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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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**FIRST-CLASS SINGLE PIECE AND
PRESORT UNIT PROCESSING AND IN-OFFICE
CITY CARRIER COSTS
FOR FISCAL YEARS 1998, 1999, 2000 AND 2003
PROVIDED IN RESPONSE
TO MMA/USPS-T22-6, PART C**

USPS LR-J-164

This is a category 5 Library Reference.

Preface and Summary

This is being filed as a USPS library reference in response to interrogatory MMA/USPS-T22-6, Part C. It is a category 5 library reference. This library reference provides unit labor costs for mail processing and in-office city carriers for the fiscal years 1998, 1999, 2000 and 2003. It provides results for both the Postal Service and Postal Rate Commission mail processing cost methodologies. Mail processing costs for letters are obtained using the same methods as employed for mail processing costs by shape as provided in USPS-LR-J-53 and USPS LR-J-81. See the Overview and documentation in those library references for further discussion.

The contents of this library reference are provided in the attached spreadsheet, MMA6bc.xls.

The sources of data for this library reference are listed on pages 3 and 5.

ANALYSIS OF SELECTED FIRST-CLASS LETTERS

	FY (1)	Processing Labor (2)	Reconciliation Factor (3)	Process. Wage Adj. (4)	Volumes (5)	City Carrier	
						in-office labor (6)	carrier wage adj. (7)
USPS Version:							
<u>Non-Presort</u>	1998	3,706,463	1.00000	1.00000000	48,939,554	1,105,122	1.00000000
	1999	3,603,383	1.00000	1.04020450	48,377,755	1,131,838	1.03499873
	2000	3,461,340	1.00000	1.08784862	47,033,105	1,121,119	1.07025205
	2003	3,731,002	0.88214	1.23660084	43,018,465	1,139,083	1.25818746
<u>Presorted</u>	1998	1,105,914	1.00000	1.00000000	38,838,050	527,016	1.00000000
	1999	1,181,613	1.00000	1.04020450	41,026,183	571,191	1.03499873
	2000	1,194,877	1.00000	1.08784862	43,856,296	542,596	1.07025205
	2003	1,311,000	1.06732	1.23660084	49,256,053	684,402	1.25818746
PRC Version:							
<u>Non-Presort</u>	1998	4,055,054	1.00007	1.00000000	48,939,554	1,105,122	1.00000000
	1999	3,957,661	1.00017	1.04020450	48,377,755	1,131,838	1.03499873
	2000	3,856,061	1.00014	1.08784862	47,033,105	1,121,119	1.07025205
	2003	4,184,379	0.87518	1.23660084	43,018,465	1,139,083	1.25818746
<u>Presorted</u>	1998	1,169,839	1.00000	1.00000000	38,838,050	527,016	1.00000000
	1999	1,254,412	1.00000	1.04020450	41,026,183	571,191	1.03499873
	2000	1,304,455	1.00004	1.08784862	43,856,296	542,596	1.07025205
	2003	1,441,148	1.05822	1.23660084	49,256,053	684,402	1.25818746

Sources:

<u>Mail Processing & Volumes:</u> (columns 2-4)	1998	USPS: USPS LR-I-81, mpshapbn.xls; PRC: USPS LR-I-137, mpssha~1.xls*
	1999	USPS: USPS LR-I-464, sp99usps.xls; PRC: USPS LR-I-466, sp99prc.xls*
	2000	USPS: USPS LR-J-46, shp00u~1.xls; PRC: USPS LR-J-81, shp00p~1.xls
	2003	USPS: USPS LR-J-53, shp03u~1.xls; PRC: USPS LR-J-81, sh03pr~1.xls

<u>City Carriers:</u> (column 6)	FY 1998 & FY 1999: USPS LR-I-233, POIR4UC.xls*
	FY 2000 & TY 2003: USPS LR-J-117, LR-J-117.xls

<u>Wages</u>	all	Sheet "wages" for wages used in columns 4 and 7.
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**Comparison of First-Class Single Piece and Presort Unit Processing
And In-Office City Carrier Costs For Letter-Shaped Mail
(Constant 1998 Cents)**

FY	NONPRESORT	PRESORT	DIFFERENCE
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USPS Version:

1998	9.83	4.20	5.63
1999	9.42	4.11	5.31
2000	8.99	3.66	5.33
2003	8.29	3.40	4.89

PRC Version:

1998	10.54	4.37	6.18
1999	10.13	4.28	5.84
2000	9.76	3.89	5.87
2003	8.99	3.61	5.38

Source: See USPS LR-J- 164.

	Wage Rate	Source
Mail Processing - aggregated		
1998	\$24.880	LR-I-11*
1999	\$25.881	USPS-I-421 (FY99 update)*
2000	\$27.066	USPS-J-50, Chapter 9B
2003	\$30.767	USPS-J-50, Chapter 9B

City Delivery		
1998	\$25.924	LR-I-11*
1999	\$26.831	USPS-I-421 (FY99 update)*
2000	\$27.745	USPS-J-50, Chapter 9B
2003	\$32.617	USPS-J-50, Chapter 9B

*Docket No. R2000-1.