR COST SEGMENTS AND COMPONENTS	PLANT, EQUIPMENT, SERVICE WIDE AND SELECTED ADMIN COSTS
COLUMN TITLE	COLUMN SOURCE
1 REPRICED ANNUAL LEAVE (18.3) (COMPONENT 440)	WORKPAPER A-4, PAGES 23-24 COLUMN 3
2 HOLIDAY LEAVE (18.3) (COMPONENT 439)	WORKPAPER A-4, PAGES 23-24 COLUMN 2
3 CIVIL SERVICE RETIREMENT (18.3) (COMPONENT 435)	WORKPAPER A-4, PAGES 19-20 COLUMN 3
4 FERS RETIREMENT (18.3) (COMPONENT 056)	WORKPAPER A-4, PAGES 19-20 COLUMN 6
5 WORKERS' COMPENSATION (18.3) (COMPONENT 438)	WORKPAPER A-4, PAGES 21-22 COLUMN 4
6 UNEMPLOYMENT COMPENSATION (18.3) (COMPONENT 453)	WORKPAPER A-4, PAGES 23-24 COLUMN 1



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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT PLANT, EQUIP, SERVICEWIDE, SELECTED ADMIN COSTS

	RETIREE HEALTH BENEFITS (18.3)	ANNUITANT LIFE INSURANCE (18.3)	ANNUITANT COLA/ PRINCIPAL (18.3)	DEPRECIATION (20.1 - 20.4)	INTEREST EXPENSE (20.5)

FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	152 167	1 371	139 709	512 755	376 582
PRESORT LETTERS	53 057	478	48 713	156 125	128 842
TOTAL LETTERS	205 224	1 849	188 422	668 880	505 424
SINGLE-PIECE CARDS	6 528	59	5 994	17 722	15 692
PRESORT CARDS	1 741	16	1 598	4 123	4 119
TOTAL CARDS	8 269	75	7 592	21 845	19 811
TOTAL FIRST-CLASS	213 493	1 924	196 014	690 725	525 235
PRIORITY MAIL	20 259	183	18 600	47 653	47 896
EXPRESS MAIL	4 099	37	3 764	11 180	9 859
MAILGRAMS	9	--	8	20	21
PERIODICALS:					
IN-COUNTY	1 011	9	928	1 634	2 310
OUTSIDE COUNTY	24 396	220	22 399	52 550	57 153
TOTAL PERIODICALS	25 407	229	23 327	54 184	59 463
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	29 983	270	27 528	52 602	68 939
REGULAR	91 805	827	84 289	257 753	221 592
TOTAL STANDARD MAIL	121 788	1 097	111 817	310 355	290 531
PACKAGE SERVICES:					
PARCEL POST	8 289	75	7 610	31 405	20 890
BOUNDED PRINTED MATTER	4 810	43	4 416	16 615	11 948
MEDIA MAIL	3 108	28	2 853	13 774	8 050
TOTAL PACKAGE SVCS	16 207	146	14 879	61 794	40 888
US POSTAL SERVICE	3 907	35	3 587	12 387	9 583
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	367	3	337	1 267	912
INTERNATIONAL MAIL	7 123	64	6 540	22 918	17 510
TOTAL MAIL	412 659	3 718	378 873	1 212 483	1 001 898

DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000

COST SEGMENT PLANT, EQUIP, SERVICEWIDE, SELECTED ADMIN COSTS

	RETIREE HEALTH BENEFITS (18.3)	ANNUITANT LIFE INSURANCE (18.3)	ANNUITANT COLA/ PRINCIPAL (18.3)	DEPRECIATION (20.1 - 20.4)	INTEREST EXPENSE (20.5)
SPECIAL SERVICES:					
REGISTRY	1 003	9	921	4 305	2 583
CERTIFIED	4 632	42	4 252	8 498	10 689
INSURANCE	839	8	771	1 524	1 936
COD	154	1	142	300	358
MONEY ORDERS	2 063	19	1 894	4 429	4 832
STAMPED CARDS	--	--	--	--	--
STAMPED ENVELOPES	62	1	57	134	146
SPECIAL HANDLING	23	--	21	178	66
POST OFFICE BOX	3 469	31	3 185	119 290	20 278
OTHER	2 072	19	1 903	7 819	5 220
TOTAL SPECIAL SVCS	14 317	130	13 146	146 477	46 108
TOTAL VOLUME VARIABLE	426 976	3 848	392 019	1 358 960	1 048 006
OTHER	316 528	2 852	290 613	669 960	786 957
TOTAL COSTS	743 504	6 700	682 632	2 028 920	1 834 963

SOURCE FOR COST SEGMENTS AND COMPONENTS	COLUMN TITLE	COLUMN SOURCE
PLANT, EQUIPMENT, SERVICE WIDE AND SELECTED ADMIN COSTS		
1 RETIREE HEALTH BENEFITS (COMPONENT 208)		WORKPAPER A-4, PAGES 21-22 COLUMN 1
2 ANNUITANT LIFE INSURANCE (COMPONENT 071)		WORKPAPER A-4, PAGES 21-22 COLUMN 2
3 ANNUITANT COLA/PRINCIPAL (COMPONENT 1435)		WORKPAPER A-4, PAGES 21-22 COLUMN 3
4 DEPRECIATION (COMPONENT 454)		WORKPAPER A-4, PAGES 31-32 COLUMN 6
5 INTEREST EXPENSE (COMPONENT 283)		WORKPAPER A-4, PAGES 35-36 COLUMN 3

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT PLANT, EQUIP., SERVICEWIDE, SELECTED ADMIN COSTS

TOTAL

FIRST-CLASS MAIL:

SINGLE-PIECE LETTERS	2 062 227
PRESORT LETTERS	669 326
TOTAL LETTERS	2 731 553
SINGLE-PIECE CARDS	80 987
PRESORT CARDS	20 412
TOTAL CARDS	101 399
TOTAL FIRST-CLASS	2 832 952

PRIORITY MAIL 271 336

EXPRESS MAIL 59 099

MAILGRAMS 110

PERIODICALS:

IN-COUNTY	10 872
OUTSIDE COUNTY	293 257
TOTAL PERIODICALS	304 129

STANDARD MAIL:

ENHANCED CARRIER ROUTE	319 403
REGULAR	1 175 714
TOTAL STANDARD MAIL	1 495 117

PACKAGE SERVICES:

PARCEL POST	121 181
BOUND PRINTED MATTER	67 411
MEDIA MAIL	48 613
TOTAL PACKAGE SVCS	237 205

US POSTAL SERVICE 57 806

FREE MAIL - BLIND, HNDCPD.
& SERVICEMEN 5 166

INTERNATIONAL MAIL 99 876

TOTAL MAIL 5 362 796

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DEVELOPMENT OF COST BY VENT AND COMPONENT - BASE YEAR 2000
COST SEGMENT PLANT, EQUIP., SERVICEWIDE, SELECTED ADMIN COSTS
*****TOTAL*****

SPECIAL SERVICES:

REGISTRY	20 322
CERTIFIED	56 450
INSURANCE	10 308
COD	1 939
MONEY ORDERS	28 082
STAMPED CARDS	--
STAMPED ENVELOPES	851
SPECIAL HANDLING	421
POST OFFICE BOX	453 561
OTHER	33 382
TOTAL SPECIAL SVCS	605 316
TOTAL VOLUME VARIABLE	5 968 112
OTHER	2 891 554
TOTAL COSTS	8 859 666

SOURCE FOR COST SEGMENTS AND COMPONENTS PLANT, EQUIPMENT, SERVICE WIDE AND SELECTED ADMIN COSTS

COLUMN SOURCE

SUMMATION PAGES 69-74 ALL COLUMNS

(COMPONENT 485)

PLANT, EQUIPMENT, SERVICE WIDE AND SELECTED ADMIN COSTS

SUSPENSION AND COMPONENTS

COLUMN SOURCE

SUMMATION PAGES 69-74 ALL COLUMNS

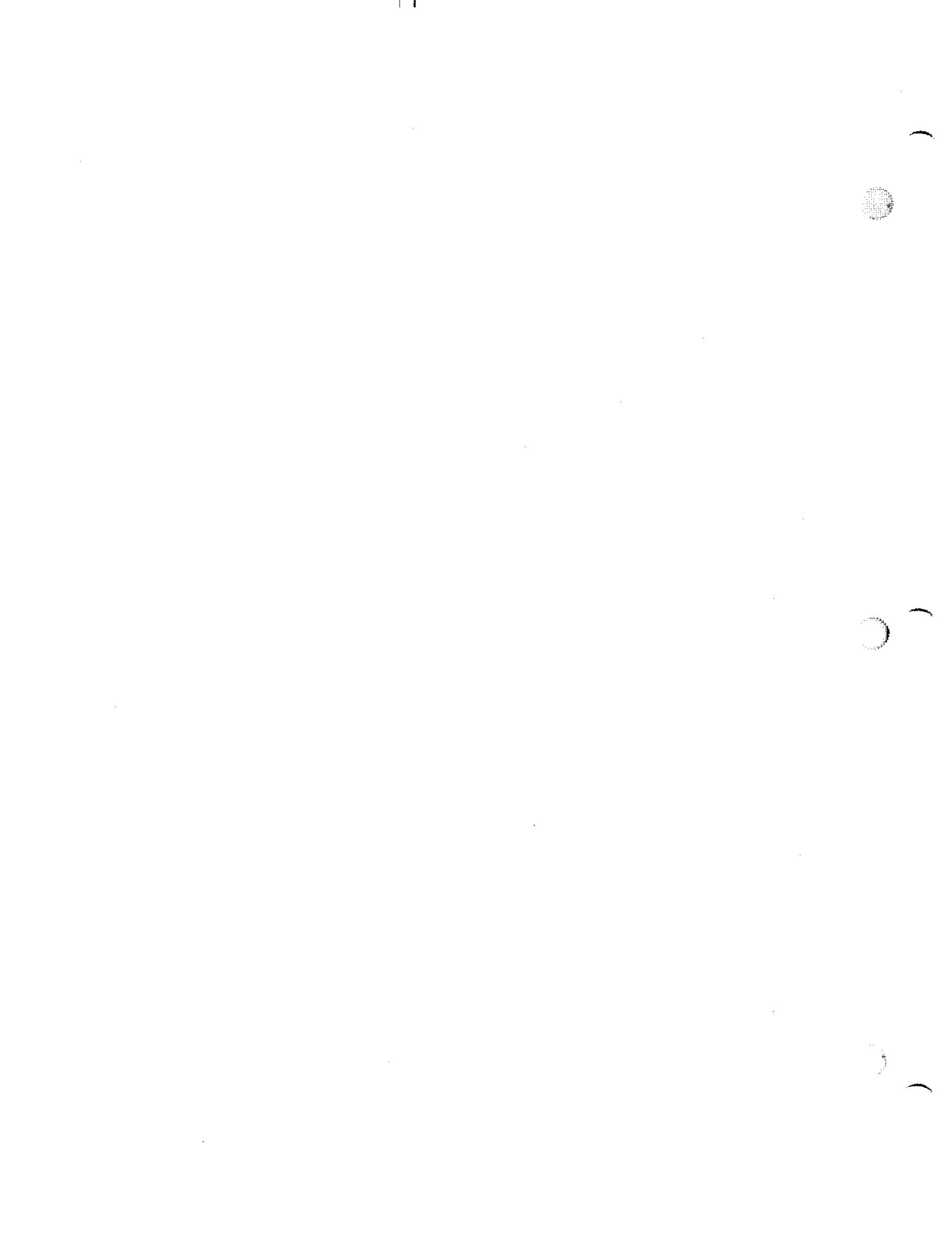
1 TOTAL
(COMPONENT 485)

COLUMN SOURCE

SUMMATION PAGES 69-74 ALL COLUMNS

1 TOTAL
(COMPONENT 485)

***** PAGE 76.1 *****



**EXHIBIT USPS-11B
FINAL ADJUSTMENTS
BASE YEAR 2000**

USPS-T-11

FINAL ADJUSTMENTS
BASE YEAR 2000

NOTE: THERE ARE 2 PAGES FOR EVERY COST COMPONENT.
FOOTNOTES FOR A COST COMPONENT APPEAR ON A
SEPARATE PAGE FOLLOWING THE DETAIL FOR A
COST COMPONENT.

ALL EXTERNAL REFERENCES ARE TO USPS USPS-T-11, EXHIBIT A, COST SEGMENTS AND COMPONENTS

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DEVELOPMENT OF COST BY
COST SEGMENT FINAL ADJUSTMENTS

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
FIRST-CLASS MAIL:					
SINGLE-PIECE LETTERS	12 477 525	2-	12 477 523	--	12 477 523
PRESORT LETTERS	4 457 787	70-	4 457 717	--	4 457 717
TOTAL LETTERS	16 935 312	72-	16 935 240	--	16 935 240
SINGLE-PIECE CARDS	513 468	--	513 468	--	513 468
PRESORT CARDS	137 298	--	137 298	--	137 298
TOTAL CARDS	650 766	--	650 766	--	650 766
TOTAL FIRST-CLASS	17 586 078	72-	17 586 006	--	17 586 006
PRIORITY MAIL	3 144 584	23-	3 144 561	--	3 144 561
EXPRESS MAIL	373 391	--	373 391	--	373 391
MAILGRAMS	705	--	705	--	705
PERIODICALS:					
IN-COUNTY	75 277	--	75 277	--	75 277
OUTSIDE COUNTY	2 191 898	410	2 192 308	--	2 192 308
TOTAL PERIODICALS	2 267 175	410	2 267 585	--	2 267 585
STANDARD MAIL:					
ENHANCED CARRIER ROUTE	2 287 058	2 095-	2 284 963	--	2 284 963
REGULAR	7 398 518	2 124-	7 396 394	--	7 396 394
TOTAL STANDARD MAIL	9 685 576	4 219-	9 681 357	--	9 681 357
PACKAGE SERVICES:					
PARCEL POST	946 884	--	946 884	--	946 884
BOUND PRINTED MATTER	454 067	--	454 067	--	454 067
MEDIA MAIL	321 224	--	321 224	--	321 224
TOTAL PACKAGE SVCS	1 722 175	--	1 722 175	--	1 722 175
US POSTAL SERVICE	307 906	307 906-	--	--	--
FREE MAIL - BLIND, HNDCPD, & SERVICEMEN	33 694	410-	33 284	--	33 284
INTERNATIONAL MAIL	1 280 146	4 314	1 284 460	--	1 284 460
TOTAL MAIL	36 401 430	307 906-	36 093 524	--	36 093 524

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DEVELOPMENT OF COST BY MENT AND COMPONENT - BASE YEAR 2000
D REPORT
COST SEGMENT FINAL ADJUSTMENTS

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
SPECIAL SERVICES:					
REGISTRY	84 619	--	84 619	--	84 619
CERTIFIED	346 156	--	346 156	--	346 156
INSURANCE	88 701	--	88 701	--	88 701
COD	14 305	--	14 305	--	14 305
MONEY ORDERS	157 212	--	157 212	--	157 212
STAMPED CARDS	3 016	--	3 016	--	3 016
STAMPED ENVELOPES	12 046	--	12 046	--	12 046
SPECIAL HANDLING	1 854	--	1 854	--	1 854
POST OFFICE BOX	545 314	--	545 314	--	545 314
OTHER	163 825	--	163 825	--	163 825
TOTAL SPECIAL SVCS	1 417 048	--	1 417 048	--	1 417 048
TOTAL VOLUME VARIABLE	37 818 478	307 906-	37 510 572	--	37 510 572
OTHER	26 962 365	307 906	27 270 271	--	27 270 271
TOTAL COSTS	64 780 843	--	64 780 843	--	64 780 843

*** PAGE 2 ***

FINAL ADJUSTMENTS

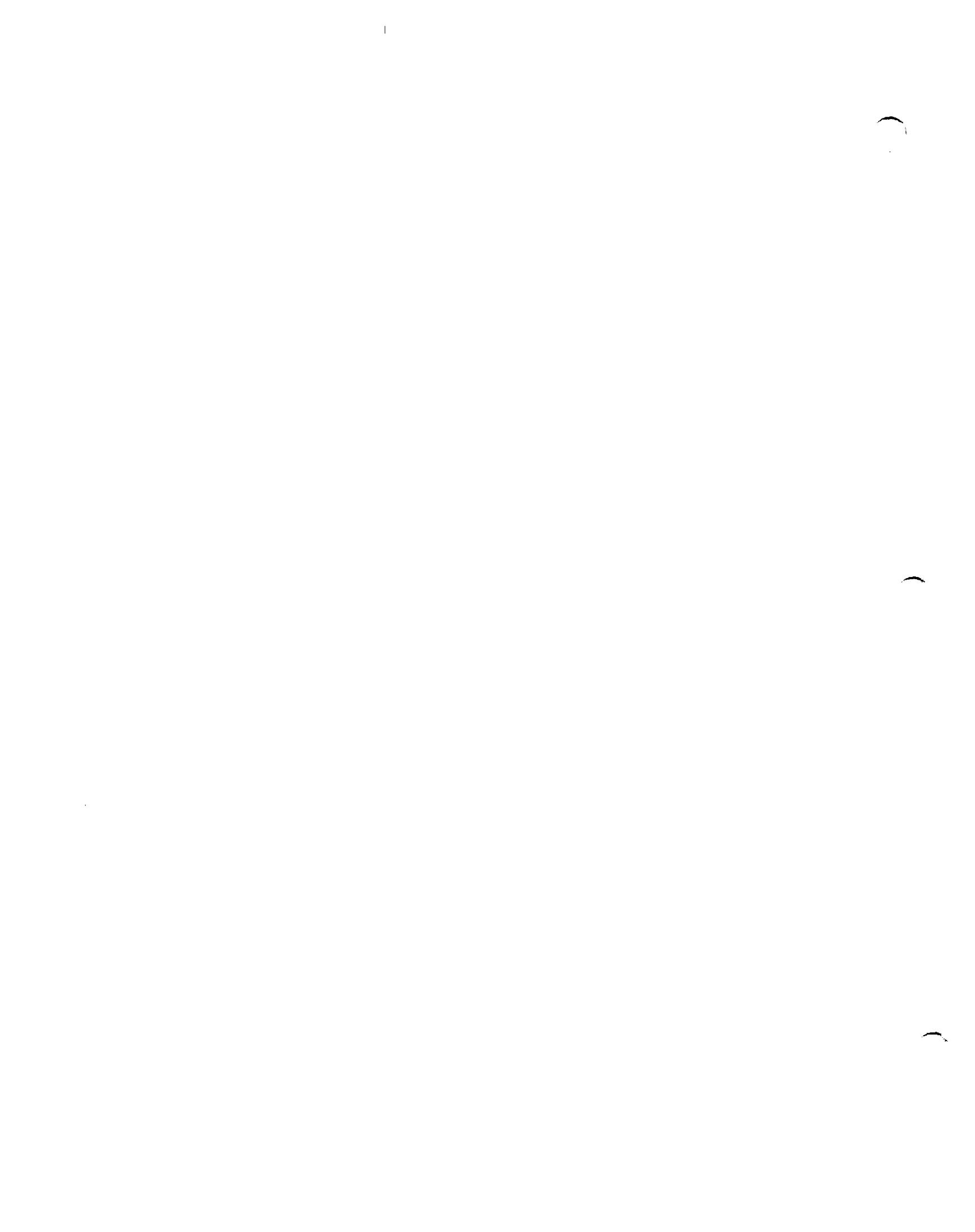
COLUMN TITLE	COLUMN SOURCE
1 TOTAL VOLUME VARIABLE (COMPONENT 0460)	USPS-T-11, EXHIBIT A: PAGES 7-8 COLUMN 1
2 FINAL ADJUSTMENTS (COMPONENT 0501)	US POSTAL SERVICE VOLUME VARIABLE COSTS FROM COLUMN 1 REDISTRIBUTED TO "OTHER" COSTS REMAINING ADJUSTMENTS FROM WORKPAPER A-1, PAGE 149 COLUMN 1
3 ADJUSTED VOLUME VARIABLE (COMPONENT 0504)	SUMMATION COLUMNS 1-2
4 CONTINGENCY (COMPONENT 0503)	COLUMN 3 * CONTINGENCY FACTOR - NOTE FACTOR = 00.0% FOR BASE YEAR 2000
5 VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY (COMPONENT 0642)	SUMMATION COLUMNS 3-4



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USPS-T-11

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EXHIBIT USPS-11C
COST AND REVENUE ANALYSIS
BASE YEAR 2000

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**COST AND REVENUE ANALYSIS
BASE YEAR 2000**

FINANCE

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SUMMARY OF REVENUE AND COST FOR MAJOR SERVICE CATEGORIES
Base Year 2000

Classes and Sub-Classes of Mail (note 1)	(in millions)			(per piece)			
	Revenue (note 1) A	Incremental Cost (notes 2 & 4) B	Volume Variable Cost (note 2) C	Revenue \$ D	Marginal Cost \$ (note 2) E	Contribution \$ (note 2) (D-E)	Cost Coverage (note 2) (D/E)
First-Class Mail:							
Single-Piece Letters.....	\$21,774.1	\$13,053.7	\$12,477.5	\$0.416	\$0.238	\$0.178	174.51%
Presort Letters.....	12,553.0	4,645.5	4,457.7	0.275	0.098	0.177	281.60%
Total Letters.....	34,327.1	18,143.8	16,935.2	0.350	0.173	0.177	202.70%
Single-Piece Cards.....	559.4	527.1	513.5	0.206	0.189	0.017	108.95%
Presort Cards.....	446.7	137.4	137.3	0.162	0.050	0.112	325.35%
Total Cards.....	1,006.1	665.3	650.8	0.184	0.119	0.065	154.61%
Fees (note 2).....	182.7						
Total First-Class.....	35,515.9	19,009.4	17,586.0	0.343	0.170	0.173	201.96%
Priority Mail.....	4,837.1	3,448.6	3,144.6	3.957	2.572	1.385	153.82%
Express Mail.....	996.1	666.7	373.4	14.042	5.264	8.779	266.77%
Mailgram.....	1.5	0.8	0.7	0.415	0.193	0.223	215.46%
Periodicals:							
In County.....	76.7	76.2	75.3	0.086	0.084	0.002	101.91%
Outside County (note 2).....	2,076.3	2,218.1	2,192.3	0.219	0.232	(0.012)	94.71%
Fees (note 2).....	17.7						
Total Periodicals.....	2,170.7	2,296.0	2,267.6	0.209	0.219	(0.009)	95.73%
Standard Mail:							
Enhanced Carrier Route (note 2).....	5,095.8	2,420.7	2,285.0	0.143	0.064	0.079	223.01%
Regular (note 2).....	10,015.7	7,595.1	7,396.4	0.184	0.136	0.048	135.41%
Fees (note 2).....	81.8						
Total Standard Mail.....	15,193.3	10,297.3	9,681.4	0.169	0.108	0.061	156.93%
Package Services:							
Parcel Post.....	1,041.9	953.8	946.9	3.214	2.921	0.293	110.04%
Bound Printed Matter.....	502.9	456.5	454.1	0.898	0.811	0.087	110.76%
Media Mail (note 2).....	365.1	322.1	321.2	1.496	1.316	0.180	113.65%
Fees (note 2).....	2.4						
Total Package Services.....	1,912.3	1,744.0	1,722.2	1.695	1.526	0.168	111.04%

See accompanying notes.

SUMMARY OF REVENUE AND COST FOR MAJOR SERVICE CATEGORIES
Base Year 2000

Classes and Sub-Classes of Mail (note 1)	(in millions)			(per piece)			
	Revenue (note 1) A	Incremental Cost (notes 2 & 4) B	Volume Variable Cost (note 2) C	Revenue \$ D	Marginal Cost \$ (note 2) E	Contribution \$ (note 2) (D-E)	Cost Coverage (note 2) (D/E)
Free Mail - blind, handicapped & servicemen.....	-	\$33.4	\$33.3	-	0.714	N/A	0.00%
International Mail (note 2).....	1,700.2	1,352.3	1,284.5	1.544	1.167	0.378	132.36%
Total Mail.....	62,326.9		36,093.5	0.300	0.174	0.126	172.68%
Special Services:							
Registry	72.3	84.7	84.6	8.113	9.494	(1.381)	85.45%
Ancillary Services.....	3.2						
Total Registry.....	75.5						
Certified	377.4	369.0	346.2	1.410	1.293	0.117	109.04%
Ancillary Services.....	301.4						
Total Certified.....	678.9						
Insurance.....	105.2	88.8	88.7	1.852	1.562	0.290	118.60%
Ancillary Services.....	2.2						
Total Insurance.....	107.4						
COD	21.5	14.3	14.3	5.198	3.463	1.735	150.09%
Ancillary Services.....	0.0						
Total COD.....	21.5						
Money Orders (note 2).....	271.5	215.5	157.2	1.174	0.680	0.494	172.71%
Stamped Cards (note 5).....	2.0	3.0	3.0				
Stamped Envelopes.....	13.4	12.0	12.0				
Special Handling.....	0.1	1.9	1.9				
Post Office Box.....	684.2	545.6	545.3				
Other.....	17.1		163.8				
Total Special Services.....	1,871.5	1,580.2	1,417.0				
Miscellaneous items (note 2).....	277.8		-				
Total Mail and Services.....	64,476.1		37,510.6				
Appropriations: Revenue Forgone.....	64.2						
Total Operating Revenue.....	64,540.3						
Investment Income.....	40.7						
Total (note 3).....	64,581.0		37,510.6				
All other costs.....			27,270.3				
Total Costs (note 3).....			64,780.8				

See accompanying notes.

SUMMARY OF REVENUE AND COST FOR MAJOR SERVICE CATEGORIES
Base Year 2000

VOLUME STATISTICS

Classes and Sub-Classes of Mail (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)	Cubic Feet (thousands)	Weight per Cubic Foot (pounds)
First-Class Mail:					
Single-Piece Letters.....	52,369,535	2,601,381	0.8	178,238	14.6
Presort Letters.....	45,675,472	1,751,435	0.6	120,002	14.6
Total Letters.....	98,045,007	4,352,816	0.7	298,240	14.6
Single-Piece Cards.....	2,719,298	17,001	0.1	1,298	13.1
Presort Cards.....	2,761,407	22,202	0.1	1,685	13.1
Total Cards.....	5,480,705	39,203	0.1	2,993	13.1
Total First Class.....	103,525,712	4,392,019	0.7	301,233	14.6
Priority Mail.....	1,222,454	2,352,320	30.8	191,292	12.3
Express Mail.....	70,935	80,017	18.0	10,073	7.9
Mailgram.....	3,656	0	0.0	0	0.0
Periodicals:					
In County.....	897,069	261,991	4.7	14,346	18.3
Outside County (note 2).....	9,467,716	4,458,267	7.5	244,127	18.3
Total Periodicals.....	10,364,785	4,720,258	7.3	258,473	18.3
Standard Mail:					
Enhanced Carrier Route (note 2).....	35,700,637	5,332,509	2.4	299,501	17.8
Regular (note 2).....	54,356,510	5,810,138	1.7	327,683	17.7
Total Standard Mail	90,057,147	11,142,647	2.0	627,184	17.8
Package Services:					
Parcel Post.....	324,167	2,040,870	100.7	290,888	7.0
Bound Printed Matter.....	560,218	1,383,631	39.5	97,514	14.2
Media Mail (note 2).....	244,046	349,272	22.9	31,523	11.1
Total Package Services.....	1,128,431	3,773,773	53.5	419,925	9.0

See accompanying notes.

SUMMARY OF REVENUE AND COST FOR MAJOR SERVICE CATEGORIES
Base Year 2000

VOLUME STATISTICS

Classes and Sub-Classes of Mail (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)	Cubic Feet (thousands)	Weight per Cubic Foot (pounds)
US Postal Service.....	362,913	95,307	4.2	6,734	14.2
Free Mail - blind, handicapped & servicemen.....	46,638	25,134	8.6	2,455	10.2
International Mail.....	1,101,024	259,148	3.8	24,516	10.6
Total Mail.....	207,883,695	26,840,623	2.1	1,841,889	14.6
Special Services:					
Registry	8,913	N/A	N/A	N/A	N/A
Ancillary Services.....	2,444				
Total Registry.....	11,357				
Certified	267,635	N/A	N/A	N/A	N/A
Ancillary Services.....	231,860				
Total Certified.....	499,495				
Insurance.....	56,790	N/A	N/A	N/A	N/A
Ancillary Services.....	1,671				
Total Insurance.....	58,461				
COD	4,131	N/A	N/A	N/A	N/A
Ancillary Services.....	0.0				
Total COD.....	4,131				
Money Orders (note 2).....	231,213	N/A	N/A	N/A	N/A
Stamped Cards.....	0.0	N/A	N/A	N/A	N/A
Stamped Envelopes.....	0.0	N/A	N/A	N/A	N/A
Special Handling.....	9.0	N/A	N/A	N/A	N/A
Post Office Box.....	0.0	N/A	N/A	N/A	N/A
Other.....	123,042	N/A	N/A	N/A	N/A
Total Special Services.....	927,708	N/A	N/A	N/A	N/A

See accompanying notes.

UNITED STATES POSTAL SERVICE
NOTES TO COST AND REVENUE ANALYSIS
Base Year 2000

1. Cost and Revenue Analysis

The U.S. Postal Service (Postal Service) annually prepares the Cost and Revenue Analysis (CRA) covering the period from October 1 through September 30. The CRA aids us in determining that we are meeting the statutory requirements under Title 39 U.S. Code, that "each class of mail or type of mail service bear the direct and indirect costs attributable to that class or service...." The CRA presents management's estimates of the total and per unit revenue by category of mail or service. It also presents each category's estimated incremental and marginal costs. These estimates are considered as one element of the postal rate making process.

The postal system of accounts is the basis for CRA data; however, the postal system of accounts generally does not accumulate financial data by class and subclass of mail. Apportionment factors, derived from various postal operational and statistical information sources, are required for development of the data for CRA purposes. Some of these sources (e.g., In-Office Cost System and Revenue, Pieces and Weight (RPW) System) are dedicated to this purpose and involve extensive statistical sampling of postal activity during the year. We compare and scale calculated amounts to actual data in the postal system of accounts, as appropriate. With respect to the RPW system, while calculated sample revenue should approximate actual Postal Service revenue, the RPW system has been designed to accommodate and adjust for any differences. Although the accuracy of the RPW system does not necessarily depend on how close calculated revenue is to actual revenue, we are investigating reasons for an increased difference between the two in Base Year (BY) 2000.

In the BY 2000 CRA, we reverted to a pre-1999 method for computing city carrier costs to conform our CRA methodology to the Postal Rate Commission (PRC) approach. Other methods we proposed that have not been adopted by the PRC are still used in the CRA development. For example, we attribute mail processing costs differently from the PRC, generally assuming that costs vary less than proportionately with volume. The methods employed in developing CRA data are described in the Summary Description and in testimony we filed before the PRC. These documents are available from Product Cost Analysis in Finance.

2. Definitions

Incremental Costs – An estimate of the cost we incur as a result of providing the entire annual quantity of a subclass of mail or service. Incremental cost of a subclass of mail or service can be determined by estimating the cost avoided by eliminating that particular subclass of service, assuming that all other products continue to be provided at their current volumes. The purpose of this determination is to indicate whether the customers of one subclass of mail (or group of subclasses) may be subsidizing (or contributing revenue to) customers of another subclass of mail (or group of subclasses.)

Marginal Costs – We estimate the marginal cost of a subclass or mail category as the change in cost that results from a small change in its volume alone, when the volumes of other subclasses or mail categories remain constant.

Volume Variable Costs – Volume times Marginal Cost.

Contribution – Revenue per piece minus Marginal Cost per piece. Contribution indicates the rate at which a given subclass offsets all other costs.

Cost Coverage – Revenue per unit as a percentage of Marginal Cost. Unit Revenue/Marginal Cost times 100.

Fees – Fees associated with a specific class or subclass of mail are included in the reported revenue for that class or subclass.

International Mail – International mail costs include costs of both U.S. origin and foreign origin mail and special services. Volume statistics do not include foreign origin mail.

Miscellaneous Items – Miscellaneous items include philatelic sales, fees, fines, unclaimed money from dead letters, sales of services performed for government agencies and private contractors. They do not include the \$48.8 million in revenue earned from the money order float, which is included in special services and international mail revenue in the CRA.

Combined Mail Categories – The following mail categories include more than one subclass due to the enactment of Public Law 106-384 (October 27, 2000):

“Outside County” contains Nonprofit Periodicals, Classroom Periodicals and Regular Periodicals.

“Enhanced Carrier Route” (ECR) contains Standard A Nonprofit ECR and Standard A Regular ECR.

“Regular” contains Standard A Nonprofit and Standard A Regular.

“Media Mail” contains Library Rate and Special Standard.

3. Miscellaneous Adjustments

- A) Mortgage income of \$0.6 million was included with interest income in the Annual Report and is reported as miscellaneous revenue in the CRA.

	(in millions)
Operating Revenue per Annual Report	<u>\$64,540.0</u>
Mortgage Income	.6
Other Interest Income	<u>40.4</u>
Annual Report Revenue	<u><u>\$64,581.0</u></u>
 CRA Report Revenue	 <u><u>\$64,581.0</u></u>

- B) Interest expense on borrowings and unfunded retirement liabilities shown separately in the Annual Report is reported as part of CRA Report Expenses.

	(in millions)
Operating Expenses per Annual Report	<u>\$62,992</u>
Interest expense on borrowings	220
Interest expense on unfunded retirement liabilities	<u>1,568</u>
Annual Report Expenses	<u><u>\$64,780</u></u>
 CRA Report Expenses	 <u><u>\$64,780</u></u>

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4. Product Specific Costs

Product specific costs represent a portion of the incremental cost of certain subclasses of mail. Though these costs make up a very small portion of overall costs, they are a significant part of certain subclasses, as shown below (in millions):

Priority Mail	\$276.7
Express Mail	284.3
International Mail	64.5

5. Cards

Volume variable costs are for the printing costs related to stamped cards.

6. Other

All figures in the CRA are rounded and may not add to totals.

Percents are rounded to the nearest decimal.

- Denotes zero values.
- (-) Denotes negative values.

