

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners: George A. Omas, Chairman;
Tony Hammond, Vice Chairman;
Dana B. Covington, Sr.; and
Ruth Y. Goldway

International Mail Report

Docket No. IM2004-1

THIRD NOTICE OF INTERNATIONAL MAIL
DATA REQUIREMENTS FOR FY 2003

(Issued April 1, 2004)

In order to help the Commission prepare the report required by 39 U.S.C. § 3663, on the costs, volumes, and revenues of the Postal Service's international mail services, the Service is requested to provide the following information on or before April 15, 2004.

1. In Summary Description and Documentation, Volume 1, Part 2, page 31, the Postal Service states that the SIRVO frame is stratified by destination country or country group, US origin exchange office (OEO) group, transportation mode, and MIDAS mail category. In the FY 1998 version of this documentation (See Docket No. IM99-1, Workpaper 1B, p. 7-3), MIDAS container type was included as a one of the stratification factors in addition to those listed above. Please confirm that the current list of stratification factors is accurate.
2. In Summary Description and Documentation, Volume 1, Part 2, page 41, the Postal Service states that the Permit system provides revenue and volume

data for Global Direct inbound mail from Canada. It also states that the IAB provides RPW data on Global Direct inbound mail from four other locations. What is the source of the IAB data for those other locations (e.g., manifests, mailing statements, or other documentation)?

3. According to Summary Description and Documentation, Volume 1, Part 2, page 41, the Postal Service calculates the attributable costs for Global Direct Inbound (GDI) mail using unit attributable costs for analogous domestic subclasses and the applicable volume of GDI. File: GDEIO3.xls, Sheet: GDEI-GFY, Cells H58 and H59 contain unsourced amounts for GDI attributable cost. Cell H58 contains a figure that equals the total attributable cost for GDI less cost segment 14. The figure in Cell H58 can be found in File: Repots.xls, Sheet: COSSEG, Cell AI 165. The figure in Cell H59 represents attributable cost segment 14 costs. Please provide a worksheet showing how this figure was calculated or, alternatively, identify its location in the electronic worksheets already filed.
4. File: GXG2003, Sheet: RPW-GXG, Cell J13 contains a formula for calculating the unit attributable processing cost for Global Express Mail as a proxy for the corresponding cost for GXG processing unit cost. The formula in J13 contains a figure that is multiplied by 1,000 and then divided by the piece volume for FY 2003 Global Express Mail. The figure operated on is not sourced. Please provide a worksheet showing how that figure was calculated or, alternatively, identify the location in the worksheets already filed. The same file and worksheet also contain FY 2003 amounts for Global Express Mail revenue, pieces, and weight that do not match the amounts shown in the FY 2003 ICRA report, pages A-1 and B-1. Please discuss the difference and whether a revision is necessary. Please provide any revisions deemed necessary.
5. In Exhibit 7, mail processing costs listed as outputs to the CRA differ from those listed in the Cost Segment and Component Report (3.1). Please reconcile the difference between Exhibit 7 and the CRA's Cost Segment 3.1.

If the difference is due to peak load adjustment, please provide the underlying computation.

6. Please update CAT/FAT and Load Attributable factors in Exhibit 8 with FY 2003 data.
7. Please provide supporting spreadsheets for Rural Carriers in cost segment 10.
8. Page B-1 of the FY 2003 ICRA Report shows that each outbound mail category incurred some delivery cost with Economy Parcel Post, Air Parcel Post, and Global Express Mail exhibiting the largest per-piece unit delivery costs. Please explain why there are delivery costs for outbound mail.

It is ordered:

The Postal Service is directed to provide the items in the body of this order on or before April 15, 2004.

By the Commission.

(S E A L)

Steven W. Williams
Secretary