USPS LR-K-88

Dropship Cost Avoidances for Standard Mail and Periodicals

Spreadsheets Underlying Testimony of USPS-T-25, Virginia Mayes

Contents

Description

Library reference USPS LR-K-88 is a category 2 library reference sponsored by witness Mayes (USPS-T-25) and contains both hard copies and electronic copies of the cost studies supporting her testimony. The cost studies contained in this library reference include the updated calculation of the transportation and non-transportation components of Standard Mail dropship cost avoidances, and the non-transportation component of Periodicals dropship cost avoidances. This library reference performs the same role in this case as did USPS-LR-J-68 in Docket No. R2001-1. The methodologies and data inputs used to develop these estimates are discussed in the testimony of witness Mayes (USPS-T-25).

A.   Standard Mail Dropship Cost Avoidances

Appendices A through E contain the spreadsheets used to model the Standard Mail dropship cost avoidances. The results of this analysis are provided to witnesses Cutting (USPS-T-26), Robinson (USPS-T-27) and Taufique (USPS-T-28). Appendix A contains the Standard Mail entry profile and the descriptions of the mail flows. The electronic version of Appendix A is contained in EXCEL file AppenA.xls. Appendix B contains the calculation of the Standard Mail transportation savings. The electronic version of Appendix B is contained in EXCEL file AppenB.xls. Appendix C contains the spreadsheets calculating the Standard Mail non-transportation cost avoidances. The EXCEL file AppenC.xls contains the electronic version of Appendix C. The MTM productivity mail flow models for the different facility and container scenarios used to compute the Standard Mail dropship cost avoidances are contained in Appendix D, the electronic version of which is in the EXCEL file AppenD.xls. Appendix E, the electronic version of which appears in the EXCEL file AppenE.xls, contains the inputs for the container scenarios.

B.   Periodicals Dropship Cost Avoidances

Appendix F, the electronic version of which is in the EXCEL file AppenF.xls, contains the spreadsheets used to calculate the crossdocking costs avoided when Periodicals mail is dropshipped. The results of this analysis are provided to witnesses Robinson (USPS-T-27) and Taufique (USPS-T-28).