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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF REVISED
LIBRARY REFERENCE USPS-LR-J-69 (ERRATA)

The United States Postal Service hereby provides notice that it is today filing errata
to:

USPS-LR-J-69 Cost Models Supporting USPS-T42.

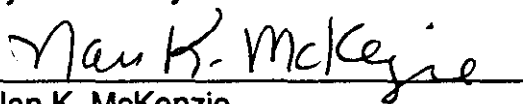
The changes are in part of Section C of LR-J-69 in the development of Address Correction Service cost estimates. Specifically, actual FY2000 Computerized Forwarding Service (CFS) volume figures were substituted for estimated CFS volume figures in Table 4.3.2 in Section C. These changes affect some calculations appearing on pages 23 to the end of Section C. They do not affect the manual and electronic address correction service costs provided to witness Mayo.

A copy of the revised pages (pages 23 to end) is attached. A corrected electronic version of Section C of USPS-LR-J-69 has also been filed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:


Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3089 Fax -5402
November 5, 2001

Table 4.3.1
Disposition at Delivery Units
(Volume Reported in Millions)

Disposition		First Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Carrier Endorsed / Returned to Sender	(1)	821.453	24.71%	6.670	3.53%	65.214	2.99%	1.467 *	16.93% *	894.804	15.69%
Hand Forwarded	(2)	148.773	4.47%	4.784	2.53%	36.937	1.69%	1.643 *	18.97% *	182.146	3.37%
Sent to CFS	(3)	2,354.044	70.80%	150.102	79.38%	176.510	8.09%	4.173	48.17%	2,684.829	47.07%
Treated as Waste	(4)	0.536 *	0.02% *	27.576	14.58%	1,903.142	87.23%	1.380	15.93%	1,932.636	33.88%
Total		3,324.807	100.00%	189.143	100.00%	2,181.803	100.00%	8.663	100.00%	5,704.415	100.00%

(1) UAA mail that cannot be forwarded is endorsed by the USPS with the reason for nondelivery. See DMM section F010.4.5, Exhibit 4.1.

(2) UAA mail in which the new (forwarding) address is manually written on the mailpiece.

(3) Mail which is UAA because the addressee has moved within the last 18 months is sent to CFS units for processing.

(4) UAA mail which is bulk business mail and does not have a mailer endorsement is properly disposed of as waste. Unendorsed first class mail that cannot be forwarded or returned is sent to the mail recovery center (dead mail office).

* This table has a small sample size.

Table 4.3.2
Disposition at CFS Units
(Volume Reported in Millions)

Disposition		First Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded		1,804.522	81.51%	99.173	46.88%	51.274	23.53%	6.232	55.95%	1,961.201	73.99%
Returned to Sender		406.974	18.39%	19.536	10.39%	46.833	21.55%	2.324	21.12%	475.667	17.95%
Treated as Waste	(1)	2.275	0.10%	90.116	42.73%	118.944	54.91%	2.477	22.93%	213.812	8.07%
Total		2,213.771	100.00%	208.824	100.00%	217.050	100.00%	11.033	100.00%	2,850.678	100.00%

(1) At CFS units, mail properly treated as waste includes mail for which an address correction is supplied to the mailer and the mail piece is treated as waste. This includes mailpieces with the change service requested endorsement as well as per

Table 4.3.3
Combined Disposition at Delivery and CFS units
(Volume Reported in Millions)

Disposition		First Class		Periodicals		Standard A		Standard B		Total	
		Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded		1,953.295	61.34%	103.967	41.94%	88.211	3.97%	7.875	50.73%	2,153.347	37.98%
Returned to Sender		1,228.427	38.57%	26.206	10.57%	112.047	5.04%	3.791	24.42%	1,370.471	24.17%
Treated as Waste / Dead Mail		2.811	0.09%	117.694	47.48%	2,022.066	90.99%	3.857	24.85%	2,146.448	37.85%
Total		3,184.533	100.00%	247.866	100.00%	2,222.344	100.00%	15.523	100.00%	5,670.266	100.00%

Table 4.4
Reason for Non-delivery
(Volume Reported in Millions)

	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Forwarded	1,953.295	61.34%	103.967	41.94%	88.211	3.97%	7.875	50.73%	2,153.347	37.98%
Returned to Sender by Delivery Unit Attempted, Not Known	215.574	6.77%	0.709	0.29%	12.989	0.58%	0.791 *	5.10% *	230.063	4.08%
No Such Number / No Such Street	77.300	2.43%	0.880	0.27%	6.047	0.27%	0.000 *	0.00% *	84.027	1.48%
Forwarding Order Expired	284.276	8.93%	2.539	1.02%	18.885	0.84%	0.058 *	0.37% *	305.558	5.39%
Insufficient Address	56.807	1.78%	0.518	0.21%	7.752	0.35%	0.110 *	0.71% *	65.188	1.15%
Refused	5.726	0.18%	0.237 *	0.10% *	0.084 *	0.00% *	0.245 *	1.58% *	6.292	0.11%
Deceased	5.196	0.16%	0.058 *	0.02% *	1.239 *	0.05% *	0.000 *	0.00% *	6.493	0.11%
Other	176.575	5.54%	1.929	0.78%	18.417	0.83%	0.262 *	1.69% *	197.184	3.48%
Returned to Sender by CFS Unit (1)	406.974	12.78%	19.536	7.88%	46.833	2.11%	2.324	14.97%	475.667	8.39%
Treated as Waste	2.811	0.09%	117.694	47.48%	2,022.085	90.99%	3.857	24.85%	2,146.448	37.85%
Total	3,184.533	100.00%	247.866	100.00%	2,222.344	100.00%	15.523	100.00%	5,670.266	100.00%

* This table cell has a small sample size.

(1) Distribution of Return to Sender mail handled at CFS units across reason for nondelivery is not available. Reasons include Address Service Requested after 12 months, Forwarding Service Requested after 12 months, Return Service Requested, and

Table 4.5.1
 Mailer Ancillary Service Endorsements
 (Volume Reported in Millions)

	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
<u>Current Ancillary Service Endorsements</u>										
Address Service Requested	314.859	9.47%	7.800	4.02%	29.292	1.34%	1.542 *	17.80% *	353.282	6.19%
Forwarding Service Requested	78.145	2.35%	3.085 *	1.82% *	30.945	1.42%	3.195	36.88%	115.350	2.02%
Return Service Requested	178.597	5.37%	0.620	0.33%	22.062	1.01%	0.151 *	1.75% *	201.430	3.53%
Change Service Requested	28.956	0.87%	6.540	3.46%	62.744	2.88%	0.412 *	4.75% *	98.652	1.73%
No Endorsement	2,656.277	79.95%	188.253	88.96%	2,023.685	92.75%	3.363	38.82%	4,853.577	85.08%
<u>Invalid Ancillary Service Endorsements</u>										
Address Correction Requested	18.807	0.56%	0.758 *	0.40% *	10.036	0.46%	0.000 *	0.00% *	29.401	0.52%
Forwarding and Address Correction Requested	11.312	0.34%	0.072 *	0.04% *	0.203 *	0.01% *	0.000 *	0.00% *	11.587	0.20%
Forwarding and Return Postage Guaranteed, Address Correction Requested	5.356	0.16%	0.950 *	0.50% *	0.990	0.05%	0.000 *	0.00% *	7.295	0.13%
Do Not Forward	5.298	0.16%	0.000 *	0.00% *	0.828 *	0.03% *	0.000 *	0.00% *	5.926	0.10%
Address Correction Requested (Used with a Current Endorsement)	1.834 *	0.06% *	0.000 *	0.00% *	0.062 *	0.00% *	0.000 *	0.00% *	1.896	0.03%
Do Not Forward (Used with a Current Endorsement)	0.247 *	0.01% *	0.000 *	0.00% *	0.000 *	0.00% *	0.000 *	0.00% *	0.247	0.00%
Forwarding and Return Postage Guaranteed, Address Correction Requested (Used with a Current Endorsement)	19.104 *	0.57% *	0.000 *	0.00% *	0.000 *	0.00% *	0.000 *	0.00% *	19.104	0.33%
Other Invalid Endorsements (Used with a Current Endorsement)	4.217	0.13%	1.285	0.68%	1.157	0.05%	0.000	0.00%	6.658	0.12%
Total	3,324.807		189.143		2,181.803		8.663 *		5,704.415	

* This table cell has a small sample size.

Table 4.5.2
 Mailer Ancillary Service Endorsements for Mail Returned to Sender

	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Returned Postage Due	0.000	0.00%	4.781	18.24%	14.331	12.79%	1.246	32.88%	20.358	1.49%
Delivery Unit (1)	0.000	0.00%	0.108	1.61%	7.103	10.89%	0.106	7.20%	7.316	0.82%
CFS Unit (2)	0.000	0.00%	4.673	23.92%	7.228	15.43%	1.141	49.09%	13.042	2.74%
Returned at No Charge	1,228.427	100.00%	21.425	81.76%	97.716	87.21%	2.544	67.12%	1,350.113	98.51%
Delivery Unit	821.453	100.00%	6.563	98.39%	58.111	89.11%	1.361	92.80%	887.488	99.18%
CFS Unit	406.974	100.00%	14.863	76.08%	39.605	84.57%	1.183	50.91%	462.625	97.26%
Total	1,228.427	100.00%	26.206	100.00%	112.047	100.00%	3.791	100.00%	1,370.471	100.00%
Delivery Unit (3)	821.453	100.00%	6.670	100.00%	65.214	100.00%	1.467	100.00%	894.804	100.00%
CFS Unit (3)	406.974	100.00%	19.536	100.00%	46.833	100.00%	2.324	100.00%	475.667	100.00%

(1) Certain mailer ancillary service endorsements will result in a mailpiece being returned postage due. For Standard A and Standard B mailpieces, these endorsements are Return Service Requested, Address Service Requested when the COA is over 1

(2) Volume of postage due returns processed at CFS units.

(3) The sum of delivery units adds to 100% and the sum of CFS units adds to 100%.

Table 4.6.2.1.1
Age of COA Orders - Overall
(Volume Reported in Millions)

Age of COA	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	1,192.136	40.50%	106.026	54.93%	367.360	34.68%	4.512	74.76%	1,670.034	39.75%
3-6 months	647.733	22.01%	30.372	15.73%	167.520	15.81%	0.600 *	9.94% *	846.224	20.14%
6-9 months	410.950	13.96%	23.862	12.36%	170.293	16.07%	0.606 *	10.04% *	605.711	14.42%
9-12 months	332.154	11.28%	23.499	12.17%	125.794	11.87%	0.318 *	5.26% *	481.764	11.47%
12-18 months	158.316	5.38%	3.910	2.03%	82.951	7.83%	0.000 *	0.00% *	245.178	5.83%
over 18 months	202.135	6.87%	5.352	2.77%	145.458	13.73%	0.000 *	0.00% *	352.946	8.40%
Total	2,943.423	100.00%	193.021	100.00%	1,059.377	100.00%	6.035	100.00%	4,201.857	100.00%

* This table cell has a small sample size.

Table 4.6.2.1.2
Age of COA Orders - Mail Sent to Households
(Volume Reported in Millions)

Age of COA	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	997.005	43.31%	93.884	58.57%	338.792	39.25%	3.973	79.78%	1,433.654	43.05%
3-6 months	524.922	22.80%	26.979	16.83%	134.206	15.55%	0.498 *	9.99% *	686.605	20.62%
6-9 months	298.647	12.97%	18.541	11.57%	108.404	12.56%	0.312 *	6.26% *	425.904	12.79%
9-12 months	260.364	11.31%	16.196	10.10%	112.166	12.99%	0.198 *	3.97% *	388.924	11.68%
12-18 months	108.075	4.70%	2.327	1.45%	61.228	7.09%	0.000 *	0.00% *	171.630	5.15%
over 18 months	112.816	4.90%	2.367	1.48%	108.382	12.56%	0.000 *	0.00% *	223.564	6.71%
Total	2,301.829	100.00%	160.294	100.00%	863.178	100.00%	4.980	100.00%	3,330.281	100.00%

* This table cell has a small sample size.

Table 4.6.2.1.3
Age of COA Orders - Mail Sent to Businesses
(Volume Reported in Millions)

Age of COA	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
0-3 months	195.131	30.41%	12.143	37.10%	28.568	14.56%	0.539 *	51.06% *	236.380	27.12%
3-6 months	122.810	19.14%	3.393	10.37%	33.314	16.98%	0.102 *	9.70% *	159.619	18.31%
6-9 months	112.303	17.50%	5.321	16.26%	61.889	31.54%	0.294 *	27.87% *	179.807	20.63%
9-12 months	71.790	11.19%	7.303	22.31%	13.628	6.95%	0.120 *	11.37% *	92.841	10.65%
12-18 months	50.241	7.83%	1.583	4.84%	21.723	11.07%	0.000 *	0.00% *	73.548	8.44%
over 18 months	89.319	13.92%	2.986	9.12%	37.077	18.90%	0.000 *	0.00% *	129.381	14.84%
Total	641.594	100.00%	32.728	100.00%	196.199	100.00%	1.055	100.00%	871.576	100.00%

* This table cell has a small sample size.

Table 4.6.2.2.1
Average Monthly COA Volume per Customer - Overall

<u>Age of COA</u>	<u>First Class</u>		<u>Periodicals</u>		<u>Standard A</u>		<u>Standard B</u>		<u>Total</u>	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
0-3 months	14.83	45.76%	1.82	57.23%	6.42	37.39%	0.07	62.07%	23.14	43.77%
3-6 months	6.82	21.03%	0.48	15.23%	3.29	19.14%	0.02 *	17.24% *	10.61	20.06%
6-9 months	4.43	13.65%	0.37	11.80%	2.73	15.88%	0.02 *	13.79% *	7.54	14.27%
9-12 months	3.22	9.93%	0.31	9.90%	1.98	11.52%	0.01 *	6.90% *	5.52	10.43%
12-18 months	1.32	4.08%	0.12	3.81%	1.17	6.83%	0.00 *	0.00% *	2.61	4.94%
over 18 months	1.80	5.55%	0.06	2.03%	1.59	9.24%	0.00 *	0.00% *	3.45	6.53%

* This table cell has a small sample size.

Table 4.6.2.2.2
Average Monthly COA Volume per Customer - Mail Sent to Households

<u>Age of COA</u>	<u>First Class</u>		<u>Periodicals</u>		<u>Standard A</u>		<u>Standard B</u>		<u>Total</u>	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
0-3 months	11.21	46.51%	1.43	60.75%	5.62	42.02%	0.06	66.67%	18.32	45.89%
3-6 months	5.19	21.53%	0.38	16.21%	2.44	18.23%	0.02 *	19.05% *	8.02	20.11%
6-9 months	3.35	13.91%	0.25	10.41%	1.66	12.38%	0.01 *	9.52% *	5.26	13.18%
9-12 months	2.33	9.66%	0.19	8.02%	1.58	11.78%	0.00 *	4.76% *	4.09	10.26%
12-18 months	0.94	3.92%	0.07	3.07%	0.90	6.76%	0.00 *	0.00% *	1.92	4.81%
over 18 months	1.08	4.47%	0.04	1.54%	1.18	8.83%	0.00 *	0.00% *	2.29	5.75%

* This table cell has a small sample size.

Table 4.6.2.2.3
Average Monthly COA Volume per Customer - Mail Sent to Businesses and Institutions

<u>Age of COA</u>	<u>First Class</u>		<u>Periodicals</u>		<u>Standard A</u>		<u>Standard B</u>		<u>Total</u>	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
0-3 months	19.61	42.91%	2.20	47.25%	4.39	21.06%	0.09 *	50.00% *	26.28	36.83%
3-6 months	8.82	19.31%	0.55	11.93%	4.60	22.09%	0.02 *	12.50% *	14.00	19.62%
6-9 months	6.20	13.57%	0.68	14.68%	5.65	27.10%	0.04 *	25.00% *	12.58	17.62%
9-12 months	4.84	10.59%	0.75	16.06%	2.24	10.74%	0.02 *	12.50% *	7.84	10.99%
12-18 months	2.11	4.62%	0.26	5.50%	1.51	7.26%	0.00 *	0.00% *	3.88	5.44%
over 18 months	4.11	9.00%	0.21	4.59%	2.45	11.76%	0.00 *	0.00% *	6.78	9.50%

* This table cell has a small sample size.

Table 4.7.1
Mail Shape for All UAA Mail
(Volume Reported in Millions)

	First Class		Periodicals		Standard A		Standard B		Total	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
Machineable Letter	2,909.179	91.35%	14.686	5.93%	1,367.844	61.55%	0.361 *	2.32% *	4,292.070	75.69%
Non-machineable Letter	102.287	3.21%	8.398	3.39%	177.009	7.96%	0.202 *	1.30% *	287.896	5.08%
Flat	157.554	4.95%	224.199	90.45%	665.481	29.95%	3.189	20.55%	1,050.424	18.53%
SPR / Parcel / IPP	15.814	0.49%	0.583 *	0.24% *	12.009	0.54%	11.771	75.83%	39.877	0.70%
Total	3,184.533	100.00%	247.866	100.00%	2,222.344	100.00%	15.523	100.00%	5,670.266	100.00%

* This table cell has a small sample size.

Table 4.7.2
Mail Shape for UAA Mail NOT Sent to CFS Units
(Volume Reported in Millions)

	First Class		Periodicals		Standard A		Standard B		Total	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
Machineable Letter	529.395	91.08%	8.099 *	16.16% *	1,290.316	62.12%	0.000 *	0.00% *	1,827.811	67.31%
Non-machineable Letter	23.954	4.12%	3.230 *	6.45% *	167.805	8.08%	0.000 *	0.00% *	194.990	7.18%
Flat	26.206	4.51%	38.698	77.22%	607.764	29.26%	1.956 *	28.80% *	674.625	24.84%
SPR / Parcel / IPP	1.689 *	0.29% *	0.084 *	0.17% *	11.398	0.55%	4.836	71.20%	18.007	0.66%
Total	581.245	100.00%	50.112	100.00%	2,077.283	100.00%	6.792	100.00%	2,715.432	100.00%

* This table cell has a small sample size.

Table 4.7.3
Mail Shape for UAA Mail SENT to CFS Units
(Volume Reported in Millions)

	First Class		Periodicals		Standard A		Standard B		Total	
	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>	<u>Volume</u>	<u>Percent</u>
Machineable Letter	2,379.784	91.41%	6.587	3.33%	77.528	53.45%	0.361 *	4.13% *	2,464.259	83.40%
Non-machineable Letter	76.332	3.01%	5.168	2.61%	9.204	6.34%	0.202 *	2.31% *	92.906	3.14%
Flat	131.348	5.05%	185.501	93.80%	57.718	39.79%	1.233 *	14.12% *	375.799	12.72%
SPR / Parcel / IPP	13.825	0.53%	0.499 *	0.25% *	0.611	0.42%	6.935	79.44%	21.870	0.74%
Total	2,603.288	100.00%	197.755	100.00%	145.061	100.00%	8.730	100.00%	2,954.834	100.00%

* This table cell has a small sample size.

Table 4.8
Special Services
(Volume Reported in Millions)

<u>Special Service</u>	<u>Volume</u>	<u>Percent</u>
Certified	14.513	75.79%
Insured	1.105 *	5.77% *
Certified and COD	0.392 *	2.05% *
Ret. Receipt/Service	0.305 *	1.59% *
Special Handling	2.834 *	14.80% *
Total	19.150	100.00%

* This table cell has a small sample size.

Table 4.9
Sender information
(Volume Reported in Millions)

Mailer	First Class		Periodicals		Standard A		Standard B		Total	
	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent
Business	2,791.811	87.67%	234.291	94.52%	2,119.806	95.39%	14.973	96.46%	5,160.882	91.02%
Household	285.768	8.97%	3.747 (1)	1.51%	16.672 (1)	0.75%	0.549 *	3.54% *	306.736	5.41%
Unknown	106.954	3.36%	9.829	3.97%	85.865	3.86%	0.000 *	0.00% *	202.648	3.57%
Total	3,184.533	100.00%	247.866	100.00%	2,222.344	100.00%	15.523	100.00%	5,670.266	100.00%

* This table cell has a small sample size.

(1) Data collected on UAA Form 3 indicated that households sent small amounts of Periodicals and Standard A mail. They may be businesses run from households or may be a mis-classification on the part of the data collector.

Table 4.10
Hold Mail Volume based on Sampling Conducted May 5, 1999
(Means computed on a per route basis)

	<u>Number</u> <u>(in Millions)</u>	<u>Average</u> <u>per Route</u>
Number of Current Orders on File	0.351	1.1
Number of Current Orders with Stop Dates	0.220	0.7
Length of time Current Orders are to be in Effect	N/A	7.5
Total Days all Orders have been in Effect (to date)	N/A	12.0
Total Hold Mail Volume on Current Orders (to date)	5.142	16.6

Table 4.11
 FY 81 - FY 93 - FY 98 Comparison
 (Volume Reported in Millions)

<u>UAA Mail Overview</u>	<u>FY 81</u>	<u>FY 93</u>	<u>FY 98</u>
Annual National Mail Volume	109,244.891	170,623.520	207,472.598
UAA Volume	2,755.300	4,842.271	5,704.415
UAA as a Percent of Annual Volume	2.52%	2.84%	2.75%
 <u>UAA Mail Class Information</u>			
First Class	56.80%	51.30%	56.16%
Second Class / Periodicals	6.60%	4.40%	4.37%
Third Class / Standard A	36.10%	44.20%	39.19%
Fourth Class / Standard B	0.50%	0.10%	0.27%
 <u>UAA Mail Disposition Information</u>			
Forwarded	46.60%	39.60%	37.98%
Returned to Sender	18.20%	17.30%	24.17%
Treated as Waste	35.20%	43.10%	37.85%
 <u>Forwarding to Other Locations</u>			
Local Forwarding Order	51.90%	54.70%	43.91%
Non-local Forwarding Order	48.10%	45.30%	56.09%

Table 5.1
Summary Costs for Processing Undeliverable-As-Addressed Mail

	A Annual Volume (Thousands)	B Cost/Piece	C Annual Cost (Thousands)
1. Processing Change of Address Cards	43,349 (1)	\$2.9508 (2)	\$127,914
2. Mailpieces Forwarded	2,153,347 (3)	\$0.3068 (4)	\$660,561
3. Mailpieces Returned			
a. Free	1,228,427 (5)	\$0.5347 (6)	\$656,858
b. Postage Due	142,044 (7)	\$1.5350 (8)	\$218,036
Mailpieces Returned Subtotal	1,370,471	\$0.6384 (9)	\$874,894
4. Mailpieces Treated As Waste	2,146,448 (10)	\$0.0487 (11)	\$104,453
5. Fulfilling Address Correction Requests			
a. Form 3547	108,538 (12)	\$0.4802 (13)	\$52,117
b. Form 3579	38,868 (14)	\$0.7011 (15)	\$27,251
Manual Hardcopy Processing Total	147,406	\$0.5384	
c. ACS 2nd Generation Nixie at CFS Units	87,408 (16)	\$0.2074 (17)	\$18,127
d. ACS 2nd Generation Nixie at Delivery Units	87,408 (16)	\$0.2809 (18)	\$21,604 (19)
e. ACS Processing (20)	120,836 (21)	\$0.0997 (22)	\$12,048
Fulfilling Address Correction Requests Subtotal			\$131,147
6. Other UAA Support			
a. Move Update			\$6,235 (23)
b. Address Quality			\$2,923 (24)
c. CFS Headquarters Operations			\$8,697 (25)
Other Subtotal			\$11,620
7. Total Overall Cost			\$1,910,590
8. Average Total Cost per Piece			\$0.3349

- (1) Refer to Table 5.2.1.1, Row 1, Column D
- (2) This is the sum of Table 5.2.1.1, Row 4, Column G and Table 5.2.2, Row C, Column E, Data Maintenance (COA cards).
- (3) Refer to Table 5.1.1, Row 1, Column A.
- (4) Refer to Table 5.1.1, Row 11, Column E.
- (5) Refer to Table 5.1.2: this is the difference between Column A, Rows 1 and 4.
- (6) Refer to Table 5.1.2: this is the sum of Column E, Rows 1-3 and 5.
- (7) Refer to Table 5.1.2: Row 4, Column A.
- (8) Refer to Table 5.1.2: this is the sum of Column E, Rows 1-3 and Column B, Rows 4-7.
- (9) This is the sum of Column B, Rows 3a and 3b; weighted by volume. This unit cost is also found on Table 5.1.2, Row 8, Column E.
- (10) Refer to Table 5.2.1.2, Row 1.c, Column D.
- (11) Refer to Table 5.1.3, Row 4, Column B.
- (12) Refer to National Annual 3925 Report, 3547 volume, Line M23.
- (13) Refer to Table 5.1.4, Form 3547: Total Weighted Cost/Piece, Column C.
- (14) Refer to National Annual 3925 Report, 3579 Volume, Line M24.
- (15) Refer to Table 5.1.4, Form 3579: Total Weighted Cost/Piece, Column C.
- (16) Refer to National Annual 3925 Report, ACS 2nd Generation Nixie volume, Line M32.
- (17) Refer to Table 5.2.2, Row II.c, Column E.
- (18) This is the ratio of Row 5.d, Column A to Row 5.d, Column C.
- (19) Refer to Table 5.2.1.3, Row 1.c, Column H.
- (20) This is the additional cost for processing electronic ACS information at CFS units.
- (21) Refer to Table 5.2.2.2, Column A, Overall CFS Operations, ACS Mailpiece Volume.
- (22) Refer to Table 5.2.2: this is the sum of Column G, Section I Total and Column G, Section II Total.
- (23) Refer to Table 5.2.6.1, Row 1, Column D.
- (24) Refer to Table 5.2.6.1, Row 2, Column D.
- (25) Refer to Table 5.2.6.2, Column D.

Table 5.1.1
Annual Cost for UAA Mail Being Forwarded

	A Annual Volume (Thousands)	B Actual Cost/Piece (1)	C Annual Cost (Thousands)	D Endorsement	E Weighted Cost/Piece
1. Carrier Preparation	2,153,347 (2)	\$0.0314 (3)	\$67,589	1.000000	\$0.031435
2. Clerk Handling	188,507 (4)	\$0.2711 (5)	\$51,114	0.082185 (6)	\$0.024991
3. CFS Processing	1,854,841 (7)	\$0.1386 (8)	\$257,024	0.807815 (9)	\$0.125818
4. Originating Postage Due Unit	4,845 (10)	\$0.1780 (11)	\$863	0.002260 (12)	\$0.000401
5. Mailstream Processing	2,153,347 (2)	\$0.1223 (13)	\$263,282	1.000000	\$0.122268
6. Destination Accountable Mail Unit	4,845 (10)	\$0.5371 (14)	\$2,602	0.002260 (12)	\$0.001208
7. Collection Postage Due - Carrier	2,344 (15)	\$0.2855 (16)	\$669	0.001042 (17)	\$0.000268
8. Collection Postage Due - Call Window	2,017 (18)	\$0.0650 (19)	\$131	0.000837 (20)	\$0.000082
9. Refused Mail, Returned to Sender	801 (21)	\$0.8287 (22)	\$664	0.002223 (23)	\$0.000182
10. Prepare and Mail Form 3546	48 (24)	\$4.5729 (25)	\$221	0.000022 (26)	\$0.000102
11. Total					\$0.306780

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.1.2, Row 3 b, Column D.

(3) Refer to Table 5.2.1.2, Row 3 b, Column G.

(4) This is the product of Row 1, Column A and Row 2, Column D.

(5) This is the ratio of Table 5.2.1.3, Column H, and Table 5.2.1.3.1, Column A, Row 4.

(6) This is the portion of forwarded mail that the Nove clerk forwards at the delivery unit (Table 5.2.1.3.1, Row 2, Column A divided by the sum of Table 5.2.1.3.1, Row 2, Column A and Table 4.3, "Disposition at CFS Unit", Total Forwarded.)

(7) This is the product of Row 1, Column A and Row 3, Column D.

(8) Refer to Table 5.2.2, Column G, Label Generation Total.

(9) This is the proportion of forwarded mail that the CFS unit forwards (Table 4.3, "Disposition at CFS Unit", Total Forwarded divided by the sum of Table 5.2.1.3.1, Row 2, Column A and Table 4.3, "Disposition at CFS Unit", Total Forwarded.)

(10) Based on a 2-week sample period, developed from UAA Form 3 (See Appendix A), Table 4.5, and Table 4.7.1. This is the volume of Standard B mail that is forwarded nonlocally.

(11) Refer to Table 5.2.3, Row 2, Column G.

(12) This is the portion of forwarded mail that is postage due, the ratio of Column A, Rows 4 and 1.

(13) Refer to Table 5.2.4.1, Row 1, Column F.

(14) Refer to Table 5.2.5.1, Row 3, Column E.

(15) This is the postage due mail volume that has postage paid to carriers (the ratio of Column G, Rows 1 and 1 c, applied to the ratio of Row 1, Columns A and G) of all mail processed at the accountable mail unit. Refer to Table 5.2.5.2 for fact.

(16) Refer to Table 5.2.5.3, Column G.

(17) This is the portion of UAA mail to be forwarded postage due that has postage paid to carriers. Refer to Table 5.2.5.2, Row 1, Column F, applied to the ratio of Row 1, Columns E and A, applied to Row 6, Column D.

(18) This is the postage due mail volume that has postage paid at the call window (the ratio of Column G, Rows 1 and 1 c, applied to the ratio of Row 1, Columns A and G) of all mail processed at the accountable mail unit. Refer to Table 5.2.5.2.

(19) Refer to Table 5.2.5.4, Row 4, Column G.

(20) This is the portion of UAA mail to be forwarded postage due that has postage paid at the call window. Refer to Table 5.2.5.2, Row 1, Column F, applied to the ratio of Row 1, Columns E and A, applied to Row 6, Column D.

(21) This is the postage due mail volume that was refused and must be returned to sender. The factor is the ratio of Column G, Rows 2 and 5, in Table 5.2.5.2.

(22) Refer to Table 5.1.2. This is the sum of Rows 5, 7, and a portion of Row 6. Refer to Section 4.0, Volume Profile, Table 4.5, to determine the portion of return to sender mail (Row 5) that is endorsed Return Postage Guaranteed.

(23) This is the portion of UAA mail forwarded postage due that is refused and returned to sender. This is the product of Table 5.2.5.2, Row 2, Column H and Table 5.1.1, Row 8, Column D.

(24) This volume is the ratio of Column E, Rows 5 and 6 in Table 5.2.5.2.

(25) Refer to Table 5.2.5.5, Row 7, Column E.

(26) This is the portion of UAA mail forwarded postage due that is refused and requires a Form 3546. This is the product of Table 5.2.5.2, Row 6, Column F and D.

Table 5.1.2
Annual Cost for UAA Mail Being Returned to Sender
Due to COA Orders and Invalid Addresses

	A	B	C	D	E
	Annual Volume (Thousands)	Actual Cost/Piece (1)	Annual Cost (Thousands)	Frequency	Weighted Cost/Piece
1. Carrier Preparation	1,370,471 (2)	\$0.0545 (3)	\$74,676	1.00	\$0.0545
2. Clerk Handling	670,618 (4)	\$0.2711 (5)	\$181,802	0.49 (6)	\$0.1327
3. CFS Processing	475,667 (7)	\$0.1386 (8)	\$65,923	0.35 (9)	\$0.0481
4. Originating Postage Due Unit	142,044 (10)	\$0.1780 (11)	\$25,288	0.10 (12)	\$0.0185
5. Mailstream Processing	1,370,471 (2)	\$0.2995 (13)	\$410,410	1.00	\$0.2995
6. Destinating Accountable Mail Unit	142,044 (10)	\$0.5371 (14)	\$76,296	0.10 (12)	\$0.0557
7. Collection Postage Due - Carrier	142,044 (10)	\$0.2851 (15)	\$40,498	0.10 (12)	\$0.0296
8. Total					\$0.6384

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.1.2, Row 3.a, Column D.

(3) Refer to Table 5.2.1.2, Row 3.a, Column G.

(4) Refer to Table 5.2.1.3.1. This is the sum of Row 1, Column A and a portion of Row 3, Column A. Refer to Volume Section, Volume Profile, Table 4.3, "Disposition at CFS Unit", of the portion of mail that is returned to sender.

(5) This is the ratio of Table 5.2.1.3, Column H, and Table 5.2.1.3.1, Column A, Row 4.

(6) This is the portion of return to sender mail that is returned by the Nixie clerk at the delivery unit, along with the portion of ACS Nixie that is returned at the CFS unit. This is the ratio of Rows 2 and 1, Column A.

(7) Refer to Volume Section, Volume Profile, Table 4.3, "Disposition at CFS Unit", Total Returned.

(8) Refer to Table 5.2.2, Column G, Total.

(9) This is the portion of return to sender mail returned from the CFS unit, along with the portion of ACS Nixie that is returned from the CFS unit. This is the ratio of Rows 3 and 1, Column A, Table 5.2.2.

(10) Refer to Volume Section, Volume Profile, Table 4.3.3, "Combined Dispositions for Delivery Units and CFS Units." From this table, the percents returned to sender for Periodicals, Standard A, and Standard B mail were developed. These were applied to the total return to sender volume and summed.

(11) Refer to Table 5.2.3, Row 2, Column G.

(12) This is the portion of return to sender mail that is postage due, the ratio of Column A, Rows 6 and 4.

(13) Refer to Table 5.2.4.1, Row 2, Column F.

(14) Refer to Table 5.2.5.1, Row 3, Column E.

(15) Refer to Table 5.2.5.3, Column G, total.

Table 5.1.3
Cost Per Piece for UAA Mail Treated as Waste
In Delivery and CFS Units Combined

	A	B	C
	<u>Actual Cost/Piece (1)</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>
1. Carrier Preparation	\$0.0314 (2)	1.0000	\$0.0314
2. Clerk Handling	\$0.2711 (3)	0.0126 (4)	\$0.0034
3. CFS Processing	\$0.1386 (5)	0.0996 (6)	\$0.0138
4. Total			\$0.0487

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.1.2, Row 3.c, Column G.

(3) This is the ratio of Table 5.2.1.3, Row 1.c, Column H to Table 5.2.1.3.1, Row 3, Column A.

(4) This is the ratio of the volume of mail treated as waste at the CFS units (excluding forwarded mail) that requires clerk handling to the total volume of mail treated as waste. Refer to Table 5.2.1.3.1, Row 3, Column A, applied the ratio of table 4.3.2. (Total returned to sender) divided by the sum of table 4.3.2. (total returned to sender and total treated as waste), divided by table 5.2.1.2, row 1.c,

(5) Refer to Table 5.2.2, Column H, Section I Total.

(6) This is the ratio of Table 4.3.2, Column H (Total Volume Treated as Waste) to Table 5.2.1.2, Row 1.c, Column D.

Table 5.1.4
Forms 3547 and 3579 Costs Not Included
in Tables: 5.1.1, 5.1.2, and 5.1.3

	A	B	C
	<u>Actual</u>		<u>Weighted</u>
	<u>Cost/Piece (1)</u>	<u>Frequency (2)</u>	<u>Cost/Piece</u>
1. Form 3547 (Notice to Mailer of Correction in Address)			
a. Dual - Photo and Forward			
a1. CFS	\$0.0955 (3)		
a2. Mailstream	\$0.2174 (4)		
a3. Accountable Mail Clerk	\$0.5269 (5)		
a4. Carrier Delivery/Collection of Postage Due	\$0.0140 (6)		
a Subtotal	\$0.8538	0.46	\$0.3930
b. Photo and Treat as Waste			
b1. CFS	\$0.0955 (3)		
b2. Mailstream	\$0.2174 (4)		
b3. Accountable Mail Clerk	\$0.5269 (5)		
b4. Carrier Delivery/Collection of Postage Due	\$0.0140 (6)		
b Subtotal	\$0.8538	0.10	\$0.0871
2. Total			\$0.4802
3. Form 3579 (Undeliverable Periodicals, Standard A, and Standard B Mail)			
3.1. CFS	\$0.3719 (7)		
3.2. Mailstream	\$0.1703 (8)		
3.3. Accountable Mail Clerk	\$0.1548 (9)		
3.4. Carrier Delivery/Collection of Postage Due	\$0.0041 (10)		
4. Total	\$0.7011	1.00	\$0.7011

(1) This is the actual cost/piece for processing the mail through the operation indicated.

(2) Refer to Table 5.2.2.3, Column A.

(3) Refer to Table 5.2.2, Row A, Column E.

(4) Refer to Table 5.2.4.3, Row 1, Column G.

(5) Refer to Table 5.2.5.1, Row 3, Column E, divided by Table 5.2.4.3, Row 1, Column B (batch size).

(6) This is the portion of postage due mail that requires carrier collection divided by the number of forms per mailpiece. Refer to Table 5.2.5.3, Column G, Total multiplied by 5% (management estimate) divided by Table 5.2.4.3, Row 1, Column B.

(7) Refer to Table 5.2.2, Row B, Column E.

(8) Refer to Table 5.2.4.3, Row 3, Column G.

(9) Refer to Table 5.2.5.1, Row 3, Column E, divided by Table 5.2.4.3, Row 3, Column B (batch size).

(10) This is the portion of postage due mail that requires carrier collection divided by the number of forms per mailpiece. Refer to Table 5.2.5.3, Column G, Total multiplied by 5% (management estimate) divided by Table 5.2.4.3, Row 3, Column B.

Table 5.2.1
Cost per Piece for Processing at Originating Delivery Unit

	A Total Cost (Thousands)	B Volume (Thousands)	C Total Cost/Piece
1. Process COA Cards	\$102,653 (1)	43,349 (2)	\$2.3681
2. Processing UAA Mail	\$209,838 (3)	5,670,266 (4)	\$0.0370
3. Nixie Clerk Processing	\$243,139 (5)	896,877 (6)	\$0.2711
4. Total	\$452,977 (7)		

- (1) Refer to Table 5.2.1.1, this is the product of Row 1, Column D and Row 4, Column G.
 (2) Refer to Table 5.2.1.1, Row 1, Column D.
 (3) Refer to Table 5.2.1.2, this is the sum of the products of Columns D and G, for Rows a through c.
 (4) Refer to Table 5.2.1.2, this is the sum of Rows a through c, Column D.
 (5) Refer to Table 5.2.1.3, Column H, Total.
 (6) Refer to Table 5.2.1.3.1, Column A, Total.
 (7) This is the cost associated with processing UAA mail and consists of Rows 2 and 3.

Table 5.2.1.1
Cost per Piece for Carrier and Clerk Processing Change-of-Address Cards

	A	B	C	D	E	F	G
	<u>Hours/Piece</u>	<u>Labor Rate</u>	<u>Total Cost</u> <u>(Thousands)</u>	<u>Volume</u> <u>(Thousands)</u>	<u>Cost/Piece</u>	<u>Piggyback</u> <u>Factor</u>	<u>Total</u> <u>Cost/Piece</u>
1. Window Service	N/A	N/A	\$12,914 (1)	43,349 (2)	\$0.2979	46.5% (3)	\$0.4364
2. Delivery Processing	0.0333 (4)	\$32.62 (5)	N/A	N/A	\$1.0861	40.6% (6)	\$1.5276
3. Clerk - Filing	0.0076 (7)	\$30.84 (8)	N/A	N/A	\$0.2344	72.4% (9)	\$0.4041
4. Total							\$2.3681

(1) Developed from FY98 IOCS survey data (18.F.M), comprising handing out Form 3575 and providing assistance to fill out.

(2) Refer to National Fiscal Year 3925 Report, Line M25.

(3) Piggyback factor for clerk window service.

(4) Carrier is allowed 2 minutes per piece. Refer to "Management of Delivery Services Handbook (M-39)." dtd. 1/30/81, Exh. 2-7, line 12.

(5) External Inputs B133

(6) External Inputs B132

(7) Refer to 1977 Mail Markup Study, conducted by the former Economic and Costs Benefits Division.

(8) Clerk Labor rate

(9) Piggyback Factor for Mailprocessing

Table 5.2.1.2
Cost per Piece for Processing UAA Mail at Originating Delivery Unit by Disposition

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
	<u>Hours/Piece</u>	<u>Labor Rate (1)</u>	<u>Overall Cost</u> <u>(Thousands)</u>	<u>Volume</u> <u>(Thousands)</u>	<u>Cost/Piece</u>	<u>Piggyback</u> <u>Factor (2)</u>	<u>Total</u> <u>Cost/Piece</u>
1. Overall Disposition (3)							
a. UAA Mail - Return to Sender	N/A	N/A	\$44,967 (4)	1,370,471 (5)	\$0.0328	34.5%	\$0.0441
b. UAA Mail - Forward	N/A	N/A	\$33,744 (6)	2,153,347 (5)	\$0.0157	34.5%	\$0.0211
c. UAA Mail - Treat as Waste	N/A	N/A	\$33,636 (7)	2,146,448 (5)	\$0.0157	34.5%	\$0.0211
2. CFS Returns							
a. No Record Mail	0.0045 (8)	\$30.84	N/A	308,118 (9)	\$0.1396	72.4%	\$0.2406
b. Unendorsed Bulk Business Mail (UBBM)	0.0045 (10)	\$30.84	N/A	6,746 (11)	\$0.1396	72.4%	\$0.2406
3. Overall Disposition Including Processing CFS Returns (12)							
a. UAA Mail - Return to Sender	N/A	N/A	\$55,521 (13)	1,370,471 (5)	\$0.0405	34.5%	\$0.0545
b. UAA Mail - Forward	N/A	N/A	\$50,327 (14)	2,153,347 (5)	\$0.0234	34.5%	\$0.0314
c. UAA Mail - Treat as Waste	N/A	N/A	\$50,166 (15)	2,146,448 (5)	\$0.0234	34.5%	\$0.0314

(1) External inputs B132

(2) Piggyback factor for in-office carriers (sections 1 and 3) and mail processing (section 2).

(3) The volumes in this section comprise the final disposition of all mail pieces.

(4) Developed from FY98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail returned to sender.

(5) Refer to Table 4.3, Totals.

(6) Developed from FY98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail forwarded.

(7) Developed from FY98 IOCS survey data. Comprising a portion (the percent of total mail that is UAA) of 16.F.A and 16.F.B; and 100% of 16.F.D; adjusted to reflect the percent of UAA mail treated as waste.

(8) Based on a 2-week sample period, developed from UAA Form 6 (See Appendix A).

(9) Refer to the National Fiscal Year 3925 Report, Line M26.

(10) Analogy to no record mail productivity.

(11) Refer to the National Fiscal Year 3925 Report, Line M27.

(12) The volumes in this section comprise the final disposition of all mailpieces and the costs reflect those in section 1, burdened with the cost of processing CFS returns.

(13) This cost is Row a, Column C burdened with a portion of the CFS returns cost.

(14) This cost is Row b, Column C burdened with a portion of the CFS returns cost.

(15) This cost is Row c, Column C burdened with a portion of the CFS returns cost.

Table 5.2.1.3
Development of Cost to Process UAA Mail by Nixie Clerk

	A	B	C	D	E	F	G	H
		Clerk and Mailhandler Cost	Carrier Cost	Clerk Piggyback Factor (1)	Carrier Piggyback Factor (1)	Total Clerk and Mailhandler Cost	Total Carrier Cost	Overall Total Cost
	Percent	(Thousands)	(Thousands)			(Thousands)	(Thousands)	(Thousands)
1. Nixie Clerk Processing								
a. Return to Sender	68.05% (2)	\$90,982	\$6,395	72.4%	34.5%	\$156,853	\$8,601	\$165,454
b. Forward	22.21% (2)	\$29,688	\$2,087	72.4%	34.5%	\$51,183	\$2,806	\$53,989
c. ACS Nixie to CFS	9.75% (2)	\$13,030	\$916	72.4%	34.5%	\$22,484	\$1,232	\$23,696
Total	100.00%	\$133,701 (3)	\$9,397 (4)			\$230,501	\$12,639	\$243,139

(1) External Inputs B2

(2) Refer to Table 5.2.1.3.1, Column A.

(3) Developed from FY99 IOCS Cost System (18.E.H), Nixie work for clerks.

(4) Developed from FY98 IOCS Cost System (18.E.H), Nixie work for carriers.

Table 5.2.1.3.1
Distribution of UAA Mail Processed by the Nixie Clerk
at the Delivery Unit

	A Volume <u>(Thousands)</u>	B <u>Percent (1)</u>
1. Return to Sender by Nixie Clerk	610,316 (2)	68.05%
2. Forward by Nixie Clerk	199,152 (2)	22.21%
3. Sent to CFS as ACS Nixie	87,408 (3)	9.75%
4. Total	896,877 (2)	100.00%

(1) Based

(2) Derived

(3) Refer

(1) Based on a 2-week sample period, developed from UAA Form 11 (See Appendix A).

(2) Derived from Row 3, Column A and the appropriate percent.

(3) Refer to National Fiscal Year 3925 Report, ACS 2nd Generation Volume, Line M32.

Table 5.2.1.4
Cost for Processing No Record Found Mail

	A Volume (Thousands)	B Total Cost/Piece	C Total Cost (Thousands)
Delivery Unit Costs	306,118 (1)	\$0.2406 (2)	\$73,658
CFS Unit Costs	306,118 (1)	\$0.1386 (3)	\$42,425
Total Processing Cost		\$0.3792	\$116,083

(1) Refer to Table 5.2.1.2, Row 2.a, Column D.

(2) Refer to Table 5.2.1.2, Row 2.a, Column G.

(3) Refer to Table 5.2.2, Total Section I, Column G.

Table 5.2.2
Cost per Piece for Processing at CFS Units

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
	<u>Hours/Piece</u>	<u>Labor Rate (1)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (2)</u>	<u>Total Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Total Cost/Piece</u>
I. Label Generation							
A. Mail Preparation	0.00020 (3)	\$30.84	\$0.0060	56.00%	\$0.0094	1.00	\$0.0094
B. Keying and Labeling:	0.00148 (4)		\$0.0457	56.00%	\$0.0713		
Mechanized Terminal		\$30.84					
- Non-ACS					\$0.0660 (5)	0.83 (6)	\$0.0548
- ACS					\$0.1320 (7)		
C. Non-Mechanized Terminal							
Data Maintenance and Labeling	0.01211 (8)		\$0.3735	56.00%	\$0.5827	N/A	N/A
(COA Cards)		\$30.84					
Keying and Labeling	0.00603 (4)	\$30.84	\$0.1860	56.00%	\$0.2901		
- Non-ACS					\$0.2691 (9)	0.17 (10)	\$0.0456
- ACS					\$0.5381 (11)		
D. Load and Sweep	0.00017 (3)	\$30.84	\$0.0053	56.00%	\$0.0083	1.00	\$0.0083
E. Support and Other	0.00042 (3)	\$30.84	\$0.0131	56.00%	\$0.0204	1.00	\$0.0204
Total Non-ACS							\$0.1386
II. Address Correction							
A. Form 3547	0.00198 (3)	\$30.84	\$0.0612	56.00%	\$0.0955	N/A	N/A
B. Form 3579	0.00773 (3)	\$30.84	\$0.2384	56.00%	\$0.3719	N/A	N/A
C. ACS 2nd Generation/Nixie	0.00425 (3)	\$30.84	\$0.1310	58.30%	\$0.2074	N/A	N/A
D. ACS Keying							
- Mechanized Terminal	N/A	N/A	N/A	N/A	\$0.0660 (12)	0.83 (13)	\$0.0550
- Non-Mechanized Terminal	N/A	N/A	N/A	N/A	\$0.2691 (14)	0.17 (15)	\$0.0447
ACS Keying Subtotal							\$0.0997

(1) Clerk labor rates.

(2) Piggyback factor for CFS operations.

(3) Based on a 2-week sample period, developed from the Daily Address Information Operation Analysis (3925 Report).

(4) Refer to Table 5.2.2.1, Column C.

(5) Refer to Table 5.2.2.2, Column C, Row I.

(6) This is the proportion of UAA mail processed on the Mechanized Terminal. Refer to Table 5.2.2.1, Column D, Adjusted Subtotals.

(7) Refer to Table 5.2.2.2, Column B, Row I.

(8) Based on a 2-week sample period developed from the CFS Daily Report.

(9) Refer to Table 5.2.2.2, Column C, Row II.

(10) This is the proportion of UAA mail processed on the Non-Mechanized Terminal (NMT). Refer to Table 5.2.2.1, Column D, Adjusted Subtotals. Every piece of mail that is keyed on the NMT must be labeled. Thus, these tasks occur with the same fr

(11) Refer to Table 5.2.2.2, Column B, Row II.

(12) Refer to Column E, Row I.b, ACS.

(13) This is the proportion of UAA mail at CFS units that is machineable letters. It is assumed this is an appropriate proxy for estimating the proportion of ACS mail processed on the Mechanized Terminal. For factor development, refer to Section

(14) Refer to Column E, Row I.c, ACS.

(15) This is the proportion of UAA mail at CFS units that is Non-machineable letters. It is assumed this is an appropriate proxy for estimating the proportion of ACS mail processed on the Non-Mechanized Terminal. For factor development, refer to

Table 5.2.2.1
Keying and Labeling Productivities Adjusted for Rekey Volumes

	A	B	C
	<u>Hours</u>	<u>Volume</u>	<u>Hours/Piece</u>
	<u>(Thousands)</u>	<u>(Thousands)</u>	
1. Mechanized Terminal			
a. Keying and Labeling	3,681 (1)	2,507,812 (1)	0.00147
b. Rekey	N/A	23,996 (2)	
c. Adjusted Subtotal	3,681	2,483,816 (3)	0.00148
2. Non-Mechanized Terminal			
a. Keying and Labeling	3,058 (1)	515,177 (1)	0.00594
b. Rekey	N/A	8,046 (2)	
c. Adjusted Subtotal	3,058	507,131 (3)	0.00603

(1) Based

(2) Based

(3) This

(1) Based on a 2-week sample period, developed from the Daily Address Information Operation Analysis (3925 Report).

(2) Based on a 2-week sample period, developed from UAA Form 4 (See Appendix A).

(3) This is the difference between key and rekey.

Table 5.2.2.2
Development of Keying Costs for ACS and Non-ACS Mailpieces, by Terminal Type

	A	B	C	D	E
	Volume	ACS	Non-ACS	Total Cost	Total
	(Thousands)	Keystroke	Keystroke	(Thousands)	Cost/Piece
		Cost (1)	Cost (1)		
Overall CFS Operations					
ACS Mailpieces	120,836 (2)				
Non-ACS Mailpieces	2,902,154 (3)				
Total	3,022,989 (4)				
I. Mechanized Terminal					
ACS Mailpieces	100,774 (5)	\$0.1320 (6)	\$0.0660 (6)	\$19,952	\$0.1980
Non-ACS Mailpieces	2,410,078 (7)		\$0.0660 (6)	\$159,052	\$0.0660
Subtotal	2,510,852 (8)			\$179,003 (9)	\$0.0713
II. Non-Mechanized Terminal					
ACS Mailpieces	20,062 (10)	\$0.5381 (11)	\$0.2691 (11)	\$16,194	\$0.8072
Non-ACS Mailpieces	492,076 (12)		\$0.2691 (11)	\$132,402	\$0.2691
Subtotal	512,137 (8)			\$148,596 (13)	\$0.2901

(1) It is estimated that the cost to key ACS information (Column B) is twice the cost to key Non-ACS information (Column C), within terminal type. This is based on the fact that twice as many keystrokes.

(2) Refer to National Annual 3925 Report: this is the difference of Total ACS Records Processed (Line 33) and ACS 2nd Generation/Nixie Volume (Line

M32). This volume represents only those ACS records which produced electronic notices. Hence, this is an extremely conservative estimate.

(3) This is the difference of Overall CFS Total Volume and Overall CFS ACS Volume.

(4) Refer to section 4.0, Volume Profile, Table 4.3.2, "Disposition at CFS Units", Overall Total.

(5) This is a portion of the Overall CFS Operations, ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row II.D., Mechanized Terminal.

(6) This cost was developed by solving the ACS and Non-ACS equations (product of: Column B and/or C with A) such that the sum of Column D, ACS Mailpieces and Non-ACS Mailpieces for the Mechanized Terminal is equal to Column D, Subtotal.

(7) This is a portion of the Overall CFS Operations, Non-ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row I.B. Non-ACS.

(8) This is the sum of the ACS and Non-ACS Volume, within a given terminal type.

(9) This is the sum of the ACS and Non-ACS Total Cost, for the Mechanized Terminal (the product of Column A, Subtotal, and Table 5.2.2, Column E, Row I.B.

(10) This is a portion of the overall CFS Operations, ACS Volume. For factor development, refer to table 5.2.2, Column E, Row I.B.)

(11) This cost was developed by solving the ACS and Non-ACS equations (product of: Column B and/or C with A) such that the sum of Column

D, ACS Mailpieces and Non-ACS Mailpieces for the Non-Mechanized Terminal is equal to Column D, Subtotal.

(12) This is a portion of the Overall CFS Operations, Non-ACS Volume. For factor development, refer to Table 5.2.2, Column F, Row I.B., ACS.

(13) This is the sum of the ACS and Non-ACS Total Cost, for the Non-Mechanized Terminal (the product of Column A, Subtotal, and Table 5.2.2, Column E, Row I.C. Keying.)

Table 5.2.2.3
Form 3547 Distribution by Category

	A	B
	<u>Volume (Thousands)</u>	<u>Percent (1)</u>
<u>Form 3547 (Notice to Mailer of Correction in Address)</u>		
On-Piece Address Corrections Returned to Sender	93,061	43.76%
Dual - Photo and Forward	97,907	46.04%
Photo and Treat as Waste	21,703	10.20%
Total	212,671 (2)	100.00%

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Refer to National Fiscal Year 3925 Report, 3547 Volume, Line M23.

Table 5.2.2.4
Form 3547 Distribution by Equipment Type

	A	B
	<u>Volume (Thousands)</u>	<u>Percent (1)</u>
<u>1. Form 3547 (Notice to Mailer of Correction in Address) on Mechanized Terminal</u>		
On-Piece Address Corrections Returned to Sender	82,040	45.70%
Dual - Photo and Forward	87,869	48.95%
Photo and Treat as Waste	9,590	5.34%
Total	179,499 (2)	100.00%
<u>2. Form 3547 (Notice to Mailer of Correction in Address) on Non-Mechanized Terminal</u>		
On-Piece Address Corrections Returned to Sender	11,021	33.22%
Dual - Photo and Forward	10,038	30.26%
Photo and Treat as Waste	12,113	36.52%
Total	33,172 (2)	100.00%

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Based on the National Fiscal Year 3925 Report, 3547 volume, Line M23.

Table 5.2.2.5
Forms 3547 and 3579 Distribution by Terminal within Category

	A	B
	<u>Volume</u> <u>(Thousands)</u>	<u>Percent (1)</u>
1. Form 3547 (Notice to Mailer of Correction in Address), On-Piece Address Corrections Returned to Sender		
Mechanized Terminal	82,040	88.16%
Non-Mechanized Terminal	11,021	11.84%
Total	93,061 (2)	100.00%
2. Form 3547 (Notice to Mailer of Correction in Address), Dual - Photo and Forward		
Mechanized Terminal	87,869	89.75%
Non-Mechanized Terminal	10,038	10.25%
Total	97,907 (2)	100.00%
3. Form 3547 (Notice to Mailer of Correction in Address), Photo and Treat as Waste		
Mechanized Terminal	9,590	44.19%
Non-Mechanized Terminal	12,113	55.81%
Total	21,703 (2)	100.00%
4. Form 3579 (Undeliverable Periodicals, Standard A, and Standard B Mail)		
Mechanized Terminal	18,648	47.98% (3)
Non-Mechanized Terminal	20,221	52.02% (3)
Total	38,868 (4)	100.00%

(1) Based on a 2-week sample period, developed from UAA Form 8 (See Appendix A).

(2) Based on the National Fiscal Year 3925 Report, 3547 volume, Line M23.

(3) Based on distribution of Form 3579, "Volumes, Characteristics, and Costs of Processing Undeliverable-as-Addressed Mail", 1995, applied to Form 3579 Total Volume.

(4) Based on the National Fiscal Year 3925 Report, 3579 volume, Line M24.

Table 5.2.3
Cost of Rating UAA Mail at the Originating Postage Due Unit

	A	B	C	D	E	F	G
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>
1. Rating Postage Due							
a. Letters and Flats	0.0025	\$30.84	\$0.0764	72.4%	\$0.1317	0.84 (4)	\$0.1109
b. Parcels and Rolls	0.0080	\$30.84	\$0.2466	72.4%	\$0.4252	0.16 (5)	\$0.0671
2. Total							\$0.1780

(1) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B (See Appendix A).

(2) External Inputs B132

(3) External Inputs B2

(4) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B. This is the ratio of letters and flats to the volume of mail rated postage due.

(5) Based on a 2-week sample period, developed from UAA Form 5A and UAA Form 5B. This is the ratio of parcels and rolls to the volume of mail rated postage due.

Table 5.2.4.1
Mailstream Processing Unit Cost for First-Class Mail, by Disposition

	A	B	C	D	E	F
	Mail Processing Overall Cost (Thousands)	Volume (Thousands) (1)	Mail Processing Cost/Piece	Transportation Cost/Piece (2)	Piggyback Factor (3)	Total Cost/Piece
1. Forward	\$138,507 (4)	1,953,295	\$0.0709	\$0.000011	72.4%	\$0.1223
2. Return to Sender	\$213,370 (5)	1,228,427	\$0.1737	\$0.000011	72.4%	\$0.2995

(1) Refer to Section 4.0, Volume Profile, Table 4.3.3, First-Class Mail.

(2) This is the ratio of Cost Segment 14: Transportation (FY98 CRA), for First-Class Mail and the total volume of First-Class Mailpieces from the 1998 RPW.

(3) External Inputs B2

(4) Developed from FY98 IOCS survey data. This is the cost of mail processing for forwarded (23.D.F) First-Class Mailpieces of the following shapes: letters, postcards, flats, parcels, and IPPs.

(5) Developed from FY98 IOCS survey data. This is the cost of mail processing for return to sender (23.D.D and 23.D.E) First-Class Mailpieces of the following shapes: letters, postcards, flats, parcels, and IPPs.

Table 5.2.4.2
Mailstream Processing Unit Cost for Forwarding Priority Mail Non-locally

	A	B	C	D	E	F
	Mail		Mail			
	Processing	Volume	Processing	Transportation	Piggyback	Total
	Overall Cost	(Thousands)	Cost/Piece	Cost/Piece	Factor	Cost/Piece
	<u>(Thousands)</u>	<u>(Thousands)</u>	<u>Cost/Piece</u>	<u>Cost/Piece</u>	<u>Factor</u>	<u>Cost/Piece</u>
1. Non-local Priority Mail	\$3,104 (1)	5,389 (2)	\$0.5760	\$0.0007 (3)	72.4% (4)	\$0.9942

(1) Developed

(2) This

(3) This

(4) Based on the R97 rate case, piggyback factor for mail processing.

(1) Developed from FY98 IOCS survey data. This is the cost of mail processing for forwarded (23.D.F) nonlocally, Priority Mailpieces of the following shapes: letters, flats, IPPs, and parcels.

(2) This is a portion of Priority Mail. Refer to section 4.0, Volume Profile, Table 4.3, volume of First-Class Mail that is forwarded, and to Table 4.2 for volume of Priority Mail.

(3) This is the ratio of Cost Segment 14: Transportation (FY98 CRA), for Priority Mail and the total volume of Priority Mail pieces from the 1998 RPW.

(4) Based on the FY98 CRA, piggyback factor for mail processing.

Table 5.2.4.2
Mailstream Processing Unit Cost for Forwarding Priority Mail Non-locally

	A	B	C	D	E	F
	Mail		Mail			
	Processing	Volume	Processing	Transportation	Piggyback	Total
	Overall Cost		Cost/Piece	Cost/Piece	Factor	Cost/Piece
	<u>(Thousands)</u>	<u>(Thousands)</u>				
1. Non-local Priority Mail	\$3,104 (1)	5,389 (2)	\$0.5760	\$0.0007 (3)	72.4% (4)	\$0.9942

(1) Developed

(2) This

(3) This

(4) Based on the R97 rate case, piggyback factor for mail processing.

(1) Developed from FY98 IOCS survey data. This is the cost of mail processing for forwarded (23.D.F) nonlocally, Priority Mailpieces of the following shapes: letters, flats, IPPs, and parcels.

(2) This is a portion of Priority Mail. Refer to section 4.0, Volume Profile, Table 4.3, volume of First-Class Mail that is forwarded, and to Table 4.2 for volume of Priority Mail.

(3) This is the ratio of Cost Segment 14: Transportation (FY98 CRA), for Priority Mail and the total volume of Priority Mail pieces from the 1998 RPW.

(4) Based on the FY98 CRA, piggyback factor for mail processing.

Table 5.2.4.3
Cost per Piece for Mailstream Processing of Forms

	A	B	C
	Total Mailstream Processing Cost per Mailpiece (1)	Forms per Mailpiece	Total Mailstream Processing Cost per Form (2)
1. Form 3547	\$0.2216	1.02 (3)	\$0.2174
2. Form 3546	\$0.1148	1	\$0.1148
3. Form 3579	\$0.5907	3.47 (4)	\$0.1703
4. Form 3575	\$0.1148	1.02 (3)	\$0.1126

(1) Volume Variable Unit Mailstream Processing Costs.

(2) The cost per form is obtained by dividing the mailstream processing cost per mailpiece by the average number of forms in a mailpiece.

(3) Based on a 2-week sample period, developed from UAA Form 7 (See Appendix A).

(4) Based on a 2-week sample period developed from the CFS Daily Report.

Table 5.2.5.1
Cost per Piece in the Postage Due/Accountable Mail Unit for UAA Mail with Postage Due

	A	B	C	D	E
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Preparation	0.0041	\$30.84	\$0.1272	72.4%	\$0.2193
2. Accept and Clear	0.0060	\$30.84	\$0.1844	72.4%	\$0.3179
3. Total					\$0.5371
4. Prepare Form 3546	0.0367	\$30.84	\$1.1331	72.4%	\$1.9535

(1) Based on a 2-week sample period, developed from UAA Form 1 (See Appendix A).

(2) External Inputs B132

(3) External Inputs B2

Table 5.2.5.2
Disposition of UAA Postage Due Mail that is Forwarded

	A	B	C	D	E	F	G	H
	Accountable Mail Unit		Call Window		Total		Adjusted Total (1)	
	Volume (Thousands) (2)	Percent	Volume (Thousands) (3)	Percent	Volume (Thousands)	Percent (4)	Volume (Thousands)	Percent
1. Pieces Paid	5,312	63.00%	4,776	89.63%	10,087	87.95%	10,260	87.95%
2. Returned to Sender	829	9.83%	357	6.69%	1,185	10.34%	1,206	10.34%
3. Treated as Waste	0	0.00%	196	3.68%	196	1.71%	200	1.71%
4. Notice Left	2,291	27.17%	N/A	N/A	196			
5. Total	8,432	100.00%	5,328	100.00%	11,665	100.00%	11,665	100.00%
6. Form 3546 Preparation	79		37		116	1.00%		

(1) The adjusted volumes contain the appropriate percentage of Row 4, Column E.

(2) Based on a 2-week sample period, developed from UAA Form 1 (See Appendix A).

(3) Based on a 2-week sample period, developed from UAA Form 2 (See Appendix A).

(4) These percents are based on the sum of Rows 1 through 3.

Table 5.2.5.3
Cost per Piece for Carrier Delivery of UAA Mail Requiring Postage Due

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Postage Due Mail Forwarded							
a. Sign For and Clear Accountable Items	0.0060	\$32.62	\$0.1950	1.00	0.1950	34.5%	\$0.2623
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.0168 (4)	1.00	0.0168	36.0%	\$0.0228
c. Leave Notice/Process Pieces Refused	N/A	N/A	\$0.0168 (4)	0.02 (5)	0.0003	36.0%	\$0.0004
Total							\$0.2855
2. Postage Due/Address Correction Mail Returned							
a. Sign For and Clear Accountable Items	0.0060	\$32.62	\$0.1950	1.00	0.1950	34.5%	\$0.2623
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.0168 (4)	1.00	0.0168	36.0%	\$0.0228
Total							\$0.2851

(1) Refer to Table 5.2.5.1, Row 2, Column A.

(2) Externat Inputs B133

(3) Externat Inputs B3 and B4

(4) Estimated as a portion of FY98 City Delivery Carrier Cost for special services, COD. The factor was obtained from "Volumes, Characteristics, and Costs of Processing Undeliverable-As-Addressed Mail", 1995, Table 5.3.5.3. After applying the factor, the cost was spread over the number of transactions. (see FY 98 RPW)

(5) This is the percent of notices left. Refer to Table 5.2.5.2, Row 4, Column E divided by Row 5, Column E.

Table 5.2.5.4
Cost per Piece for UAA Mail Forwarded with Postage Due and Delivered at Call Window

	A	B	C	D	E	F	G
	<u>Hours/Piece (1)</u>	<u>Frequency</u>	<u>Weighted Hours/Piece</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Preparation	0.0008	1.00	0.00076	\$30.84	\$0.0236	46.5%	\$0.0346
2. Collection of Postage Due	0.0005	0.90 (4)	0.00041	\$30.84	\$0.0125	46.5%	\$0.0183
3. Postage Due Not Collected at Window	0.0005	0.10 (5)	0.00005	\$30.84	\$0.0014	46.5%	\$0.0021
4. Total							\$0.0550
5. Form 3546 Preparation for Refusing Postage	0.0278	1.00	0.02775	\$30.84	\$0.8559	46.5%	\$1.2539

(1) Based on a 2-week sample period, developed from UAA Form 2 (See Appendix A).

(2) External Inputs B132

(3) External Inputs B5

(4) This represents the percent of postage due mail that customers 'buy' at the call window. Refer to Table 5.2.5.2, Row 1, Column C, divided by Row 5, Column C.

(5) This represents the percent of postage due mail that customers refuse at the call window. Refer to Table 5.2.5.2, the sum of Rows 2 and 3, Column C, divided by Row 5, Column C.

Table 5.2.5.3
Cost per Piece for Carrier Delivery of UAA Mail Requiring Postage Due

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
	<u>Hours/Piece (1)</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Postage Due Mail Forwarded							
a. Sign For and Clear Accountable Items	0.0060	\$32.82	\$0.1950	1.00	0.1950	34.5%	\$0.2623
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.0168 (4)	1.00	0.0168	36.0%	\$0.0228
c. Leave Notice/Process Pieces Refused	N/A	N/A	\$0.0168 (4)	0.02 (5)	0.0003	36.0%	\$0.0004
Total							\$0.2855
2. Postage Due/Address Correction Mail Returned							
a. Sign For and Clear Accountable Items	0.0060	\$32.82	\$0.1950	1.00	0.1950	34.5%	\$0.2623
b. Attempt Delivery and Collect Postage Due	N/A	N/A	\$0.0168 (4)	1.00	0.0168	36.0%	\$0.0228
Total							\$0.2851

(1) Refer to Table 5.2.5.1, Row 2, Column A.

(2) External Inputs B133

(3) External Inputs B3 and B4

(4) Estimated as a portion of FY98 City Delivery Carrier Cost for special services, COD. The factor was obtained from "Volumes, Characteristics, and Costs of Processing Undeliverable-As-Addressed Mail", 1995, Table 5.3.5.3. After applying the factor, the cost was spread over the number of transactions. (see FY 98 RPW)

(5) This is the percent of notices left. Refer to Table 5.2.5.2, Row 4, Column E divided by Row 5, Column E.

Table 5.2.5.4
Cost per Piece for UAA Mail Forwarded with Postage Due and Delivered at Call Window

	A	B	C	D	E	F	G
	<u>Hours/Piece (1)</u>	<u>Frequency</u>	<u>Weighted Hours/Piece</u>	<u>Labor Rate (2)</u>	<u>Cost/Piece</u>	<u>Piggyback Factor (3)</u>	<u>Total Cost/Piece</u>
1. Preparation	0.0008	1.00	0.00076	\$30.84	\$0.0236	46.5%	\$0.0346
2. Collection of Postage Due	0.0005	0.90 (4)	0.00041	\$30.84	\$0.0125	46.5%	\$0.0183
3. Postage Due Not Collected at Window	0.0005	0.10 (5)	0.00005	\$30.84	\$0.0014	46.5%	\$0.0021
4. Total							\$0.0550
5. Form 3546 Preparation for Refusing Postage	0.0278	1.00	0.02775	\$30.84	\$0.8559	46.5%	\$1.2539

(1) Based on a 2-week sample period, developed from UAA Form 2 (See Appendix A).

(2) External Inputs B132

(3) External Inputs B5

(4) This represents the percent of postage due mail that customers 'buy' at the call window. Refer to Table 5.2.5.2, Row 1, Column C, divided by Row 5, Column C.

(5) This represents the percent of postage due mail that customers refuse at the call window. Refer to Table 5.2.5.2, the sum of Rows 2 and 3, Column C, divided by Row 5, Column C.

Table 5.2.5.5
Cost per Piece for Preparation and Processing of Form 3546

	A	B	C	D	E
	<u>Cost/Piece</u>	<u>Frequency</u>	<u>Weighted Cost/Piece</u>	<u>Piggyback Factor (1)</u>	<u>Total Cost/Piece</u>
1. Preparation - Accountable Mail Unit	\$1.1331 (2)	0.68 (3)	\$0.7679	72.4%	\$1.3239
2. Preparation - Call Window	\$0.8559 (4)	0.32 (5)	\$0.2759	46.5%	\$0.4041
3. Preparation Subtotal					\$1.7280
4. Mail Processing Form 3546	\$0.1223 (6)	1.00	\$0.1223	72.4%	\$0.2108
5. Carrier Processing Form 3546	N/A	N/A	\$1.7032 (7)	34.5%	\$2.2907
6. Clerk - Filing Form 3546	\$0.2344 (8)	1.00	\$0.2344	46.5%	\$0.3434
7. Total					\$4.5729

(1) External Inputs B2, B3, B5.

(2) Refer to Table 5.2.5.1, Row 4, Column C.

(3) Refer to Table 5.2.5.2, Row 6, Column A divided by Row 6, Column E.

(4) Refer to Table 5.2.5.4, Row 5, Column E.

(5) Refer to Table 5.2.5.2, Row 6, Column C divided by Row 6, Column E.

(6) Refer to Table 5.2.4.1, Row 1, Column F.

(7) Estimated as a portion of Row 3, Column C. Factor developed from 1982 Mail Forwarding Cost Study, Table V-20, Rows 3 and 5, Column C.

(8) Estimated as an analogy to filing Form 3575. Refer to Table 5.2.1.1, Row 3, Column E.

Table 5.2.6.1
Total Cost for Applicable Programs at the National Customer Support Center

	A	B	C	D
	USPS Labor Costs	Contract Labor Costs	Non-Labor Costs	
	<u>(Thousands) (1)</u>	<u>(Thousands) (2)</u>	<u>(Thousands) (3)</u>	<u>Total Cost</u>
1. Move Update	\$327	\$3,877	\$2,031	\$6,235
• National Change of Address (NCOA)				
• Fastforward (MLOCR & MLC)				
• Address Change Service (ACS)				
• Computerized Forwarding System (CFS)				
2. Address Quality	\$802	\$1,592	\$530	\$2,923
• Address Management System (AMS)				
• Delivery Sequence File (DSF)				
• Address Element Correction (AEC)				
• Coding Accuracy Support System (CASS)				
• MLOCR Accuracy Support System (MASS)				
• Locatable Address Conversion System (LACS)				
• National Delivery Index (NDI)				
3. Total	\$1,129	\$5,469	\$2,561	\$9,158

(1) Based on NCSC annual budget figures.

(2) These are loaded labor rates, originating from the Orkand labor contract.

(3) These costs are based on annual capital and expense budget figures.

Table 5.2.6.2
Total Cost of CFS Headquarters Operations

	A	B	C	D
	USPS Labor Costs	Contract Labor Costs	Equipment and Supplies	
	<u>(Thousands) (1)</u>	<u>(Thousands) (2)</u>	<u>(Thousands) (3)</u>	<u>Total Cost (Thousands)</u>
CFS Headquarters Operations	\$330	\$845	\$7,522	\$8,697

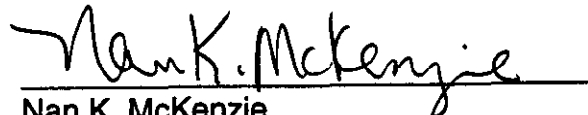
(1) Based on CFS annual budget figures.

(2) These are loaded labor rates, originating from the Orkand labor contract.

(3) These costs are based on annual capital and expense budget figures. Also included are local purchases by CFS Units based on a 2-week sample period, developed from UAA Form 7 (See Appendix A).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Nan K. McKenzie

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
November 5, 2001