

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

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OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF UNITED STATES POSTAL SERVICE
OF FILING OF SECOND ERRATA TO LIBRARY REFERENCE J-64
(November 27, 2001)

The United States Postal Service hereby provides notice that it is today filing errata to USPS LR-J-64. USPS LR-J-64 was filed on September 24, 2001, and the first errata (which made a single change in Attachment B, Page 7, Footnote 4) was filed on November 8, 2001. The changed pages are Attachment A at pp. 1, 17, 18, 19, 25, and 26; Attachment B at pp. 5, 6, 9, 10, 11, 12, 13, 14 and 15; and Attachment I at pp. 4, 5, 8, 9, 14, 15, 16, 17, 19 and 20.

This erratum is being filed to make the following corrections. First, it has been pointed out that the "weighted average model cost" equation on page 1 of Attachment A contained an invalid reference. The equation was incorrectly linked to the "model weight" instead of the "weighted modeled cost" in the intra-BMC machinable Parcel Post mail processing model (page 11 of Attachment A). The equation has been corrected. Second, it has been pointed out that the wrong piggyback factors were used in the "crossdock at destination SCF" and "crossdock at destination BMC" operations in three mailprocessing mailflow models: DSCF machinable, DSCF nonmachinable and DSCF oversize. These three models, found in LR-J-64, Attachment A, pages 17, 18 and 19, have been corrected. Moreover, because the end results of LR-J-64, Attachment A

feed into LR-J-64, Attachment I (Final Adjustments), this spreadsheet has also been revised.

Furthermore, since these revisions impact the Parcel Post final adjustments, this erratum also incorporates another revision that impacts the Parcel Post final adjustments. It was pointed out in POIR-2, question 4, that the Parcel Post transportation model in LR-J-64, Attachment B used a slightly different Parcel Post DBMC volume distribution than that which was used by witness Kiefer in LR-J-106. At that time, the results of making that change were filed in response to the POIR but not the revised spreadsheets. This erratum also incorporates this change to the calculation of final adjustments.


A complete, revised electronic copy of Library Reference J-64 is also being provided to the Commission.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 27, 2001

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.


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November 27, 2001

PARCEL POST MAIL PROCESSING COST SUMMARY AND DEVELOPMENT

Table 1: Nonmodel Cost Factor Development

| | | |
|-----------------------------|---------|----|
| Weighted Avg Model Cost | | 1/ |
| Proportional Cost Pools | \$1.360 | 2/ |
| CRA Proportional Adjustment | | 3/ |
| CRA Fixed Adjustment | \$0.170 | 4/ |

Sources for Table 1

Attachment A pages 8 to 22.
Attachment A page 2.
Row (2) / row (1).
Attachment A, page 2.

Table 2: Total Cost Development

| | [1] Model Cost (Attachment A, pages 8 through 23) | [2] Proportional Adjustment (= row (3)) | [3] Fixed Adjustment (= row (4)) | [4] Adjusted Cost (= [1] * [2] + [3]) | |
|----------------------|---|--|---|--|------|
| Inter Mach | \$1.890 | | 0.170 | | [4a] |
| Inter NMO | \$4.477 | | 0.170 | | [4b] |
| Inter NMO > 108* | \$11.160 | | 0.170 | | [4c] |
| Intra Mach | \$1.499 | | 0.170 | | [4d] |
| Intra NMO | \$3.469 | | 0.170 | | [4e] |
| Intra NMO > 108* | \$8.667 | | 0.170 | | [4f] |
| DBMC Mach | \$0.927 | | 0.170 | | [4g] |
| DBMC NMO | \$2.416 | | 0.170 | | [4h] |
| DBMC > 108* | \$4.901 | | 0.170 | | [4i] |
| DSCF Mach | | | 0.170 | | [4j] |
| DSCF NMO | | | 0.170 | | [4k] |
| NEW DSCF 3-digit NMO | \$1.317 | | 0.170 | | [4l] |
| DSCF > 108 | | | 0.170 | | [4m] |
| DDU Mach | \$0.132 | | 0.170 | | [4n] |
| DDU NMO | \$0.197 | | 0.170 | | [4o] |
| DDU > 108 | \$0.385 | | 0.170 | | [4p] |

Table 3: Parcel Post Unit Cost Difference Summary

| | Cost Difference [5] | |
|--|---------------------------|-------|
| Total BMC Presort Cost Savings | | |
| Mach | | [5a] |
| NMO | | [5b] |
| Weighted | | [5c] |
| Total OBMC Cost savings | | |
| Mach | | [5d] |
| NMO | | [5e] |
| Weighted | | |
| Intra mach cost savings (compared to Inter mach) | | [5f] |
| DBMC Mach Cost Savings | | [5g] |
| DBMC mach mail procesasing cost savings (compared to Intra mach) | | [5h] |
| Window Cost savings | | [5i] |
| DBMC NMO Cost Savings | | [5j] |
| DBMC NMO mail procesasing cost savings (compared to Intra NMO) | | [5k] |
| DSCF Savings compared to DBMC | | |
| Mach | | [5l] |
| NMO | | [5m] |
| Weighted Average | | [5n] |
| DDU savings compared to DBMC | | |
| Mach | | [5o] |
| NMO | | [5p] |
| Weighted Average | | [5q] |
| Cost Data to support NMO surcharge | | |
| Inter NMO cost difference | | [5r] |
| Intra NMO cost difference | | [5s] |
| DBMC NMO cost difference | | [5t] |
| Cost Data to support NMO > 108 rate | | |
| Inter NMO > 108 cost difference | | [5u] |
| Intra NMO > 108 cost difference | | [5v] |
| DBMC NMO > 108 cost difference | | [5w] |
| DSCF NMO > 108 cost difference | | [5x] |
| DDU NMO > 108 cost difference | | [5y] |
| Proposed 3-digit presort (additional cost compared to DSCF weighted average) | | [5z] |
| Barcode Discount | | [5aa] |

Sources for Cost Differences:

Attachment A, page 24.
Attachment A, page 24.
Attachment A, page 24.

[5a] + [5g]
[5b] + [5j]

[4a] - [4d]
[5h] + [5i]
[4d] - [4g]
Attachment A, page 27, row 15.
[5i] + [5k]
[5e] - [5h]

[4j] - [4g]
[4h] - [4k]
[5l] * (% mach) + [5m] * (% nmo).

[4g] - [4n]
[4o] - [4h]
[5o] * (% mach) + [5q] * (% nmo).

[4b] - [4a]
[4e] - [4d]
[4h] - [4d]

[4c] - [4a]
[4f] - [4d]
[4i] - [4g]
[4m] - [4j]
[4n] - [4p]

[4l] - (% mach) * [4j] - (% nmo) * [4k].
Attachment A, page 26, row 4.

Machinable DSCF Mail Processing Cost Model

| | [1] # handlings | [2] units/hr | [3] conversion | [4] piggyback | [5] \$ per oper. | [6] \$ per facility |
|----------------------------------|--------------------|-----------------|-------------------|------------------|---------------------|------------------------|
| Destination BMC | | | | | | |
| Unload Pallet/Pallet Box | 0.1230 | 12.2 | 61.2 | 1.78 | \$0.0730 | \$0.0090 |
| Cross dock Pallet/Pallet Box | 0.1230 | 7.0 | 61.2 | | | |
| Load Pallet/Pallet Box | 0.1230 | 13.3 | 61.2 | 1.78 | \$0.0669 | \$0.0082 |
| Destination SCF | | | | | | |
| Unload Pallet/Pallet Box | 0.8770 | 12.2 | 61.2 | 1.66 | \$0.0678 | \$0.0594 |
| Unload Bedloaded Sacks | 0.0000 | 153.5 | 10.0 | 1.66 | \$0.0330 | \$0.0000 |
| Crossdock Pallet/Pallet Box | 0.8770 | 7.0 | 61.2 | | | |
| Crossdock bedloaded sacks | 0.0000 | 7.0 | 146.1 | | | |
| Load Pallet/Pallet Box | 0.8770 | 13.3 | 61.2 | 1.66 | \$0.0621 | \$0.0544 |
| Bedload Sacks | 0.0000 | 181.8 | 10.0 | 1.66 | \$0.0279 | \$0.0000 |
| Destination Delivery Unit | | | | | | |
| Unload Pallet/Pallet Box | 1.0000 | 12.2 | 61.2 | 1.66 | \$0.0678 | \$0.0678 |
| Unload Bedloaded Sacks | 0.0000 | 153.5 | 10.0 | 1.66 | \$0.0330 | \$0.0000 |
| Dump Sacks | 0.0000 | 110.4 | 10.0 | 1.66 | \$0.0458 | \$0.0000 |
| Move Containers from Dock | 1.0000 | 28.0 | 61.2 | 1.47 | \$0.0263 | \$0.0263 |
| Sort Parcels | 1.0000 | 460.6 | 1.0 | 1.46 | \$0.0968 | \$0.0968 |

| | |
|---------------------------|------|
| Model Cost | |
| Model Weight ¹ | 1.4% |
| Wtd Modeled Cost | |

Sources

Column [1]: Attachment A, page 4, arrival and dispatch profiles.
Column [2]: Attachment A, page 3, units per workhour.
Column [3]: Attachment A, page 7, conversion factors.
Column [4]: Attachment A, page 5, piggyback factors.
Column [5]: (Adjusted wage rate * column [4]) / (column [2] * column [3]).
Column [6]: (Column [1]) * (column [5]).

¹ Weights derived from volumes in Attachment A, page 6.

Nonmachinable DSCF Mail Processing Cost Model

| | [1] # handlings | [2] units/hr | [3] conversion | [4] piggyback | [5] \$ per oper. | [6] \$ per facility |
|----------------------------------|--------------------|-----------------|-------------------|------------------|---------------------|------------------------|
| Destination BMC | | | | | | |
| Unload Pallet/Pallet Box | 0.1230 | 12.2 | 20.5 | 1.78 | \$0.2182 | \$0.0268 |
| Crossdock Pallet/Pallet Box | 0.1230 | 7.0 | 20.5 | | | |
| Load Pallet/Pallet Box | 0.1230 | 13.3 | 20.5 | 1.78 | \$0.1999 | \$0.0246 |
| Destination SCF | | | | | | |
| Unload Pallet/Pallet Box | 0.8770 | 12.2 | 20.5 | 1.66 | \$0.2024 | \$0.1775 |
| Crossdock Pallet/Pallet Box | 0.8770 | 7.0 | 20.5 | | | |
| Load Pallet/Pallet Box | 0.8770 | 13.3 | 20.5 | 1.66 | \$0.1854 | \$0.1626 |
| Destination Delivery Unit | | | | | | |
| Unload Pallet/Pallet Box | 1.0000 | 12.2 | 20.5 | 1.66 | \$0.2024 | \$0.2024 |
| Move Containers from Dock | 1.0000 | 28.0 | 20.5 | 1.47 | \$0.0785 | \$0.0785 |
| Sort Parcels | 1.0000 | 460.6 | 1.0 | 1.46 | \$0.0968 | \$0.0968 |

| | |
|---------------------------------|-------|
| Model Cost | |
| Model Weight¹ | 0.09% |
| Wtd Modeled Cost | |

Sources

Column [1]: Attachment A, page 4, arrival and dispatch profiles.
Column [2]: Attachment A, page 3, units per workhour.
Column [3]: Attachment A, page 7, conversion factors.
Column [4]: Attachment A, page 5, piggyback factors.
Column [5]: (Adjusted wage rate * column [4]) / (column [2] * column [3]).
Column [6]: (Column [1]) * (column [5]).

¹ Weights derived from volumes in Attachment A, page 6.

Nonmachinable DSCF Mail Processing Cost Model
Length plus Girth Between 108" and 130"

| | [1] # handlings | [2] units/hr | [3] conversion | [4] piggyback | [5] \$ per oper. | [6] \$ per facility |
|----------------------------------|--------------------|-----------------|-------------------|------------------|---------------------|------------------------|
| Destination BMC | | | | | | |
| Unload Pallets | 0.1230 | 12.2 | 7.0 | 1.78 | \$0.6406 | \$0.0788 |
| Cross dock pallets | 0.1230 | 7.0 | 7.0 | | | |
| Load Pallets | 0.1230 | 13.3 | 7.0 | 1.78 | \$0.5868 | \$0.0722 |
| Destination SCF | | | | | | |
| Unload Pallets | 0.8770 | 12.2 | 7.0 | 1.66 | \$0.5943 | \$0.5212 |
| Crossdock Pallets | 0.8770 | 7.0 | 7.0 | | | |
| Load Pallets | 0.8770 | 13.3 | 7.0 | 1.66 | \$0.5443 | \$0.4774 |
| Destination Delivery Unit | | | | | | |
| Unload Pallets | 1.0000 | 12.2 | 7.0 | 1.66 | \$0.5943 | \$0.5943 |
| Move Containers from Dock | 1.0000 | 28.0 | 7.0 | 1.47 | \$0.2305 | \$0.2305 |
| Sort Parcels | 1.0000 | 460.6 | 1.0 | 1.46 | \$0.0968 | \$0.0968 |

| | |
|---------------------------------|--------|
| Model Cost | |
| Model Weight¹ | 0.002% |
| Wtd Modeled Cost | |

Sources

Column [1]: Attachment A, page 4, arrival and dispatch profiles.
Column [2]: Attachment A, page 3, units per workhour.
Column [3]: Attachment A, page 7, conversion factors.
Column [4]: Attachment A, page 5, piggyback factors.
Column [5]: (Adjusted wage rate * column [4]) / (column [2] * column [3]).
Column [6]: (Column [1]) * (column [5]).

¹Weights derived from volumes in Attachment A, page 6.

BMC PRESORTED PARCEL POST COST PER PIECE

| Operation | [1] # handling | [2] units/hr | [3] conversion | [4] piggyback | [5] \$ per oper | [6] cost |
|----------------------------------|-------------------|-----------------|-------------------|------------------|--------------------|-------------|
| Machinable BMC Presort | | | | | | |
| Origin BMC | | | | | | |
| Unload Pallet Box | 1.0000 | 12.2 | 95.4 | 1.78 | \$0.0468 | \$0.0468 |
| Crossdock Pallet Box | 1.0000 | 7.0 | 95.4 | | | |
| Load Pallet Box | 1.0000 | 13.3 | 95.4 | 1.78 | \$0.0429 | \$0.0429 |
| Destination BMC | | | | | | |
| Unload Pallet Box | 1.0000 | 12.2 | 95.4 | 1.78 | \$0.0468 | \$0.0468 |
| Nonmachinable BMC Presort | | | | | | |
| Origin BMC | | | | | | |
| Unload Pallets | 1.0000 | 12.2 | 22.3 | 1.78 | \$0.2005 | \$0.2005 |
| Crossdock Pallets | 1.0000 | 7.0 | 22.3 | | | |
| Load NMOs Pallets | 1.0000 | 13.34 | 22.3 | 1.78 | \$0.1836 | \$0.1836 |
| Destination BMC | | | | | | |
| Unload Pallets | 1.0000 | 12.22 | 22.3 | 1.78 | \$0.2005 | \$0.2005 |

Sources

Column [1]: Each handled only one time.

Column [2]: Attachment A, page 3 (units per workhour).

Column [3]: Conversion factor. Reflects the average between the minimum requirements and maximum fullness.
"Mach min 52", max 69". NMO min 42", max 48 ".

Column [4]: Attachment A, page 5, test year operation specific piggyback factors.

Column [5]: (Wage rate * column [4]) / (column [2] * column [3]).

Column [6]: Column [5] * column [1].

Prebarcoding Cost Savings Development Summary

| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] CRA Prop | [10] |
|---------------------------------------|-------------|----------|------------|-----------|---------------------|----------|-----------------------------|------------------|-------------------|-------------------|
| | # handlings | units/hr | conversion | piggyback | \$ per operation | facility | Cost of ribbon and label | Modeled Costs | Adjust. Factor | Adjusted Costs |
| NON-BARCODED | | | | | | | | | | |
| Parcel Sorting Machine (Key) | 1.0000 | 806.0 | 1.0 | 2.140 | \$0.0812 | \$0.0812 | 0.0005 | \$0.0817 | | |
| BARCODED | | | | | | | | | | |
| Scan (Primary) ¹ | 1.0000 | 1224.0 | 1.0 | 2.140 | \$0.0535 | \$0.0535 | | \$0.0535 | | |
| Key (assumes 3 percent non-read rate) | 0.0300 | 806.0 | 1.0 | 2.140 | \$0.0812 | \$0.0024 | 0.0005 | \$0.0025 | | |
| Total | | | | | | | | | | |

Total Test Year Attributable Costs Avoided by Nonpresort Prebarcoded Machinable Parcels

1/

¹ Secondary productivity is used as a proxy for scan productivity.

Sources

- Column [1]: Number of handlings for scan is reduced to reflect parcel singulators.
- Column [2]: Attachment A, page 3 (units per workhour).
- Column [3]: Handle one parcel at a time.
- Column [4]: Attachment A, page 5, piggyback factors.
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: Column [1] * column [5].
- Column [7]: Docket No. R97-1, USPS-T-29, Exhibit E, page 6, column 5.
- Column [8]: Column [6] + column [7].
- Column [9]: Attachment A, page 1, row 3.
- Column [10]: Modeled Cost [8] * proportional adjustment factor [9].

Row 1/: Non-Barcoded adjusted cost[10] - barcoded adjusted cost [10].

Parcel Post Cubic Foot and Cubic Foot Mile Input Data
Parcel Select Cubic Feet by Zone and Weight Increment

| LBS | DDU | DSCF | Zones 1 & 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 | DBMC Total |
|--------------|-------------------|------------------|--------------------|-----------|---------|--------|--------|--------|--------|--------------------|
| 2 | 7,174,121 | 747,575 | 17,275,020 | | | | | | | 17,275,020 |
| 3 | 9,866,775 | 905,988 | 16,184,273 | | | | | | | 16,184,273 |
| 4 | 8,555,193 | 619,122 | 10,949,632 | | | | | | | 10,949,632 |
| 5 | 7,111,897 | 432,590 | 9,784,810 | | | | | | | 9,784,810 |
| 6 | 5,834,548 | 439,669 | 8,337,507 | | | | | | | 8,337,507 |
| 7 | 4,910,414 | 401,599 | 6,668,546 | | | | | | | 6,668,546 |
| 8 | 4,274,999 | 388,270 | 5,312,728 | | | | | | | 5,312,728 |
| 9 | 3,420,786 | 333,058 | 4,505,089 | | | | | | | 4,505,089 |
| 10 | 2,891,519 | 327,510 | 3,814,123 | | | | | | | 3,814,123 |
| 11 | 2,370,088 | 257,385 | 3,447,148 | | | | | | | 3,447,148 |
| 12 | 1,945,923 | 205,041 | 3,202,542 | | | | | | | 3,202,542 |
| 13 | 1,650,395 | 178,233 | 2,459,473 | | | | | | | 2,459,473 |
| 14 | 1,709,476 | 164,321 | 2,452,374 | | | | | | | 2,452,374 |
| 15 | 1,476,982 | 150,217 | 2,102,523 | | | | | | | 2,102,523 |
| 16 | 1,160,843 | 141,801 | 1,619,081 | | | | | | | 1,619,081 |
| 17 | 1,012,930 | 125,514 | 1,574,569 | | | | | | | 1,574,569 |
| 18 | 919,926 | 121,822 | 1,458,968 | | | | | | | 1,458,968 |
| 19 | 773,937 | 93,859 | 2,325,508 | | | | | | | 2,325,508 |
| 20 | 757,359 | 71,309 | 1,471,915 | | | | | | | 1,471,915 |
| 21 | 694,929 | 74,482 | 1,217,861 | | | | | | | 1,217,861 |
| 22 | 585,353 | 55,936 | 1,139,941 | | | | | | | 1,139,941 |
| 23 | 549,883 | 67,901 | 1,088,423 | | | | | | | 1,088,423 |
| 24 | 619,770 | 48,595 | 1,573,029 | | | | | | | 1,573,029 |
| 25 | 486,608 | 51,698 | 760,904 | | | | | | | 760,904 |
| 26 | 518,270 | 44,634 | 831,160 | | | | | | | 831,160 |
| 27 | 452,464 | 34,281 | 688,118 | | | | | | | 688,118 |
| 28 | 600,423 | 126,637 | 991,961 | | | | | | | 991,961 |
| 29 | 393,939 | 71,678 | 743,828 | | | | | | | 743,828 |
| 30 | 1,424,887 | 51,840 | 626,319 | | | | | | | 626,319 |
| 31 | 491,754 | 97,475 | 1,286,653 | | | | | | | 1,286,653 |
| 32 | 293,863 | 31,712 | 788,748 | | | | | | | 788,748 |
| 33 | 248,091 | 31,226 | 553,365 | | | | | | | 553,365 |
| 34 | 204,690 | 28,497 | 354,398 | | | | | | | 354,398 |
| 35 | 192,026 | 23,414 | 365,029 | | | | | | | 365,029 |
| 36 | 186,283 | 28,339 | 294,406 | | | | | | | 294,406 |
| 37 | 156,460 | 11,518 | 230,853 | | | | | | | 230,853 |
| 38 | 137,806 | 21,054 | 240,046 | | | | | | | 240,046 |
| 39 | 134,227 | 10,685 | 234,533 | | | | | | | 234,533 |
| 40 | 129,274 | 18,068 | 269,379 | | | | | | | 269,379 |
| 41 | 119,341 | 18,323 | 339,691 | | | | | | | 339,691 |
| 42 | 124,817 | 11,144 | 416,338 | | | | | | | 416,338 |
| 43 | 98,814 | 7,528 | 429,515 | | | | | | | 429,515 |
| 44 | 93,524 | 7,625 | 407,593 | | | | | | | 407,593 |
| 45 | 105,151 | 15,440 | 303,901 | | | | | | | 303,901 |
| 46 | 87,572 | 7,814 | 229,739 | | | | | | | 229,739 |
| 47 | 91,513 | 7,906 | 174,949 | | | | | | | 174,949 |
| 48 | 70,146 | 2,666 | 128,059 | | | | | | | 128,059 |
| 49 | 54,858 | 5,391 | 103,934 | | | | | | | 103,934 |
| 50 | 57,502 | 6,812 | 92,100 | | | | | | | 92,100 |
| 51 | 96,051 | 16,524 | 115,365 | | | | | | | 115,365 |
| 52 | 60,522 | 6,956 | 95,561 | | | | | | | 95,561 |
| 53 | 90,944 | 4,216 | 170,407 | | | | | | | 170,407 |
| 54 | 74,638 | 4,258 | 134,412 | | | | | | | 134,412 |
| 55 | 57,225 | 4,299 | 95,132 | | | | | | | 95,132 |
| 56 | 72,381 | 1,446 | 131,941 | | | | | | | 131,941 |
| 57 | 65,751 | 4,379 | 118,790 | | | | | | | 118,790 |
| 58 | 33,316 | 1,473 | 56,630 | | | | | | | 56,630 |
| 59 | 35,102 | 4,457 | 132,516 | | | | | | | 132,516 |
| 60 | 27,758 | 4,496 | 512,650 | | | | | | | 512,650 |
| 61 | 64,469 | 6,045 | 156,226 | | | | | | | 156,226 |
| 62 | 65,542 | 15,236 | 100,616 | | | | | | | 100,616 |
| 63 | 24,178 | 0 | 38,990 | | | | | | | 38,990 |
| 64 | 23,137 | 1,548 | 42,125 | | | | | | | 42,125 |
| 65 | 21,195 | 0 | 37,381 | | | | | | | 37,381 |
| 66 | 22,829 | 1,572 | 35,365 | | | | | | | 35,365 |
| 67 | 18,857 | 1,584 | 74,895 | | | | | | | 74,895 |
| 68 | 9,702 | 0 | 129,931 | | | | | | | 129,931 |
| 69 | 7,587 | 0 | 14,869 | | | | | | | 14,869 |
| 70 | 8,315 | 0 | 9,417 | | | | | | | 9,417 |
| Balloon | 5,345,574 | 480,649 | 8,996,450 | 1,827,455 | 300,161 | 0 | | | | 11,124,066 |
| Oversize | 872,726 | 78,471 | 1,468,773 | 442,377 | 153,907 | 7,868 | | | | 2,072,924 |
| Total | 84,320,149 | 7,762,813 | 134,519,046 | | | | | | | 134,519,046 |

All data are calculated by multiplying the number of pieces in each rate cell (USPS-T-33) by the corresponding estimated cubic feet per piece for DBMC parcels (Attachment B, page 1).

Parcel Post Cubic Foot and Cubic Foot Mile Input Data
Summary of Cubic Feet and Cubic Foot Miles by Rate Category and Zone

TY03 Cubic Feet by Zone

| Zone | [1] Inter-BMC | [2] Intra-BMC | [3] DBMC | [4] DSCF | [5] DDU | [6] Total |
|------------------------------|-------------------|-------------------|-------------|------------------|-------------------|--------------|
| Local | 0 | 1,092,866 | | 7,762,813 | 84,320,149 | 93,175,828 |
| 1-2 | 3,012,014 | 9,828,355 | 134,519,046 | | | 147,359,415 |
| 3 | 4,703,771 | 1,854,169 | | | | |
| 4 | 7,018,937 | 368,076 | | | | |
| 5 | 4,446,284 | 35,365 | | | | |
| 6 | 2,600,135 | 0 | | | | |
| 7 | 1,737,612 | 0 | | | | |
| 8 | 2,926,774 | 0 | | | | |
| Total | 26,445,528 | 13,178,830 | | 7,762,813 | 84,320,149 | |
| Total excluding local | | 12,085,964 | | | | |

FY00 Cubic Foot Miles by Zone

| Zone | [7] Inter-BMC | [8] Intra-BMC | [9] Parcel Select | [10] Total |
|--------------|-----------------------|----------------------|-----------------------|-----------------------|
| Local | 0 | 0 | 0 | 0 |
| 1-2 | 400,803,540 | 584,284,055 | 7,422,958,970 | 8,408,046,565 |
| 3 | 1,335,045,382 | 537,344,068 | 5,091,798,588 | 6,964,188,038 |
| 4 | 3,729,110,675 | 190,345,923 | 1,407,774,602 | 5,327,231,200 |
| 5 | 3,979,342,135 | 11,733,951 | 123,495,078 | 4,114,571,164 |
| 6 | 3,398,685,692 | 0 | 0 | 3,398,685,692 |
| 7 | 3,074,877,844 | 0 | 0 | 3,074,877,844 |
| 8 | 8,387,071,795 | 0 | 0 | 8,387,071,795 |
| Total | 24,304,937,063 | 1,323,707,997 | 14,046,027,238 | 39,674,672,298 |

Sources

Column [1]: Attachment B page 3, total cubic feet for each zone.
Column [2]: Attachment B, page 4, total cubic feet for each zone.
Column [3]: Attachment B, page 5, total cubic feet for each zone.
Column [4]: Attachment B, page 5, total cubic feet for each zone.
Column [5]: Attachment B, page 5, total cubic feet for each zone.
Column [6]: Sum of column [1] through [5].
Column [7]: USPS LR-J-67.
Column [8]: USPS LR-J-67.
Column [9]: USPS LR-J-67.
Column [10]: Column [7] + column [8] + column [9].

Division of Parcel Post Transportation Costs
Division of Functional Costs Into Rate Categories

| | Local | Intermediate | Long Distance | |
|--|------------|--------------|---------------|-----|
| Transportation costs for all parcel post: | \$188,854 | \$219,766 | \$73,145 | 1/ |
| Transportation Costs for non-DBMC | \$9,002 | | | 2/ |
| Transportation costs for Inter-BMC and Intra-BMC only | | \$2,490 | | 3/ |
| Total Transportation Costs | \$197,856 | \$222,256 | \$73,145 | 4/ |
| Inter-BMC cubic feet: | 26,445,528 | 26,445,528 | 26,445,528 | 5/ |
| Intra-BMC cubic feet: | 13,178,830 | 13,178,830 | 13,178,830 | 6/ |
| DBMC cubic feet: | | | | 7/ |
| DSCF cubic feet | 7,762,813 | 7,762,813 | 7,762,813 | 8/ |
| DDU cubic feet | 84,320,149 | 84,320,149 | 84,320,149 | 9/ |
| Total parcel post cubic feet: | | | | 10/ |
| Percentage of inter-BMC parcels entered at origin BMCs: | 6.68% | 6.68% | 6.68% | 11/ |
| Avg. number of local legs traveled by an inter-BMC parcel: | 1.93 | | | 12/ |
| Avg. number of intermediate legs traveled by an inter-BMC parcel: | | 1.93 | | 13/ |
| Avg. number of long distance legs traveled by an inter-BMC parcel: | | | 1.00 | 14/ |
| Percentage of intra-BMC cubic feet held out at the AO: | 4.15% | 4.15% | 4.15% | 15/ |
| Avg. number of local legs traveled by an intra-BMC parcel: | 1.92 | | | 16/ |
| Avg. number of intermediate legs traveled by an intra-BMC parcel: | | 1.92 | | 17/ |
| Avg. number of long distance legs traveled by an intra-BMC parcel: | | | 0.00 | 18/ |
| Avg. number of local legs traveled by a DBMC parcel: | 1.00 | | | 19/ |
| Avg. number of intermediate legs traveled by a DBMC parcel: | | 1.00 | | 20/ |
| Avg. number of long distance legs traveled by a DBMC parcel: | | | 0.00 | 21/ |
| Avg. number of local legs traveled by a DSCF parcel: | 1.00 | | | 22/ |
| Avg. number of intermediate legs traveled by a DSCF parcel: | | 0.00 | | 23/ |
| Avg. number of long distance legs traveled by a DSCF parcel: | | | 0.00 | 24/ |
| Avg. number of local legs traveled by a DDU Parcel: | 0.172 | | | 25/ |
| Avg. number of intermediate legs traveled by a DDU parcel: | | 0.00 | | 26/ |
| Avg. number of long distance legs traveled by a DDU parcel: | | | 0.00 | 27/ |
| Transportation costs incurred by inter-BMC rated parcels: | | | \$73,145 | 28/ |
| Transportation costs incurred by intra-BMC rated parcels: | | | \$0 | 29/ |
| Transportation costs incurred by DBMC rated parcels: | | | \$0 | 30/ |
| Transportation costs incurred by DSCF rated parcels: | | | | 31/ |
| Transportation costs incurred by DDU rated parcels: | | | | 32/ |
| Transportation costs for all parcel post: | \$197,856 | \$222,256 | \$73,145 | 33/ |

Sources

- Row 1/ Attachment B page 8 row 25 (local), row 27 (intermediate), rows 29&30 (long distance).
- Row 2/ Alaska air non-pref costs, Attachment B page 8 row 29.
- Row 3/ Plant Load Costs. Attachment B, page 8, row 28.
- Row 4/ Row (1) + row (2) + row (3).
- Row 5/ Attachment B, page 6, column 1, total inter-BMC cubic feet.
- Row 6/ Attachment B, page 6, column 2, total intra-BMC cubic feet.
- Row 7/ Attachment B, page 6, column 3, total DBMC cubic feet.
- Row 8/ Attachment B, page 6, column 4, total DSCF cubic feet.
- Row 9/ Attachment B, page 6, column 5, total DDU cubic feet.
- Row 10/ Sum of row (5) through row (9).
- Row 11/ OBMC TYBR volume/inter-BMC TYBR Volume.
- Row 12/ $[1 * \text{row (11)}] + [2 * [1 - \text{row (11)}]]$.
- Row 13/ $[1 * \text{row (11)}] + [2 * [1 - \text{row (11)}]]$.
- Row 14/ Inter-BMC rated parcels should receive one leg of long distance transportation.
- Row 15/ Attachment B, page 6, column 2, intra-BMC local cubic feet divided by intra-BMC total cubic feet.
The resulting quotient is multiplied by .5 to account for half of the intra-BMC parcels being held out at the local AO.
- Row 16/ $[(1 - \text{percent of local tran avoided by DDU parcel}) * \text{row (15)}] + [2 * (1 - \text{row (15)})]$.
- Row 17/ $[0 * \text{row (15)}] + [2 * [1 - \text{row (15)}]]$.
- Row 18/ Intra-BMC rated parcels should not receive long distance transportation.
- Row 19/ All DBMC parcels should receive one leg of local transportation.
- Row 20/ All DBMC parcels should receive one leg of intermediate transportation.
- Row 21/ DBMC parcels should not receive long distance transportation.
- Row 22/ Assumption. Assume DSCF only incurs 1 local leg of transportation.
- Row 23/ Assumption. Assume DSCF does not incur any intermediate legs of transportation.
- Row 24/ Assumption. Assume DSCF does not incur any long distance legs of transportation.
- Row 25/ Attachment B, page 14.
- Row 26/ Assumption. DDU does not incur any intermediate legs of transportation.
- Row 27/ Assumption. DDU does not incur any long distance legs of transportation.
- Rows (28-32)/ Costs distributed based on number of legs and cubic feet.
- Row 33/ Sum of rows (28) through (32).

Parcel Post Transportation Costs By Rate Category and Zone **Calculation of Inter-BMC Transportation Costs per Cubic Foot by Zone**

Inter-BMC parcel transportation costs by function and zone relation

Local costs incurred by inter-BMC parcels (NZR)

Intermediate costs incurred by inter-BMC parcels (NZR)

Long distance costs incurred by inter-BMC parcels (ZNR)

Long distance costs incurred by inter-BMC parcels (NZR)

Total inter-BMC parcel costs

\$41,205 1/
\$40,134 2/
\$69,820 3/
\$3,325 4/
\$152,494 5/

| | [1] | [2] | [3] | [4] | [5] | [6] | [7] |
|--------------|----------------------|-----------------|------------------|-------------|---------------|------------------|-------------------|
| | | Percentage of | Percentage of | | | Long | Long |
| | | inter-BMC cubic | inter-BMC | Local costs | Inter-mediate | distance | distance |
| Zone | inter-BMC cubic feet | feet | cubic foot miles | (000) | costs (000) | costs - ZR (000) | costs - NZR (000) |
| 1-2 | 3,012,014 | 11.39% | 1.65% | | | \$1,151 | \$379 |
| 3 | 4,703,771 | 17.79% | 5.49% | | | \$3,835 | \$591 |
| 4 | 7,018,937 | 26.54% | 15.34% | | | \$10,712 | \$883 |
| 5 | 4,446,284 | 16.81% | 16.37% | | | \$11,431 | \$559 |
| 6 | 2,600,135 | 9.83% | 13.98% | | | \$9,763 | \$327 |
| 7 | 1,737,612 | 6.57% | 12.65% | | | \$8,833 | \$218 |
| 8 | 2,926,774 | 11.07% | 34.51% | | | \$24,093 | \$368 |
| Total | 26,445,528 | 100.00% | 100.00% | | | \$69,820 | \$3,325 |

| | [8] | [9] | [10] | [11] | [12] | [13] |
|--------------|--------------------------|---------------------------------|----------------------------------|-----------------------------------|--------------------------|--------------------------------|
| | Local unit costs (\$/CF) | Intermediate unit costs (\$/CF) | Long dist. ZR unit costs (\$/CF) | Long dist. NZR unit costs (\$/CF) | Total unit costs (\$/CF) | Reconcile to total costs (000) |
| Zone | | | | | | |
| 1-2 | | | \$0.3823 | \$0.1257 | | \$11,705 |
| 3 | | | \$0.8153 | \$0.1257 | | \$30,317 |
| 4 | | | \$1.5262 | \$0.1257 | | \$35,307 |
| 5 | | | \$2.5710 | \$0.1257 | | \$37,011 |
| 6 | | | \$3.7549 | \$0.1257 | | \$36,074 |
| 7 | | | \$5.0835 | \$0.1257 | | \$34,322 |
| 8 | | | \$8.2320 | \$0.1257 | | \$34,348 |
| Total | | | | | | \$152,494 |

Sources

Row 1/: Attachment B, page 9, row 28.

Row 2/: Attachment B, page 9, row 28.

Row 3/: Attachment B, page 8, row 29.

Row 4/: Attachment B, page 8, row 30.

Row 5/: Row (1) + row (2) + row (3) + row (4).

Column [1]: Attachment B, page 6, column 1.

Column [2]: Cubic feet by zone divided by total cubic feet (column [1]).

Column [3]: Cubic foot miles per zone divided by total cubic foot miles. Attachment B, page 6.

Column [4]: Row (1) * column [2].

Column [5]: Row (2) * column [2].

Column [6]: Row (3) * column [3].

Column [7]: Row (4) * column [2].

Column [8]: Column [4] * 1000 / column [1].

Column [9]: Column [5] * 1000 / column [1].

Column [10]: Column [6] * 1000 / column [1].

Column [11]: Column [7] * 1000 / column [1].

Column [12]: Column [8] + column [9] + column [10] + column [11].

Column [13]: Column [12] * Attachment B, page 6 (inter-BMC cubic feet by zone).

Parcel Post Transportation Costs By Rate Category and Zone **Calculation of Intra-BMC Rated Parcel Costs per Cubic Foot by Zone**

Intra-BMC parcel transportation costs by function and zone relation

Local costs incurred by intra-BMC parcels (NZR)

Intermediate costs incurred by intra-BMC parcels (NZR)

Long distance costs incurred by intra-BMC parcels

Total intra-BMC parcel costs

\$20,439 1/
\$3,787 2/
\$0 3/
\$24,226 4/

Percent of local intra-BMC that is held out

50.00% 5/

| | [1] | [2] | [3] | [4] | [5] | [6] |
|-----------------------------------|-------------------|---|--------------------------------|----------------|-------------------------|----------------------------------|
| | Cubic feet | Average Local / Intermediate Legs | Average Cubic foot- legs | Percent | Local Trans Costs | Inter- mediate Trans Costs |
| Local zone | 1,092,866 | 1 | 1,092,866 | 4.33% | \$1,736 | \$1,029 |
| Non-local zone | 12,085,964 | 2 | 24,171,929 | 95.67% | \$18,342 | \$22,759 |
| Intra-city / box route adjustment | | | | | \$3,358 6/ | |
| Total | 13,178,830 | | 25,264,794 | 100.00% | \$20,439 | \$23,787 |

| | [7] | [8] | [9] | [10] |
|--------------|--------------------------------|---------------------------------------|--------------------------------|--------------------------------------|
| Zone | Local unit costs (\$/CF) | Intermediate unit costs (\$/CF) | Total unit costs (\$/CF) | Reconcile to total costs (000) |
| Local | \$0.0002 | \$0.0001 | \$0.0003 | \$2,046 |
| 1-2 | \$1.0089 | \$1.2530 | \$2,460 | \$34,301 |
| 3 | \$1.0089 | \$1.2530 | \$2,460 | \$3,471 |
| 4 | \$1.0089 | \$1.2530 | \$2,460 | \$1,283 |
| 5 | \$1.0089 | \$1.2530 | \$2,460 | \$123 |
| Total | | | | \$42,226 |

Sources

Row 1/: Attachment B, page 9, row 29.

Row 2/: Attachment B, page 9, row 29.

Row 3/: Attachment B, page 9, row 29.

Row 4/: Row (1) + row (2) + row (3).

Row 5/: Assumption from Docket no. R97-1, USPS-T-16.

Row 6/: Row 1 * Attachment B, page 14 (even held out parcels incur these costs).

Column [1]: Attachment B, page 6, column 2, intra-BMC cubic feet in the local zone and in all other zones.

Column [2]: Local zone legs reflect half of the local parcels being held out at the AO. Non-local zone legs reflect typical intra-BMC parcel.

Column [3]: Column [1] * column [2].

Column [4]: Percentage of cubic foot legs from column [3].

Column [5]: [Row (1) - row (6)] * column [4].

Column [6]: Row (2) * column [4].

Column [7]: Local zone unit cost = [(local zone costs from column [5]*100)] / local zone cubic feet from column [1]] + [(row (5)*1000) / total cubic feet].

Non-local zone unit cost = [(non-local zone costs from column [5]*1000) / non-local zone cubic feet from column [1]] + [(row (5)*1000) / total cubic feet].

Column [8]: Local zone unit cost = (local zone costs from column [6]*1000) / local zone cubic feet from column [1].

Non-local zone unit cost = (non-local zone costs from column [6]*1000) / non-local zone cubic feet from column [1].

Column [9]: Column [7] + column [8].

Column [10]: Column [9] * Attachment B, page 6, column 2 (intra-BMC cubic feet by zone).

Parcel Post Transportation Costs By Rate Category and Zone **Calculation of DBMC Rated Parcel Costs per Cubic Foot by Zone**

DBMC parcel transportation costs by zone relation

Local costs incurred by DBMC parcels (NZR)

Intermediate costs incurred by DBMC parcels (ZR)

Long distance costs incurred by DBMC parcels

Total DBMC parcel costs

\$118,238 1/
\$150,335 2/
\$0 3/
\$268,573 4/

| | [1] | [2] | [3] | [4] | [5] |
|--------------|--------------------|-------------------------------|-------------------------------------|-------------------|---------------------------|
| Zone | DBMC cubic feet | Percentage of DBMC cubic feet | Percentage of DBMC cubic foot miles | Local costs (000) | Inter-mediate costs (000) |
| 1-2 | 134,519,046 | 52.85% | 52.85% | \$118,238 | \$150,335 |
| 3 | 115,895 | 15.89% | 36.25% | \$118,238 | \$150,335 |
| 4 | 58,608 | 2.89% | 10.02% | \$118,238 | \$150,335 |
| 5 | 45,241 | 1.05% | 0.88% | \$118,238 | \$150,335 |
| Total | 135,401,882 | 100.00% | 100.00% | \$118,238 | \$150,335 |

| | [6] | [7] | [8] | [9] |
|--------------|--------------------------|---------------------------------|-------------------------------|--------------------------------|
| Zone | Local Unit Costs (\$/CF) | Intermediate Unit Costs (\$/CF) | Total DBMC Unit Costs (\$/CF) | Reconcile to Total Costs (000) |
| 1-2 | \$0.7140 | \$0.7140 | \$0.7140 | \$118,238 |
| 3 | \$0.7140 | \$0.7140 | \$0.7140 | \$118,238 |
| 4 | \$0.7140 | \$0.7140 | \$0.7140 | \$118,238 |
| 5 | \$0.7140 | \$0.7140 | \$0.7140 | \$118,238 |
| Total | \$0.7140 | \$0.7140 | \$0.7140 | \$118,238 |

Stamped Envelope [10] \$0.624

Sources

Row 1/: Attachment B, page 9, row 30.

Row 2/: Attachment B, page 9, row 30.

Row 3/: Attachment B, page 9, row 30.

Row 4/: Row (1) + row (2) + row (3).

Column [1]: Attachment B, page 6, column 3.

Column [2]: Column 1, DBMC cubic feet in the given zone divided by total DBMC c.f..

Column [3]: Attachment B, page 6, column 7, DBMC c.f.m. in the given zone divided by total DBMC c.f.m.

Column [4]: Row (1) * column [2].

Column [5]: Row (2) * column [3].

Column [6]: Column [4] * 1000 / column [1].

Column [7]: Column [5] * 1000 / column [1].

Column [8]: Column [6] + column [7].

Column [9]: Column [8] * column [1] / 1000.

Column [10]: Average cost per cubic foot. Used as a proxy for stamped envelopes.

Row (4) * 1000 / Total in Column [1].

Parcel Post Transportation Costs By Rate Category and Zone
Calculation of DSCF Rated Parcel Costs per Cubic Foot by Zone

DSCF parcel transportation costs by zone relation

Local costs incurred by DSCF parcels (NZR)

Total Cubic Feet

Cost per cubic foot

| | | |
|--|-----------|----|
| | \$6,257 | 1/ |
| | 7,762,813 | 2/ |
| | \$0.806 | 3/ |

Sources

Row 1/: Attachment B, page 9, row 31.

Row 2/: Attachment B, page 6, column 4.

Row 3/: Row (1)*1000 / Row (2).

Parcel Post Transportation Costs By Rate Category and Zone

Calculation of DDU Rated Parcel Costs per Cubic Foot by Zone

Calculation of DDU cost per cubic Foot

| | | |
|--|------------|----|
| Local costs incurred by DDU parcels (non-distance related) | 11718 | 1/ |
| Total Cubic Feet | 84,320,149 | 2/ |
| DDU cost per cubic foot | 10.139 | 3/ |

Calculation of number of local legs for DDU

| | | |
|--|----------|----|
| Percentage of intra-SCF highway and POV costs avoided by DDU parcels | 83.57% | 4/ |
| Test year local parcel post transportation costs | | |
| Highway and POV | \$81,998 | 5/ |
| Water | \$804 | 6/ |
| Total | \$82,803 | 7/ |
| Percentage of local transportation costs avoided by DDU parcels | 82.76% | 8/ |
| Number of local legs of transportation for DDU parcels | 17.24% | 9/ |

Sources

- Row 1/: Attachment B, page 9, row 32.
Row 2/: Attachment B, page 6, column 5.
Row 3/: Row (1) * 1000 / row (2).
Row 4/: Docket No R2000-1, USPS-T-26, Attachment N, page 5, row 10.
Row 5/: Attachment B, page 8, row 13.
Row 6/: Attachment B, page 8, row 13.
Row 7/: Row (5) + Row (6).
Row 8/: Row (4)*row (5) / row (7).
Row 9/: 1 - row (8).

Summary of Parcel Post Unit Transportation Costs by Zone **Cost per Cubic Foot by Zone for Each Rate Category**

| Inter-BMC | [1] Local costs | [2] Intermediate costs | [3] Long Dist ZR costs | [4] Long Dist NZR costs | [5] Total inter-BMC costs |
|-----------|-----------------------|------------------------------|------------------------------|-------------------------------|---------------------------------|
| Zone | | | | | |
| 1-2 | \$0.3581 | \$0.3201 | \$0.3823 | \$0.1257 | \$1.1862 |
| 3 | \$0.3581 | \$0.3201 | \$0.8153 | \$0.1257 | \$1.6193 |
| 4 | \$0.3581 | \$0.3201 | \$1.5262 | \$0.1257 | \$2.3302 |
| 5 | \$0.3581 | \$0.3201 | \$2.5710 | \$0.1257 | \$3.3749 |
| 6 | \$0.3581 | \$0.3201 | \$3.7549 | \$0.1257 | \$4.5588 |
| 7 | \$0.3581 | \$0.3201 | \$5.0835 | \$0.1257 | \$5.8374 |
| 8 | \$0.3581 | \$0.3201 | \$8.2320 | \$0.1257 | \$9.0360 |

| Intra-BMC | [6] Local costs | [7] Intermediate costs | [8] Total intra-BMC costs |
|-----------|-----------------------|------------------------------|---------------------------------|
| Zone | | | |
| Local | \$0.0069 | \$0.0015 | \$0.0084 |
| 1-2 | \$0.0069 | \$0.8830 | \$0.8899 |
| 3 | \$0.0069 | \$0.8830 | \$0.8899 |
| 4 | \$0.0069 | \$0.8830 | \$0.8899 |
| 5 | \$0.0069 | \$0.8830 | \$0.8899 |

| DBMC | [9] Local costs | [10] Intermediate costs | [11] DBMC costs |
|------|-----------------------|-------------------------------|--------------------|
| Zone | | | |
| 1-2 | \$0.7149 | \$0.5906 | \$1.3055 |
| 3 | \$0.7149 | \$2.0737 | \$2.7885 |
| 4 | \$0.7149 | \$3.3809 | \$4.0958 |
| 5 | \$0.7149 | \$8.1008 | \$8.8154 |

DSCF Costs

DDU Costs

| | |
|----------|----|
| \$0.0060 | 1/ |
| \$0.1390 | 2/ |

Sources

- Column [1]: Attachment B, page 10, column 8.
- Column [2]: Attachment B, page 10, column 9.
- Column [3]: Attachment B, page 10, column 10.
- Column [4]: Attachment B, page 10, column 11.
- Column [5]: Column [1] + column [2] + column [3] + column [4].
- Column [6]: Attachment B, page 11, column 7.
- Column [7]: Attachment B, page 11, column 8.
- Column [8]: Column [6] + column [7].
- Column [9]: Attachment B, page 17, column 6.
- Column [10]: Attachment B, page 17, column 7.
- Column [11]: Column [9] + column [10].

Row 1/: Attachment B, page 13, row 3.

Row 2/: Attachment B, page 14, row 3.

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Attachment I
Page 4 of 20
Revised 11/27/01

| | FY2000 Volumes (000s) | Unit Cost Estimates Ratioed to FY00 Costs | FY2001 Volumes (000s) | Unit Cost Estimates Ratioed to FY01 Costs | Average Unit Cost assuming FY00 Volume Mix | Average Unit Cost assuming FY01 Final Mix Adjustment | FY2002 Volumes (000s) | Unit Cost Estimates Ratioed to FY02 Costs | Average Unit Cost assuming FY00 Volume Mix | Average Unit Cost assuming FY02 Volume Mix | FY02 Final Adjustment | FY2003 Before Rates Volumes (000s) | TY Unit Costs From Cost Models |
|------------------------------------|-----------------------------|--|-----------------------------|--|--|--|-----------------------------|--|---|---|--------------------------|--|--------------------------------------|
| First-Class Presort | 45,675,472 | \$0.036 | 46,579,933 | \$0.036 | \$0.03641 | \$0.03541 | 48,750,799 | \$0.037 | \$0.03688 | \$0.03535 | (\$74,572) | 51,299,213 | n/a |
| Non-auto Presort | 4,422,981 | \$0.112 | 3,725,435 | \$0.114 | | | 3,577,057 | \$0.115 | | | | 3,679,940 | \$0.155 |
| Auto Basic Letters | 5,185,503 | \$0.032 | 5,375,912 | \$0.033 | | | 5,642,243 | \$0.033 | | | | 5,939,468 | n/a |
| Auto Mixed AADC Presort Letters | 2,504,598 | n/a | 2,596,565 | n/a | | | 2,725,203 | n/a | | | | 2,868,763 | \$0.049 |
| Auto AADC Presort Letters | 2,680,905 | n/a | 2,779,346 | n/a | | | 2,917,040 | n/a | | | | 3,070,705 | \$0.044 |
| Auto 3-digit Presort Letters | 21,832,339 | \$0.028 | 22,296,639 | \$0.028 | | | 23,435,232 | \$0.029 | | | | 24,614,610 | \$0.039 |
| Auto 5-digit Presort Letters | 12,720,447 | \$0.021 | 13,608,415 | \$0.021 | | | 14,511,758 | \$0.022 | | | | 15,491,801 | \$0.029 |
| Auto Carrier Route Presort Letters | 1,075,333 | \$0.014 | 977,064 | \$0.015 | | | 950,912 | \$0.015 | | | | 911,527 | \$0.020 |
| Auto Basic Flats | 70,631 | \$0.272 | 93,776 | \$0.276 | | | 116,570 | \$0.280 | | | | 126,139 | n/a |
| Auto Mixed AADC Presort Flats | 45,995 | n/a | 61,067 | n/a | | | 75,910 | n/a | | | | 82,142 | \$0.407 |
| Auto AADC Presort Flats | 24,636 | n/a | 32,709 | n/a | | | 40,660 | n/a | | | | 43,997 | \$0.318 |
| Auto 3-digit Presort Flats | 40,211 | \$0.227 | 54,894 | \$0.231 | | | 56,459 | \$0.234 | | | | 58,502 | \$0.314 |
| Auto 5-digit Presort Flats | 328,025 | \$0.157 | 447,798 | \$0.160 | | | 460,568 | \$0.162 | | | | 477,227 | \$0.217 |
| First-Class Presort Cards | 2,761,407 | \$0.016 | 2,780,344 | \$0.017 | \$0.01657 | \$0.01584 | 2,831,385 | \$0.017 | \$0.01698 | \$0.01621 | (\$2,173) | 2,930,767 | n/a |
| Non-auto Presort | 688,129 | \$0.023 | 484,513 | \$0.023 | | | 462,957 | \$0.024 | | | | 424,530 | \$0.032 |
| Auto Basic | 461,677 | \$0.017 | 472,007 | \$0.018 | | | 493,808 | \$0.018 | | | | 515,453 | n/a |
| Auto Mixed AADC Presort Cards | 222,990 | n/a | 227,980 | n/a | | | 238,509 | n/a | | | | 248,964 | \$0.026 |
| Auto AADC Presort Cards | 238,687 | n/a | 244,028 | n/a | | | 255,299 | n/a | | | | 266,489 | \$0.022 |
| Auto 3-digit Presort | 913,723 | \$0.015 | 1,019,170 | \$0.015 | | | 1,089,285 | \$0.016 | | | | 1,167,852 | \$0.021 |
| Auto 5-digit Presort | 609,484 | \$0.011 | 729,488 | \$0.012 | | | 720,128 | \$0.012 | | | | 767,125 | \$0.016 |
| Auto Carrier Route Presort | 88,394 | \$0.008 | 75,165 | \$0.009 | | | 65,207 | \$0.008 | | | | 55,808 | \$0.011 |
| Priority Mail | 1,222,454 | \$0.678 | 1,162,477 | \$0.843 | \$0.84286 | \$0.84241 | 1,186,878 | \$0.922 | \$0.92184 | \$0.91835 | (\$4,141) | 1,257,064 | |
| Unpresorted | 0 | | 1,160,045 | \$0.843 | | | 1,168,951 | \$0.922 | | | | 1,238,076 | (Cost Savings) |
| ADC Presort | 0 | | 811 | \$0.703 | | | 5,976 | \$0.769 | | | | 6,329 | -\$0.209 |
| 3-digit Presort | 0 | | 811 | \$0.654 | | | 5,976 | \$0.715 | | | | 6,329 | -\$0.283 |
| 5-digit Presort | 0 | | 811 | \$0.538 | | | 5,976 | \$0.589 | | | | 6,329 | -\$0.456 |
| Standard Mail | 54,356,510 | \$0.058 | 55,878,588 | \$0.059 | \$0.05919 | \$0.05637 | 56,757,609 | \$0.059 | \$0.05931 | \$0.05559 | (\$210,860) | 60,367,839 | n/a |
| Non-auto Basic Presort Letters | 2,138,351 | \$0.106 | 1,875,563 | \$0.108 | | | 1,921,019 | \$0.108 | | | | 1,984,520 | \$0.134 |
| Non-auto 3/5 Digit Presort Letters | 3,660,299 | \$0.095 | 2,932,442 | \$0.096 | | | 2,172,577 | \$0.097 | | | | 2,058,121 | \$0.120 |
| Non-auto basic presort Flats | 1,072,621 | \$0.156 | 928,219 | \$0.158 | | | 935,520 | \$0.158 | | | | 961,555 | \$0.197 |
| Non-auto 3/5 digit Presort Flats | 1,917,654 | \$0.102 | 1,822,700 | \$0.103 | | | 1,689,733 | \$0.103 | | | | 1,640,876 | \$0.128 |
| Auto Basic Presort Letters | 5,230,440 | \$0.037 | 5,293,710 | \$0.037 | | | 5,460,957 | \$0.037 | | | | 5,817,729 | n/a |
| Auto Mixed AADC Presort Letters | 2,354,936 | n/a | 2,383,422 | n/a | | | 2,458,723 | n/a | | | | 2,619,355 | \$0.050 |
| Auto AADC Presort Letters | 2,875,504 | n/a | 2,910,287 | n/a | | | 3,002,234 | n/a | | | | 3,198,374 | \$0.043 |
| Auto 3-digit Presort Letters | 15,600,802 | \$0.032 | 16,380,638 | \$0.032 | | | 16,925,100 | \$0.032 | | | | 17,756,214 | \$0.040 |
| Auto 5-digit Presort Letters | 11,222,414 | \$0.025 | 13,329,639 | \$0.025 | | | 13,909,143 | \$0.025 | | | | 15,308,263 | \$0.031 |
| Auto Basic Presort Flats | 424,818 | \$0.140 | 464,815 | \$0.142 | | | 499,182 | \$0.142 | | | | 563,457 | \$0.177 |
| Auto 3/5 Digit Presort Flats | 13,089,111 | \$0.093 | 12,850,863 | \$0.094 | | | 13,244,378 | \$0.094 | | | | 14,279,104 | \$0.117 |
| Parcel Post | 324,167 | \$1.035 | 352,695 | \$1.071 | \$1.07050 | | 378,991 | \$1.094 | \$1.09392 | | | 405,634 | n/a |
| Inter-BMC | 47,686 | \$1.750 | 54,200 | \$1.821 | | | 47,017 | \$1.880 | | | | 42,557 | \$2.802 |
| Intra-BMC | 32,206 | \$1.430 | 36,259 | \$1.490 | | | 29,766 | \$1.512 | | | | 26,941 | \$2.150 |
| DBMC | 201,341 | \$0.000 | 181,184 | \$0.000 | | | 201,573 | \$1.000 | | | | 220,682 | \$0.000 |
| DSCF | 4,868 | | 5,915 | | | | 8,222 | | | | | 9,525 | |
| DDU | 38,067 | | 75,137 | | | | 92,413 | | | | | 105,929 | |
| For After Rates Only | | | | | | | | | | | | | |
| DBMC mach | | | | | | | | | | | | | |
| DBMC NMO | | | | | | | | | | | | | |
| DBMC over | | | | | | | | | | | | | |
| DSCF 3-dig NMO | | | | | | | | | | | | | |

Mail Processing

| | TY Unit Costs adjusted for Final Adjustments Piggyback Factor | Unit Cost Estimates Ratioed to TYBR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYBR Volume Mix | TYBR FY03 Final Adjustment | FY 2003 After Rates Volumes (000s) | Unit Cost Estimates Ratioed to TYBR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYAR Volume Mix |
|------------------------------------|--|--|---|---|-------------------------------|--|---|---|--|
| First-Class Presort | \$0.037 | \$0.037 | \$0.03707 | \$0.03538 | (\$86,802) | 51,322.082 | \$0.037 | \$0.03704 | \$0.03538 |
| Non-auto Presort | \$0.115 | \$0.116 | | | | 3,579,306 | \$0.116 | | |
| Auto Basic Letters | \$0.033 | \$0.034 | | | | 5,940,823 | \$0.034 | | |
| Auto Mixed AADC Presort Letters | n/a | n/a | | | | 2,869,417 | n/a | | |
| Auto AADC Presort Letters | n/a | n/a | | | | 3,071,405 | n/a | | |
| Auto 3-digit Presort Letters | \$0.029 | \$0.029 | | | | 24,694,572 | \$0.029 | | |
| Auto 5-digit Presort Letters | \$0.022 | \$0.022 | | | | 15,517,542 | \$0.022 | | |
| Auto Carrier Route Presort Letters | \$0.015 | \$0.015 | | | | 870,451 | \$0.015 | | |
| Auto Basic Flats | \$0.278 | \$0.281 | | | | 141,271 | \$0.281 | | |
| Auto Mixed AADC Presort Flats | n/a | n/a | | | | 91,996 | n/a | | |
| Auto AADC Presort Flats | n/a | n/a | | | | 49,275 | n/a | | |
| Auto 3-digit Presort Flats | \$0.232 | \$0.235 | | | | 63,130 | \$0.235 | | |
| Auto 5-digit Presort Flats | \$0.161 | \$0.163 | | | | 514,987 | \$0.163 | | |
| First-Class Presort Cards | \$0.017 | \$0.017 | \$0.01712 | \$0.01620 | (\$2,719) | 2,642,267 | \$0.017 | \$0.01711 | \$0.01561 |
| Non-auto Presort | \$0.024 | \$0.024 | | | | 216,053 | \$0.024 | | |
| Auto Basic | \$0.018 | \$0.018 | | | | 488,549 | \$0.018 | | |
| Auto Mixed AADC Presort Cards | n/a | n/a | | | | 235,969 | n/a | | |
| Auto AADC Presort Cards | n/a | n/a | | | | 252,580 | n/a | | |
| Auto 3-digit Presort | \$0.016 | \$0.016 | | | | 1,159,708 | \$0.016 | | |
| Auto 5-digit Presort | \$0.012 | \$0.012 | | | | 726,357 | \$0.012 | | |
| Auto Carrier Route Presort | \$0.008 | \$0.008 | | | | 51,601 | \$0.008 | | |
| Priority Mail | | \$0.949 | \$0.94879 | \$0.94520 | (\$4,514) | 1,176,757 | \$0.948 | \$0.94843 | \$0.94482 |
| Unpresorted | | \$0.949 | | | | 1,160,856 | \$0.948 | | |
| ADC Presort | (\$0.157) | \$0.791 | | | | 5,967 | \$0.791 | | |
| 3-digit Presort | (\$0.213) | \$0.736 | | | | 5,967 | \$0.736 | | |
| 5-digit Presort | (\$0.343) | \$0.606 | | | | 5,967 | \$0.606 | | |
| Standard Mail | | \$0.055 | \$0.05955 | \$0.05579 | (\$251,229) | 59,179,108 | \$0.060 | \$0.05991 | \$0.05547 |
| Non-auto Basic Presort Letters | \$0.100 | \$0.109 | | | | 1,941,459 | \$0.109 | | |
| Non-auto 3/5 Digit Presort Letters | \$0.089 | \$0.098 | | | | 1,852,135 | \$0.098 | | |
| Non-auto basic presort Flats | \$0.146 | \$0.160 | | | | 939,776 | \$0.160 | | |
| Non-auto 3/5 digit Presort Flats | \$0.095 | \$0.104 | | | | 1,594,156 | \$0.104 | | |
| Auto Basic Presort Letters | \$0.035 | \$0.038 | | | | 5,713,872 | \$0.038 | | |
| Auto Mixed AADC Presort Letters | n/a | n/a | | | | 2,572,595 | n/a | | |
| Auto AADC Presort Letters | n/a | n/a | | | | 3,141,277 | n/a | | |
| Auto 3-digit Presort Letters | \$0.030 | \$0.033 | | | | 17,602,813 | \$0.033 | | |
| Auto 5-digit Presort Letters | \$0.023 | \$0.025 | | | | 15,049,561 | \$0.025 | | |
| Auto Basic Presort Flats | \$0.132 | \$0.144 | | | | 552,987 | \$0.144 | | |
| Auto 3/5 Digit Presort Flats | \$0.087 | \$0.095 | | | | 13,932,349 | \$0.095 | | |
| Parcel Post | | \$1.123 | \$1.12306 | \$0.95108 | (\$69,761) | 371,533 | \$1.122 | \$1.12246 | |
| Inter-BMC | | | | | | 34,918 | | | |
| Intra-BMC | | | | | | 21,930 | | | |
| DBMC | | | | | | | | | |
| DSCF | | | | | | 9,284 | | | |
| DDU | | | | | | 104,345 | | | |
| For After Rates Only | | | | | | | | | |
| DBMC mach | | | | | | 189,011 | | | |
| DBMC NMO | | | | | | 6,931 | | | |
| DBMC over | | | | | | 279 | | | |
| DSCF 3-dig NMO | | | | | | 4,854 | | | |

[illegible]

| | FY2003 Before Rates Volumes (000s) | TY Unit Costs | Unit Cost Estimates Ratioed to TYBR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYBR Volume Mix | TYBR FY03 Final Adjustment | FY 2003 After Rates Volumes (000s) | Unit Cost Estimates Ratioed to TYAR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYAR Volume Mix |
|------------------------------------|--|---------------|--|---|---|-------------------------------|--|---|--|--|
| First-Class Presort | 51,299,213 | \$0.0006 | \$0.0006 | \$0.00058 | \$0.00058 | \$208 | 51,322,082 | \$0.001 | \$0.00058 | \$0.00059 |
| Non-auto Presort | 3,679,940 | \$0.0007 | \$0.0007 | | | | 3,579,306 | \$0.001 | | |
| Auto Basic Letters | 5,939,468 | \$0.0005 | \$0.0005 | | | | 5,940,823 | \$0.001 | | |
| Auto 3-digit Presort Letters | 24,614,610 | \$0.0005 | \$0.0005 | | | | 24,694,572 | \$0.001 | | |
| Auto 5-digit Presort Letters | 15,491,801 | \$0.0005 | \$0.0005 | | | | 15,517,542 | \$0.001 | | |
| Auto Carrier Route Presort Letters | 911,527 | \$0.0005 | \$0.0005 | | | | 870,451 | \$0.001 | | |
| Auto Basic Flats | 126,139 | \$0.0032 | \$0.0032 | | | | 141,271 | \$0.001 | | |
| Auto 3-digit Presort Flats | 58,502 | \$0.0032 | \$0.0032 | | | | 63,130 | \$0.003 | | |
| Auto 5-digit Presort Flats | 477,227 | \$0.0032 | \$0.0032 | | | | 514,987 | \$0.003 | | |
| Standard Mail | 60,367,839 | \$0.0015 | 0.0013 | \$0.00133 | \$0.00129 | (\$2,541) | 59,179,108 | \$0.001 | \$0.00133 | \$0.00128 |
| Non-auto Basic Presort Letters | 1,984,520 | \$0.001 | \$0.000 | | | | 1,941,459 | \$0.000 | | |
| Non-auto 3/5 Digit Presort Letters | 2,058,121 | \$0.001 | \$0.000 | | | | 1,852,135 | \$0.000 | | |
| Non-auto basic presort Flats | 961,555 | \$0.004 | \$0.003 | | | | 939,776 | \$0.003 | | |
| Non-auto 3/5 digit Presort Flats | 1,640,876 | \$0.004 | \$0.003 | | | | 1,594,156 | \$0.003 | | |
| Auto Basic Presort Letters | 5,817,729 | \$0.001 | \$0.000 | | | | 5,713,872 | \$0.000 | | |
| Auto 3-digit Presort Letters | 17,756,214 | \$0.001 | \$0.000 | | | | 17,602,813 | \$0.000 | | |
| Auto 5-digit Presort Letters | 15,306,263 | \$0.001 | \$0.000 | | | | 15,049,561 | \$0.000 | | |
| Auto Basic Presort Flats | 563,457 | \$0.004 | \$0.003 | | | | 552,987 | \$0.003 | | |
| Auto 3/5 Digit Presort Flats | 14,279,104 | \$0.004 | \$0.003 | | | | 13,932,349 | \$0.003 | | |
| Parcel Post) | 405,634 | | \$0.197 | \$0.19678 | | | 371,533 | \$0.197 | \$0.19678 | |
| Inter-BMC | 42,557 | | | | | | 34,918 | | | |
| Intra-BMC | 26,941 | | | | | | 21,930 | | | |
| DBMC | 220,682 | | | | | | 201,075 | | | |
| DSCF | 9,525 | | | | | | 9,264 | | | |
| DDU | 105,929 | | | | | | 104,345 | | | |

Transportation

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| | FY2000 Volumes (000s) | Unit Cost Estimates Ratioed to FY00 Costs | FY2001 Volumes (000s) | Unit Cost Estimates Ratioed to FY01 Costs | Average Unit Cost assuming FY00 Volume Mix | Average Unit Cost assuming FY01 Volume Mix | FY01 Final Adjustment | FY2002 Volumes (000s) | Unit Cost Estimates Ratioed to FY02 Costs | Average Unit Cost assuming FY00 Volume Mix | Average Unit Cost assuming FY02 Volume Mix | FY02 Final Adjustment |
|------------------------------------|-----------------------|---|-----------------------|---|--|--|-----------------------|-----------------------|---|--|--|-----------------------|
| First-Class Presort | 45,675,472 | \$0.009 | 46,579,933 | \$0.009 | \$0.00929 | \$0.00937 | \$3,973 | 48,750,799 | \$0.008 | \$0.00789 | \$0.00795 | \$3,059 |
| Non-auto Presort | 4,422,981 | \$0.012 | 3,725,435 | \$0.012 | | | | 3,577,057 | \$0.010 | | | |
| Auto Basic Letters | 5,185,503 | \$0.009 | 5,375,912 | \$0.009 | | | | 5,642,243 | \$0.007 | | | |
| Auto 3-digit Presort Letters | 21,832,339 | \$0.009 | 22,296,639 | \$0.009 | | | | 23,435,232 | \$0.007 | | | |
| Auto 5-digit Presort Letters | 12,720,447 | \$0.009 | 13,608,415 | \$0.009 | | | | 14,511,758 | \$0.007 | | | |
| Auto Carrier Route Presort Letters | 1,075,333 | \$0.009 | 977,064 | \$0.009 | | | | 950,912 | \$0.007 | | | |
| Auto Basic Flats | 70,631 | \$0.051 | 93,776 | \$0.051 | | | | 116,570 | \$0.043 | | | |
| Auto 3-digit Presort Flats | 40,211 | \$0.051 | 54,894 | \$0.051 | | | | 56,459 | \$0.043 | | | |
| Auto 5-digit Presort Flats | 328,025 | \$0.051 | 447,798 | \$0.051 | | | | 460,568 | \$0.043 | | | |
| Standard Mail | 54,356,510 | \$0.008 | 55,878,588 | \$0.008 | \$0.00773 | \$0.00747 | (\$14,862) | 56,757,609 | \$0.008 | \$0.00775 | \$0.00750 | (\$14,309) |
| Non-auto Basic Presort Letters | 2,138,351 | \$0.002 | 1,875,563 | \$0.003 | | | | 1,921,019 | \$0.003 | | | |
| Non-auto 3/5 Digit Presort Letters | 3,660,299 | \$0.002 | 2,932,442 | \$0.003 | | | | 2,172,577 | \$0.003 | | | |
| Non-auto basic presort Flats | 1,072,621 | \$0.017 | 928,219 | \$0.019 | | | | 935,520 | \$0.019 | | | |
| Non-auto 3/5 digit Presort Flats | 1,917,654 | \$0.017 | 1,822,700 | \$0.019 | | | | 1,689,733 | \$0.019 | | | |
| Auto Basic Presort Letters | 5,230,440 | \$0.002 | 5,293,710 | \$0.003 | | | | 5,460,957 | \$0.003 | | | |
| Auto 3-digit Presort Letters | 15,600,802 | \$0.002 | 16,380,638 | \$0.003 | | | | 16,925,100 | \$0.003 | | | |
| Auto 5-digit Presort Letters | 11,222,414 | \$0.002 | 13,329,639 | \$0.003 | | | | 13,909,143 | \$0.003 | | | |
| Auto Basic Presort Flats | 424,818 | \$0.017 | 464,815 | \$0.019 | | | | 499,182 | \$0.019 | | | |
| Auto 3/5 Digit Presort Flats | 13,089,111 | \$0.017 | 12,850,863 | \$0.019 | | | | 13,244,378 | \$0.019 | | | |
| Parcel Post | 324,167 | \$0.918 | 352,695 | \$0.960 | \$0.96036 | | | 378,991 | \$0.954 | \$0.95426 | | |
| Inter-BMC | 47,686 | | 54,200 | | | | | 47,017 | | | | |
| Intra-BMC | 32,206 | | 36,259 | | | | | 29,766 | | | | |
| DBMC | 201,341 | | 181,184 | | | | | 201,573 | | | | |
| DSCF | 4,868 | | 5,915 | | | | | 8,222 | | | | |
| DDU | 38,067 | | 75,137 | | | | | 92,413 | | | | |

Transportation

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| | FY2003 Before Rates Volumes (000s) | TY Unit Costs | Unit Cost Estimates Ratioed to TYBR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYBR Volume Mix | TYBR FY03 Final Adjustment | FY 2003 After Rates Volumes (000s) | Unit Cost Estimates Ratioed to TYAR Costs | Average Unit Cost Assuming FY2000 Volume Mix | Average Unit Cost Assuming TYAR Volume Mix |
|------------------------------------|--|---------------|--|---|---|-------------------------------|--|---|--|--|
| First-Class Presort | 51,299,213 | \$0.0077 | \$0.0077 | \$0.00771 | \$0.00777 | \$2.770 | 51,322,082 | \$0.008 | \$0.00771 | \$0.00785 |
| Non-auto Presort | 3,679,940 | \$0.0096 | \$0.0096 | | | | 3,579,306 | \$0.008 | | |
| Auto Basic Letters | 5,939,468 | \$0.0071 | \$0.0071 | | | | 5,940,823 | \$0.010 | | |
| Auto 3-digit Presort Letters | 24,614,610 | \$0.0071 | \$0.0071 | | | | 24,694,572 | \$0.007 | | |
| Auto 5-digit Presort Letters | 15,491,801 | \$0.0071 | \$0.0071 | | | | 15,517,542 | \$0.007 | | |
| Auto Carrier Route Presort Letters | 911,527 | \$0.0071 | \$0.0071 | | | | 870,451 | \$0.007 | | |
| Auto Basic Flats | 126,139 | \$0.0422 | \$0.0422 | | | | 141,271 | \$0.007 | | |
| Auto 3-digit Presort Flats | 58,502 | \$0.0422 | \$0.0422 | | | | 63,130 | \$0.042 | | |
| Auto 5-digit Presort Flats | 477,227 | \$0.0422 | \$0.0422 | | | | 514,987 | \$0.042 | | |
| Standard Mail | 60,367,839 | \$0.007 | \$0.008 | \$0.00775 | \$0.00750 | (\$14,637) | 59,179,108 | \$0.008 | \$0.00774 | \$0.00748 |
| Non-auto Basic Presort Letters | 1,984,520 | \$0.002 | \$0.003 | | | | 1,941,459 | \$0.003 | | |
| Non-auto 3/5 Digit Presort Letters | 2,058,121 | \$0.002 | \$0.003 | | | | 1,852,135 | \$0.003 | | |
| Non-auto basic presort Flats | 961,555 | \$0.017 | \$0.019 | | | | 939,776 | \$0.019 | | |
| Non-auto 3/5 digit Presort Flats | 1,640,876 | \$0.017 | \$0.019 | | | | 1,594,156 | \$0.019 | | |
| Auto Basic Presort Letters | 5,817,729 | \$0.002 | \$0.003 | | | | 5,713,872 | \$0.003 | | |
| Auto 3-digit Presort Letters | 17,756,214 | \$0.002 | \$0.003 | | | | 17,602,813 | \$0.003 | | |
| Auto 5-digit Presort Letters | 15,306,263 | \$0.002 | \$0.003 | | | | 15,049,561 | \$0.003 | | |
| Auto Basic Presort Flats | 563,457 | \$0.017 | \$0.019 | | | | 552,987 | \$0.019 | | |
| Auto 3/5 Digit Presort Flats | 14,279,104 | \$0.017 | \$0.019 | | | | 13,932,349 | \$0.019 | | |
| Parcel Post | 405,634 | | \$0.955 | \$0.95457 | | | 371,533 | \$0.954 | \$0.95411 | |
| Inter-BMC | 42,557 | | | | | | 34,918 | | | |
| Intra-BMC | 26,941 | | | | | | 21,930 | | | |
| DBMC | 220,682 | | | | | | 196,221 | | | |
| DSCF | 9,525 | | | | | | 14,118 | | | |
| DDU | 105,929 | | \$0.044 | | | | 104,345 | \$0.044 | | |

Summary of Final Adjustments by Cost Segment (000s)

| | 2001 | 2002 | BR 2003 | AR 2003 |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Mail Processing (c/s 3.1) | | | | |
| First-Class Presort | (46,416) | (74,572) | (86,802) | (85,463) |
| First-Class Presort Cards | (2,024) | (2,173) | (2,719) | (3,955) |
| Priority (For Presort) | (514) | (4,141) | (4,514) | (4,254) |
| Standard Regular | (157,667) | (210,860) | (251,229) | (262,810) |
| Parcel Post | | | (6,765) | (79,769) |
| Window Service (c/s 3/2) | | | | |
| First-Class Presort | 99 | 93 | 89 | 239 |
| Standard Regular | 67 | 67 | 70 | 44 |
| Parcel Post | 338 | (1,642) | (3,116) | (3,549) |
| City Carrier (c/s 6 & 7) | | | | |
| First-Class Presort | (7,675) | (14,173) | (18,520) | (18,302) |
| First-Class Presort Cards | (207) | (298) | (443) | (412) |
| Standard Regular | (26,835) | (31,752) | (35,928) | (38,263) |
| Vehicle Service Driver (c/s 8) | | | | |
| First-Class Presort | 230 | 217 | 208 | 557 |
| Standard Regular | (2,402) | (2,395) | (2,541) | (2,727) |
| Parcel Post | (4,624) | (8,599) | (11,784) | (12,547) |
| Rural Carrier (c/s 10) | | | | |
| First-Class Presort | (2,111) | (3,221) | (3,970) | (4,343) |
| First-Class Presort Cards | (47) | (67) | (100) | (93) |
| Standard Regular | (14,424) | (16,975) | (19,208) | (20,441) |
| Transportation (c/s 14) | | | | |
| First-Class Presort | 3,973 | 3,059 | 2,770 | 7,415 |
| Standard Regular | (14,862) | (14,309) | (14,637) | (15,702) |
| Parcel Post | | | (8,556) | (87,875) |
| Total | | | | |
| First-Class Presort | (51,899) | (88,598) | (106,226) | (99,897) |
| First-class Presort Cards | (2,278) | (2,538) | (3,262) | (4,460) |
| Priority (For Presort) | (514) | (4,141) | (4,514) | (4,254) |
| Standard Regular | (216,124) | (276,224) | (323,472) | (339,897) |
| Parcel Post | | | (13,320) | (183,740) |
| Total For All Classes | | | (60,480) | (632,248) |

Inputs From Other Cost Models

| | Mail Processing [1] | City Carrier [2] | Rural Carrier [3] |
|------------------------------------|------------------------|---------------------|----------------------|
| First-Class Presort | n/a | | |
| Non-auto Presort | \$0.155 | \$0.051 | \$0.011 |
| Auto Basic Letters | n/a | \$0.033 | \$0.008 |
| Auto Mixed AADC Presort Letters | \$0.049 | | |
| Auto AADC Presort Letters | \$0.041 | | |
| Auto 3-digit Presort Letters | \$0.039 | \$0.032 | \$0.008 |
| Auto 5-digit Presort Letters | \$0.029 | \$0.030 | \$0.008 |
| Auto Carrier Route Presort Letters | \$0.020 | \$0.050 | \$0.011 |
| Auto Basic Flats | n/a | \$0.085 | \$0.007 |
| Auto Mixed AADC Presort Flats | \$0.407 | | |
| Auto AADC Presort Flats | \$0.318 | | |
| Auto 3-digit Presort Flats | \$0.314 | \$0.085 | \$0.007 |
| Auto 5-digit Presort Flats | \$0.217 | \$0.085 | \$0.007 |
| First-Class Presort Cards | n/a | | |
| Non-auto Presort | \$0.032 | \$0.021 | \$0.006 |
| Auto Basic | n/a | \$0.021 | \$0.006 |
| Auto Mixed AADC Presort Cards | \$0.026 | | |
| Auto AADC Presort Cards | \$0.022 | | |
| Auto 3-digit Presort | \$0.021 | \$0.021 | \$0.006 |
| Auto 5-digit Presort | \$0.016 | \$0.020 | \$0.006 |
| Auto Carrier Route Presort | \$0.011 | \$0.032 | \$0.008 |
| Priority Mail | (cost avoidance) | | |
| ADC Presort | \$0.209 | | |
| 3-digit Presort | \$0.283 | | |
| 5-digit Presort | \$0.455 | | |
| Standard Mail | n/a | | |
| Non-auto Basic Presort Letters | \$0.134 | \$0.035 | \$0.010 |
| Non-auto 3/5 Digit Presort Letters | \$0.120 | \$0.037 | \$0.011 |
| Non-auto basic presort Flats | \$0.197 | \$0.060 | \$0.023 |
| Non-auto 3/5 digit Presort Flats | \$0.128 | \$0.060 | \$0.023 |
| Auto Basic Presort Letters | n/a | \$0.031 | \$0.008 |
| Auto Mixed AADC Presort Letters | \$0.050 | | |
| Auto AADC Presort Letters | \$0.043 | | |
| Auto 3-digit Presort Letters | \$0.040 | \$0.031 | \$0.007 |
| Auto 5-digit Presort Letters | \$0.031 | \$0.030 | \$0.007 |
| Auto Basic Presort Flats | \$0.177 | \$0.060 | \$0.023 |
| Auto 3/5 Digit Presort Flats | \$0.117 | \$0.060 | \$0.023 |
| Parcel Post | n/a | | |
| Inter-BMC | \$2.602 | | |
| Intra-BMC | \$2.115 | | |
| DBMC | \$1.426 | | |
| DSCF | \$0.764 | | |
| DDU | \$0.338 | | |

Calculation of Vehicle Service Driver Costs for Final Adjustments

| | C/S 8 Costs | | Pieces | Pounds | Density | Cubic Feet |
|---------------------------|--------------------|------------------|-------------------|------------------|----------------|-------------------|
| | Unit | Total | | | | |
| | [1] | [2] | [3] | [4] | [5] | [6] |
| 1st Class Presort | | | | | | |
| Letters | \$0.0005 | \$27,042 | 50,463,785 | 1,833,856 | 24.28 | 75,529 |
| Flats | \$0.0032 | \$2,613 | 824,219 | 131,855 | 18.07 | 7,297 |
| Parcels | \$0.0050 | \$56 | 11,208 | 1,368 | 8.72 | 157 |
| Total | \$0.0006 | \$29,711 | 51,299,213 | 1,967,078 | | 82,983 |
| Standard A Regular | | | | | | |
| Letters | \$0.0005 | \$22,252 | 42,038,422 | 2,008,734 | 28.42 | 70,680 |
| Flats | \$0.0039 | \$67,753 | 17,549,985 | 4,443,951 | 20.65 | 215,203 |
| Parcels | \$0.0226 | \$17,635 | 779,433 | 454,839 | 8.12 | 56,015 |
| Total | \$0.0018 | \$107,641 | 60,367,839 | 6,907,524 | | 341,898 |
| Parcel Post | | | | | | |
| Inter-BMC | | | 42,557 | | | |
| Intra-BMC | | | 26,941 | | | |
| DBMC | | | 220,682 | | | |
| DSCF | | | 9,525 | | | |
| DDU | | | 105,929 | | | |

Sources

Column [1]: Column [2] / column [3].

Column [2]: Total Costs distributed by cubic feet in column [6] (Parcel Post distributed in Attachment B, electronic version).

Column [3]: LR-J-98.

Column [4]: LR-J-98.

Column [5]: Docket R2000-1, LR-I-98

Calculation of Transportation Costs for Final Adjustments

| | C/S 14 Total | | C/S 14 Air/Water | | C/S 14 hwy/rail | | Pieces | Pounds | Cubic Feet |
|------------------------|--------------|-----------|------------------|----------|-----------------|-----------|------------|-----------|------------|
| | Unit | Total | Unit | Total | Unit | Total | | | |
| 1st Class Presort [1] | | | | | | | | | |
| Letters | \$0.007 | \$360,060 | | | | | 50,463,785 | 1,833,856 | 75,529 |
| Flats | \$0.042 | \$34,785 | | | | | 824,219 | 131,855 | 7,297 |
| Parcels | \$0.067 | \$748 | | | | | 11,208 | 1,368 | 157 |
| Total | \$0.008 | \$395,593 | | | | | 51,299,213 | 1,967,078 | 82,983 |
| Standard A Regular [2] | | | | | | | | | |
| Letters | \$0.002 | \$99,790 | \$0.000 | \$10,737 | \$0.002 | \$89,052 | 42,038,422 | 2,008,734 | 70,680 |
| Flats | \$0.017 | \$294,896 | \$0.001 | \$23,754 | \$0.015 | \$271,142 | 17,549,985 | 4,443,951 | 215,203 |
| Parcels | \$0.094 | \$73,006 | \$0.003 | \$2,431 | \$0.091 | \$70,575 | 779,433 | 454,839 | 56,015 |
| Total | \$0.008 | \$467,691 | \$0.001 | \$36,922 | \$0.007 | \$430,769 | 60,367,839 | 6,907,524 | 341,898 |

From Parcel Post Transportation Model [3]

| | Unit Cost | Total Trans Cost | Volume |
|-----------|-----------|------------------|---------|
| Inter-BMC | | | 42,557 |
| Intra-BMC | | | 26,941 |
| DBMC | | | 220,682 |
| DSCF | | | 9,525 |
| DDU | | | 105,929 |
| Total | \$0.955 | \$387,206 | 405,634 |

Sources

- [1]: Total transportation costs are distributed to shape by cubic feet, and then unit costs by shape are calculated by dividing total cost by shape by volume by shape.
- [2]: Total air/water costs are distributed to shape by pounds, and highway/rail cost are distributed to shape by cubic feet. Total costs by shape are calculated as the sum of the components. Then unit costs are calculated by dividing total costs by shape
- [3]: Parcel Post unit transportation costs are calculated as the total costs per rate category as distributed in Attachment B, page 8 (electronic version). Does not include vehicle service driver costs.