



COST AND REVENUE ANALYSIS
FISCAL YEAR 2001 - PRC Version
DRAFT
FINANCE

UNITED STATES POSTAL SERVICE

COST AND REVENUE ANALYSIS

FISCAL YEAR 2001 - PRC Version

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SUMMARY OF REVENUE AND COST FOR MAJOR SERVICE CATEGORIES
Fiscal Year 2001 - PRC Version
(in millions)

	Revenue (note 1)	Attributable Cost	Revenue Less Attributable Cost	Volume Variable Cost	Revenue as a Percent of Volume Variable Cost
First-Class Mail.....	\$35,874.0	\$19,768.5	\$16,105.5	\$19,748.7	181.7
Priority Mail.....	4,916.1	3,529.8	1,386.3	3,480.1	141.3
Express Mail.....	995.7	722.7	273.0	703.9	141.5
Mailgram.....	1.4	0.7	0.7	0.7	200.0
Periodicals:					
In County.....	79.3	75.5	3.8	75.5	105.0
Outside County.....	2,106.9	2,367.1	(260.2)	2,367.1	89.0
Fees.....	19.1	-	19.1	-	-
Total Periodicals.....	2,205.2	2,442.6	(237.4)	2,442.6	90.3
Standard Mail:					
Enhanced Carrier Route.....	4,980.5	2,290.4	2,690.1	2,289.4	217.5
Regular.....	10,836.0	8,526.9	2,109.1	8,525.3	124.8
Fees.....	88.4	-	88.4	-	-
Total Standard Mail.....	15,704.9	10,817.3	4,887.6	10,814.7	145.2
Package Services:					
Parcel Post.....	1,128.4	1,075.2	53.2	1,074.0	105.1
Bound Printed Matter.....	549.8	511.1	38.7	511.1	107.6
Media Mail.....	313.7	314.8	(1.1)	314.8	99.7
Fees.....	1.9	-	1.9	-	-
Total Package Services.....	1,993.8	1,901.1	92.7	1,899.9	104.9
Free Mail for the blind and handicapped.....	-	40.6	(40.6)	40.6	-
International Mail (note 2).....	1,769.3	1,421.5	347.8	1,365.9	129.5
Total Mail.....	63,460.3	40,644.9	22,815.4	40,497.1	156.7
Special Services (note 3).....	2,067.9	1,809.7	458.2	1,599.1	129.3
Miscellaneous items (note 4).....	239.0	-	239.0	-	-
Total Mail and Services.....	65,767.2	42,254.5	23,512.7	42,096.2	156.2
Appropriations: Revenue Forgone.....	66.9	-	66.9	-	-
Total Operating Income.....	65,834.1	-	-	-	-
Investment Income.....	34.8	-	34.8	-	-
Total (note 5).....	\$65,868.9	\$42,254.5	\$23,614.4	\$42,096.2	156.5
All other costs.....	-	25,294.3	-	25,452.7	-
Total Operating Expense (note 5).....	-	\$67,548.9	-	\$67,548.9	-

DETAIL OF ATTRIBUTABLE COST FOR MAJOR SERVICE CATEGORIES
EXCLUDING USPS PENALTY
Fiscal Year 2001 - PRC Version
(in thousands)

	<u>Volume Variable cost</u>			
	Direct & Indirect Excluding <u>Transportation</u>	<u>Transportation</u>	<u>Product Specific</u>	<u>Total Attributable</u>
First-Class Mail.....	\$18,564,016	\$1,184,661	\$19,847	\$19,768,524
Priority Mail.....	2,428,074	1,052,074	49,696	3,529,844
Express Mail.....	448,784	255,156	18,788	722,728
Mailgram.....	700	-	529,779	700
Periodicals:				
In County.....	75,393	73	-	75,466
Outside County.....	2,059,034	308,073	-	2,367,107
Fees.....	-	-	-	-
Total Periodicals.....	2,134,427	308,146	-	2,442,573
Standard Mail:				
Enhanced Carrier Route.....	2,234,784	54,621	978	2,290,383
Regular.....	8,119,176	406,077	1,622	8,526,875
Fees.....	-	-	-	-
Total Standard Mail.....	10,353,960	460,698	2,600	10,817,258
Package Services:				
Parcel Post.....	756,392	317,560	1,250	1,075,202
Bound Printed Matter.....	432,247	78,894	-	511,141
Media Mail.....	235,533	79,235	-	314,768
Fees.....	-	-	-	-
Total Package Services.....	1,424,172	475,689	1,250	1,901,111
Free Mail for the blind and handicapped.....	35,474	5,138	-	40,612
International Mail (note 2).....	611,363	754,565	55,601	1,421,529
Special and other services.....	1,599,116	-	10,552	1,609,668
Total all mail and services.....	\$37,600,086	\$4,496,127	\$158,334	\$42,254,547

SUMMARY OF REVENUE, ATTRIBUTABLE COST, PIECES, AND WEIGHT FOR MAJOR SERVICE CATEGORIES
Fiscal Year 2001 - PRC Version
(in millions)

	Revenue (note 1)		Attributable Cost		Mail Volume		Mail Weight	
	\$	%	\$	%	Pieces	%	Pounds	%
First-Class Mail.....	35,874.0	54.5	19,768.5	46.7	103,655.6	50.1	4,362.8	16.7
Priority Mail.....	4,916.1	7.5	3,529.8	8.4	1,117.8	0.5	2,149.7	8.3
Express Mail.....	995.7	1.5	722.7	1.7	69.4	-	72.1	0.3
Mailgram.....	1.4	-	0.7	-	3.3	-	N/A	N/A
Periodicals:								
In County.....	79.3	0.1	75.5	0.2	879.1	0.4	253.9	1.0
Outside County.....	2,106.9	3.2	2,367.1	5.6	9,198.3	4.4	4,154.5	16.0
Fees.....	19.1	-	-	-	-	-	-	-
Total Periodicals.....	2,205.2	3.3	2,442.6	5.8	10,077.4	4.8	4,408.3	17.0
Standard Mail:								
Enhanced Carrier Route.....	4,980.5	7.6	2,290.4	5.4	33,843.4	16.3	5,148.1	19.8
Regular.....	10,636.0	16.1	8,526.9	20.2	56,095.1	27.0	5,674.0	21.8
Fees.....	88.4	0.1	-	-	-	-	-	-
Total Standard Mail.....	15,704.9	23.8	10,817.3	25.6	89,938.4	43.3	10,822.2	41.6
Package Services:								
Parcel Post.....	1,128.4	1.7	1,075.2	2.5	354.6	0.2	2,148.6	8.3
Bound Printed Matter.....	549.8	0.8	511.1	1.2	555.1	0.3	1,345.5	5.2
Media Mail.....	313.7	0.5	314.8	0.8	183.3	0.1	307.5	1.2
Fees.....	1.9	-	-	-	-	-	-	-
Total Package Services.....	1,993.8	3.0	1,901.1	4.5	1,093.0	0.6	3,801.7	14.7
U.S. Postal Service Mail.....	-	-	-	-	380.6	0.2	82.3	0.3
Free Mail for the blind and handicapped.....	-	-	40.6	0.1	44.6	-	24.9	0.1
International Mail (note 2).....	1,769.3	2.7	1,421.5	3.4	1,083.9	0.5	251.9	1.0
Total Mail.....	63,460.3	96.3	40,644.9	96.2	207,483.9	100.0	25,975.9	100.0
Special Services (note 3).....	2,067.9	3.1	1,609.7	3.8				
Miscellaneous Items (note 4).....	239.0	0.4	-	-				
Total mail and services.....	65,767.2	99.8	42,254.5	100.0				
Appropriations: Revenue Forgone.....	66.9	0.1	-	-				
Total Operating Income.....	65,834.1	99.9	-	-				
Investment Income.....	34.8	0.1						
Total (note 5).....	65,868.9	100.0	42,254.5	100.0				

SUMMARY OF ACCRUED COSTS BY SEGMENTS AND COMPONENTS DETAILING ATTRIBUTABLE COSTS
Fiscal Year 2001 - PRC Version
(In thousands)

Cost Segments and Components	Accrued Costs	Attributable Cost			Product Specific	All Other Costs
		Volume Variable				
		Direct	Indirect	Total		
1. Postmasters.....	\$1,772,945	-	\$315,789	\$315,789	-	\$1,457,156
2. Supervisors and technicians:						
Mail processing.....	1,016,020	-	979,433	979,433	-	36,587
Window service.....	219,796	-	103,705	103,705	-	116,091
Administration and support time and attendance.....	70,102	-	45,417	45,417	-	24,685
Local services:						
City carriers:						
In-office.....	283,726	-	249,820	249,820	-	33,906
Elemental load.....	89,463	-	86,311	86,311	-	3,152
Other street.....	518,775	-	117,534	117,534	-	401,241
Special delivery messengers:						
In-office.....	-	-	-	-	-	-
Street.....	-	-	-	-	-	-
Other supervisors and technicians.....	1,415,009	-	378,845	378,845	-	1,036,164
Total supervisors and technicians.....	3,612,891	-	1,961,065	1,961,065	-	1,651,826
3. Clerks and mailhandlers, CAG A-J offices:						
Mail processing.....	14,467,996	13,927,769	-	13,927,769	-	540,227
Window service.....	2,378,061	1,122,029	-	1,122,029	-	1,256,032
Administration support and miscellaneous....	2,168,905	-	1,359,822	1,359,822	13,797	795,286
Total clerks and mailhandlers.....	19,014,962	15,049,798	1,359,822	16,409,620	13,797	2,591,545
4. Clerks, CAG K offices.....	6,865	3,057	-	3,057	-	3,808
6. City delivery carriers:						
In-office.....	4,424,251	3,308,145	587,398	3,895,543	-	528,708
7. City delivery carriers:						
Out-of-office.....	9,483,745	1,345,776	1,832,597	3,178,373	-	6,305,372
Total city delivery carriers.....	13,907,996	4,653,921	2,419,995	7,073,916	-	6,834,080
8. Vehicle service drivers.....	537,684	324,977	-	324,977	-	212,707

SUMMARY OF ACCRUED COSTS BY SEGMENTS AND COMPONENTS DETAILING ATTRIBUTABLE COSTS

Fiscal Year 2001 - PRC Version

(in thousands)

Cost Segments and Components		Attributable Cost			
		Volume Variable			
	Accrued Costs	Direct	Indirect	Total	Product Specific
All Other Costs					
9. Special delivery messengers:					
Street.....	34,996	15,068	-	15,068	-
Fixed Attributable.....	19,545	-	19,545	19,545	-
Equipment maintenance and fees.....	-	-	-	-	-
Total special delivery messengers.....	54,541	15,068	19,545	34,613	-
10. Rural carriers:					
Evaluated routes.....	3,832,891	1,827,139	-	1,827,139	-
Other routes.....	340,385	155,965	-	155,965	-
Equipment maintenance allowance.....	393,346	-	-	-	-
Total rural carriers.....	4,566,622	1,983,104	-	1,983,104	-
11. Custodial and maintenance service.....					
	2,648,068	-	1,646,460	1,646,460	-
12. Motor vehicle service:					
City delivery vehicle.....	604,172	-	135,746	135,746	-
Special delivery vehicle.....	10,664	-	4,591	4,591	-
Vehicle service vehicle.....	117,076	-	70,761	70,761	-
Rural delivery vehicle.....	54,705	-	25,995	25,995	-
All other	35,639	-	-	-	-
Total motor vehicle service.....	822,256	-	237,093	237,093	-
13. Miscellaneous operating expenses:					
Cartage, tolls and ferrage.....	60,900	-	7,869	7,869	-
All other	300,757	-	-	-	-
Total miscellaneous operating expenses.....	361,657	-	7,869	7,869	-
14. Transportation:					
Domestic airmail.....	1,708,586	1,708,586	-	1,708,586	-
Alaska air.....	119,104	7,838	-	7,838	-
Railroad line haul and other service.....	235,029	233,580	-	233,580	-
Domestic water.....	25,750	23,666	-	23,666	-
Contract highway service.....	2,310,690	1,865,295	-	1,865,295	-
International transportation.....	663,987	663,987	-	663,987	-
Total transportation.....	5,063,146	4,502,952	-	4,502,952	-

SUMMARY OF ACCRUED COSTS BY SEGMENTS AND COMPONENTS DETAILING ATTRIBUTABLE COSTS
Fiscal Year 2001 - PRC Version
(In thousands)

Cost Segments and Components	Accrued Costs	Attributable Cost			Product Specific	All Other Costs
		Volume Variable				
		Direct	Indirect	Total		
15. Building occupancy:						
Rents, fuel and utilities.....	\$1,294,710	-	\$1,095,716	\$1,095,716	\$252	\$198,742
Other.....	290,612	-	-	-	508	290,104
Total building occupancy.....	1,585,322	-	1,095,716	1,095,716	760	488,846
16. Supplies and services.....	3,271,013	7,432	1,583,526	1,590,958	70,432	1,609,623
17. Research and development.....	29,276	-	-	-	-	29,276
18. Administration and regional operations:						
Headquarters.....	773,039	-	-	-	17,149	755,890
Postal service personnel.....	5,175,046	-	2,561,118	2,561,118	54,508	2,559,420
Total administration and regional	5,948,085	-	2,561,118	2,561,118	71,657	3,315,310
19. Support services.....	37,252	-	-	-	-	37,252
20. Depreciation and other costs:						
Depreciation	2,222,683	-	1,515,233	1,515,233	1,607	705,843
Interest.....	1,964,186	-	1,221,241	1,221,241	-	742,945
Other	136,831	36,741	-	36,741	-	100,090
Total depreciation and other costs.....	4,323,700	36,741	2,736,474	2,773,215	1,607	1,548,878
Total accrued costs.....	67,564,281	26,577,050	15,944,472	42,521,522	158,253	24,864,578
Final adjustments.....	-	(278,914)	(148,094)	(427,008)	-	427,008
Adjusted grand total	\$67,564,281	\$26,298,136	\$15,796,378	\$42,094,514	\$158,253	\$25,291,586

**UNITED STATES POSTAL SERVICE
NOTES TO COST AND REVENUE ANALYSIS
Fiscal Year 2001 - PRC Version**

1. FEES

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

2. INTERNATIONAL MAIL

International mail costs include costs attributable to both U.S. origin and foreign origin mail. Volume statistics, however, do not include foreign origin mail.

3. MISCELLANEOUS ADJUSTMENTS

The following differences exist between the revenues shown in the Annual Report of the Postal Service (AR) and the CRA:

- a) The money order float included with interest income in the AR is included with special service revenue in the CRA.
- b) Miscellaneous revenue included with special services revenue in the AR is reported as miscellaneous revenue in the CRA.
- c) Mortgage income included with interest income in the AR is reported as miscellaneous revenue in the CRA.

4. MISCELLANEOUS ITEMS

Miscellaneous items include philatelic sales, fees, fines, unclaimed money from dead letters, sales of postal cards and services performed for government agencies and private contractors.

5. OTHER

All figures in the CRA are rounded; detail may not add to totals. Percents are rounded to the nearest decimal.

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

STATISTICS BY CLASS OF MAIL

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
FIRST-CLASS MAIL, PRIORITY MAIL, EXPRESS MAIL, AND MAILGRAMS
Fiscal Year 2001 - PRC Version

REVENUE AND COST RELATIONSHIP	First Class								
	Letters & Sealed Parcel (including flats & IPPs)			Cards		Total First-Class Mail	Priority Mail	Express Mail	Mailgrams
	Single	Presort	Total	Single	Presort				
Per piece (cents):									
Revenue.....	42.1	28.0	35.3	20.8	16.3	34.6	439.8	1,435.0	41.6
Attributable cost.....	27.2	11.0	19.4	20.7	6.4	19.1	315.8	1,041.6	21.3
Revenue less attributable cost.....	14.9	17.0	15.9	0.1	9.9	15.5	124.0	393.4	20.3
Per pound (cents):									
Revenue.....	849.8	735.1	802.0	3,324.8	2,033.1	822.3	228.7	1,380.4	N/A
Attributable cost.....	547.9	289.4	440.3	3,309.4	796.6	453.1	164.2	1,002.0	N/A
Revenue less attributable cost.....	301.9	445.7	361.7	15.4	1,236.5	369.2	64.5	378.4	N/A
VOLUME STATISTICS									
Pieces (thousands).....	50,945,861	47,214,210	98,160,071	2,653,454	2,842,078	103,655,603	1,117,835	69,384	3,280
Weight per piece (ounces).....	0.8	0.6	0.7	0.1	0.1	0.7	30.8	16.6	N/A
Weight per cubic foot (pounds).....	16.9	18.0	17.4	14.9	14.9	17.3	4.6	6.3	N/A
Weight in pounds (thousands).....	2,524,385	1,799,064	4,323,449	16,588	22,770	4,362,807	2,149,697	72,129	N/A
Cubic feet (thousands).....	148,958	100,221	249,179	1,111	1,525	251,815	465,504	11,442	N/A

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
PERIODICALS
Fiscal Year 2001 - PRC Version

<u>REVENUE AND COST RELATIONSHIP</u>	<u>Total In County</u>	<u>Total Outside County</u>	<u>Total Periodicals</u>
Per piece (cents):			
Revenue.....	9.0	22.9	21.9
Attributable cost.....	8.6	25.7	24.2
Revenue less attributable cost.....	0.4	(2.8)	(2.3)
Per pound (cents):			
Revenue.....	31.2	50.7	50.0
Attributable cost.....	29.7	57.0	55.4
Revenue less attributable cost.....	1.5	(6.3)	(5.4)
<u>VOLUME STATISTICS</u>			
Pieces (thousands).....	879,101	9,198,266	10,077,367
Weight per piece (ounces).....	4.6	7.2	7.0
Weight per cubic foot (pounds).....	25.1	25.1	25.1
Weight in pounds (thousands).....	253,884	4,154,450	4,408,334
Cubic feet (thousands).....	10,132	165,793	175,925

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
STANDARD MAIL
Fiscal Year 2001 - PRC Version

<u>REVENUE AND COST RELATIONSHIP</u>	<u>Enhanced Carrier Rte</u>	<u>Regular</u>	<u>Total Standard Mail</u>
Per piece (cents):			
Revenue.....	14.7	19.0	17.5
Attributable cost.....	6.8	15.2	12.0
Revenue less attributable cost.....	7.9	3.8	5.5
Per pound (cents):			
Revenue.....	96.7	187.5	145.1
Attributable cost.....	44.5	150.3	100.0
Revenue less attributable cost.....	52.2	37.2	45.1
<u>VOLUME STATISTICS</u>			
Pieces (thousands).....	33,843,362	56,095,067	89,938,429
Weight per piece (ounces).....	2.4	1.6	1.9
Weight per cubic foot (pounds).....	N/A	N/A	24.3
Weight in pounds (thousands).....	5,148,130	5,674,035	10,822,165
Cubic feet (thousands).....	N/A	N/A	445,977

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
PACKAGE SERVICES
Fiscal Year 2001 - PRC Version

<u>REVENUE AND COST RELATIONSHIP</u>	<u>Total Parcel Post</u>	<u>Bound Printed Matter</u>	<u>Media Mail</u>	<u>Total Package Services</u>
Per piece (cents):				
Revenue.....	318.2	99.0	171.1	182.4
Attributable cost.....	303.2	92.1	171.7	173.9
Revenue less attributable cost.....	15.0	6.9	(0.6)	8.5
Per pound (cents):				
Revenue.....	52.5	40.9	102.0	52.4
Attributable cost.....	50.0	38.0	102.4	50.0
Revenue less attributable cost.....	2.5	2.9	(0.4)	2.4
<u>VOLUME STATISTICS</u>				
Pieces (thousands).....	354,628	555,070	183,294	1,092,992
Weight per piece (ounces).....	96.9	38.8	26.8	55.7
Weight per cubic foot (pounds).....	5.0	9.5	7.8	6.2
Weight in pounds (thousands).....	2,148,634	1,345,523	307,538	3,801,695
Cubic feet (thousands).....	429,727	141,768	39,611	611,106

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
U.S. POSTAL SERVICE MAIL AND FREE MAIL FOR THE BLIND AND HANDICAPPED
Fiscal Year 2001 - PRC Version

<u>REVENUE AND COST RELATIONSHIP</u>	<u>U.S. Postal Service Mail</u>	<u>Free Mail For The Blind and Handicapped</u>
Per piece (cents):		
Revenue.....	N/A	N/A
Attributable cost.....	N/A	91.1
Revenue less attributable cost.....	N/A	N/A
Per pound (cents):		
Revenue.....	N/A	N/A
Attributable cost.....	N/A	163.2
Revenue less attributable cost.....	N/A	N/A
<u>VOLUME STATISTICS</u>		
Pieces (thousands).....	380,603	44,570
Weight per piece (ounces).....	3.5	8.9
Weight per cubic foot (pounds).....	6.0	11.1
Weight in pounds (thousands).....	82,328	24,886
Cubic feet (thousands).....	13,714	2,247

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
INTERNATIONAL MAIL
Fiscal Year 2001 - PRC Version

**International
Mail**

Attributable cost (millions)..... \$1,421.5

VOLUME STATISTICS

Pieces (thousands)..... 1,083,853

Weight per piece (ounces)..... 3.7

Weight per cubic foot (pounds)..... 7.3

Weight in pounds (thousands)..... 251,876

Cubic feet (thousands)..... 34,726

COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL
SPECIAL SERVICES
Fiscal Year 2001 - PRC Version

<u>REVENUE AND COST RELATIONSHIP</u>	<u>Registry</u>	<u>Certified</u>	<u>Insurance</u>	<u>Collect on Delivery</u>	<u>Money Orders</u>	<u>Stamped Envelopes and Cards</u>	<u>Post Office Box</u>
Per transaction (cents):							
Revenue.....	940.9	182.6	202.7	569.6	118.2	N/A	N/A
Attributable cost.....	886.4	153.0	189.6	537.0	78.5	N/A	N/A
Revenue less attributable cost.....	54.5	29.6	13.1	32.6	39.7	N/A	N/A
Revenue (\$ millions).....	73.3	486.1	119.0	15.2	266.9	24.1	3.1
Attributable cost (\$ millions):							
Variable cost.....	65.5	407.1	84.9	12.0	162.1	2.8	0.0
Other direct.....	3.6	-	26.0	2.3	7.4	1.9	2.5
Total variable cost.....	69.0	407.1	111.0	14.4	169.5	4.7	2.5
Specific fixed cost.....	-	0.1	0.3	-	7.7	-	-
Total attributable cost.....	69.0	407.2	111.3	14.4	177.2	4.7	2.5
Revenue less attributable cost (\$ millions).....	4.3	78.9	7.7	0.9	89.7	19.4	0.5
Revenue as a percent of attributable cost.....	106.2%	119.4%	106.9%	105.9%	150.6%	511.7%	122.9%
<u>VOLUME STATISTIC</u>							
Transactions (thousands).....	9,790	496,911	60,082	2,698	225,806	N/A	N/A
Transactions Excluding Additional Services.....	7,790	266,161	58,691	2,677	225,806	N/A	N/A

N/A
N/A
N/A

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567.208
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1.232382

N/A

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