

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

NOTICE OF THE UNITED STATES POSTAL SERVICE REGARDING ERRATA
TO THE TESTIMONY OF WITNESS ROBINSON (USPS-T-27) [ERRATA]

The United States Postal Service hereby gives notice that it is filing errata to the Direct Testimony of Maura Robinson (USPS-T-27). The attached cross-walk identifies and explains the changes to page 24 of USPS-T-27 and Exhibits 27A through 27C and 27E through 27G. The replacement of witness Moser is acknowledged in revisions to the Roadmap Appendix to USPS-T-27 that have the consequence of wrecking the original pagination of the last few pages of the narrative portion of USPS-T-27. Accordingly, revised pages 25-27 of USPS-T-27 are also being filed. Attached are revised copies of pages 24-27 and the aforementioned Exhibits.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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USPS-T-27 (Robinson) June 10, 2005, Errata Cross-walk

I. Page 24, Table 3, R2005-1 USPS Proposed Markup Indices

First-Class Mail Letters from 1.469 to 1.472

First-Class Mail Cards from 0.781 to 0.783

Priority Mail from 0.639 to 0.641

Standard Mail Regular and Nonprofit from 0.674 to 0.675

Standard Mail ECR and NECR from 1.631 to 1.634

Package Services, Parcel Post from 0.287 to 0.247

Package Service, Bound Printed Matter from 0.356 to 0.357

II. Exhibit USPS-27A: Test-Year-Before-Rates Finances

Subclass	Cost Change \$(000)	Revenue Change \$(000)	Source
First-Class Mail			
Presorted Letters	896		Revised USPS-LR-K-59
Presorted Cards	0		Revised USPS-LR-K-59
Express Mail		(454)	Revised Exhibit USPS-28A at Table 11
Priority Mail	(883)		Revised USPS-LR-K-59
Standard Mail			
Regular	(26)		Revised USPS-LR-K-59
Package Services			
Parcel Post		(6,292)	Revised Exhibit USPS-28A at Table 11
	641		Revised USPS-LR-K-59
Special Services			
Money Orders		(252)	POIR 2 Question 15
Other Special Services	652		Revised USPS-LR-K-59
Interest Income		145,856	Revised USPS-LR-K-50 at Chapter X
Interest Expense Correction	(24,430)		Revised USPS-LR-K-50 at Chapter VI

III. Exhibit USPS-27B: Test-Year-After-Rates Finances

Subclass		Cost Change \$(000)	Revenue Change \$(000)	Source
First-Class Mail				
	Presorted Letters	1,164		Revised USPS-LR-K-59
	Presorted Cards	0		Revised USPS-LR-K-59
Express Mail			(458)	Revised Exhibit USPS-28A at Table 12
Priority Mail		(848)		Revised USPS-LR-K-59
Periodicals				
	Within County		1	POIR No. 4 Question 7
	Nonprofit		4	POIR No. 4 Question 7
	Classroom		0	POIR No. 4 Question 7
	Regular Rate		13	POIR No. 4 Question 7
Standard Mail				
	Regular	(30)		Revised USPS-LR-K-59
	Nonprofit		38	POIR No. 4 Question 7
	Nonprofit ECR		(7)	POIR No. 4 Question 7
Package Services				
	Parcel Post	23,987	(6,177)	Revised Exhibit USPS-28A at Table 12
Special Services				
	Money Orders		(268)	POIR 2 Question 15
	Other	793		Revised USPS-LR-K-59
Interest Income			201,401	Revised USPS-LR-K-50 at Chapter X
Interest Expense Correction		30		Revised USPS-LR-K-50 at Chapter VI

IV. Exhibit USPS-27C: Interim Year Revenue

Subclass	Revenue Change \$(000)
Express Mail	(464)
Package Services	
Parcel Post	(6,594)
Money Orders	(256)
Interest Income	43,840

V. Exhibit USPS-27D: Summary of Percent Changes in Rates

No changes

VI. Exhibit USPS-27E: Test-Year-After-Rates Revenues and Incremental Costs

Subclass		Cost Change \$(000)	Revenue Change \$(000)	Source
First-Class Mail				
	Presorted Letters	1,181		Revised USPS-T-18 at Table 1A
	Total Letters	1,241		Revised USPS-T-18 at Table 1A
Express Mail			(458)	Revised Exhibit USPS-28A at Table 11
Priority Mail		(25,725)		Revised USPS-T-18 at Table 1A
Periodicals				
	Within County		1	POIR No. 4 Question 7
	Nonprofit		4	POIR No. 4 Question 7
	Classroom		0	POIR No. 4 Question 7
	Regular Rate		13	POIR No. 4 Question 7
Standard Mail				
	Regular	(31)		Revised USPS-T-18 at Table 1A
	Nonprofit		38	POIR No. 4 Question 7
	Nonprofit ECR		(7)	POIR No. 4 Question 7
Special Services				
	Money Orders		(268)	POIR 2 Question 15
Package Services				
	Parcel Post		(6,177)	Revised Exhibit USPS-28A at Table 11
		24,149		Revised USPS-T-18 at Table 1A
	Total Package Services	24,244		Revised USPS-T-18 at Table 1A

VII. Exhibit USPS-27F: Special Services Cost Coverages

Changes to Money Order revenues noted in Revised Exhibit USPS-27A and USPS-27B.

Delivery Confirmation unit costs: See Revised USPS-LR-K-60, DCWksht-W4C

VIII. Exhibit USPS-27G: Calculation of Within County Markups Periodicals for Section 3626

Changes to Periodicals revenue from Exhibit USPS-27B

Table 3
Comparison of Markup Indices

	R2005-1 USPS Proposed	R2001-1 USPS Proposed	R2001-1 PRC Recommended
All Mail and Special Services	1.000	1.000	1.000
First-Class Mail			
Letters	1.472	1.427	1.420
Cards	0.783	0.748	0.658
Priority Mail	0.641	0.940	0.919
Express Mail	1.014	1.645	1.296
Periodicals			
Within County	0.049	0.060	0.004
Outside County	0.100	0.109	0.021
Standard Mail			
Regular and Nonprofit	0.675	0.589	0.542
ECR and NECR	1.634	1.500	1.560
Package Services			
Parcel Post	0.247	0.199	0.218
Bound Printed Matter	0.357	0.361	0.373
Media and Library Mail	0.011	0.190	0.148
Special Services	0.747	0.676	1.019

1 As the both the cost coverages and the markup indices show, most of the relative
2 relationships resulting from the prior docket are maintained. For instance, the
3 First-Class Mail Letters subclass, which has a relatively high value of service,
4 has a high markup index and a high cost coverage as compared to Parcel Post
5 which has a lower value of service. In these unusual circumstances, and
6 keeping in mind that the Postal Service would not be changing the currently
7 effective markup indices or cost coverages absent a need to recover the escrow
8 costs, we can reasonably conclude that the proposed cost coverages are
9 consistent with the Commission's recommendations in Docket No. R2001-1.

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APPENDIX: ROADMAP

In preparing my testimony, I relied on the results presented in the testimony of the following witnesses.

John Potter (USPS-T-1) explains the policy rationale for the proposed rate design and consequently, the proposed rate and fee level. As explained by witness Potter, unlike in typical omnibus rate cases, the Postal Service is proposing a 5.4 percent across-the-board rate increase. Section IV of my testimony explains why this approach and the resulting cost coverages meet the statutory rate making requirements.

William Tayman (USPS-T-6) presents the Postal Service's projected revenue requirement for the test year. As shown in my Exhibit USPS-27B, the revenue resulting from the proposed rate and fee levels will enable the Postal Service to financially break even in the test year. In addition, witness Tayman has provided estimates of other income, appropriations, and investment income. USPS-LR-K-50 at Chapter X. I use these estimates in preparing the financial summary in Exhibit USPS-27A and Exhibit USPS-27B.

Lillian Waterbury (USPS-T-10) has prepared roll-forwards of costs to the test year under both the current rate and fee schedules and the proposed rate and fee schedules (respectively, test-year-before-rates: TYBR and test-year-after-rates: TYAR) by subclass including cost estimates for certain special services. USPS-T-10, WP B and WP C. I use these test year cost estimates in conjunction with witness Taufique's revenue estimates (USPS-T-28) to calculate

1 cost coverages for the test-year-before rates and the test-year-after-rates.
2 Exhibit USPS-27A and Exhibit USPS-27B.

3 Nancy Kay (USPS-T-18) presents test-year incremental costs. (USPS-T-
4 18 at Table 1A. I use these estimates to demonstrate that the Postal Service's
5 proposed rates and fees cover attributable costs as measured by incremental
6 costs. Exhibit USPS-27E.

7 Abdulkadir Abdirahman (USPS-T-21) presents cost estimates for Address
8 Correction Service. USPS-LR-K-59. I used these test-year cost estimates in
9 calculating cost coverages for these products for the test-year-before rates and
10 the test-year-after-rates. Exhibit USPS-27F

11 Jatona Hatcher (USPS-T-22) has prepared cost estimates for Business
12 Reply Mail and Permits. USPS-LR-K-39, Section II. Witness Hatcher also
13 presents cost estimates for Caller Service, Certificate of Mailing, Mailing List
14 Services, Periodicals Application Fee, Stamped Cards, Restricted Delivery,
15 Insurance, and Money Orders. USPS-LR-K-59. I used these test-year cost
16 estimates in calculating cost coverages for these products for the test-year-
17 before rates and the test-year-after-rates. Exhibit USPS-27F

18 James Page (USPS-T-23) has presents cost estimates for Stamped
19 Envelopes. USPS-LR-K-59. I used these test-year cost estimates in calculating
20 cost coverages for these products for the test-year-before rates and the test-
21 year-after-rates. Exhibit USPS-27F.

22 Karl Wesner (USPS-T-24) has prepared cost estimates for Delivery
23 Confirmation, Signature Confirmation, and Return Receipts. USPS-LR-K-60. I

1 used these test-year cost estimates in calculating cost coverages for these
2 products for the test-year-before rates and the test-year-after-rates. Exhibit
3 USPS-27F.

4 Virginia Mayes (USPS-T-25) has prepared cost estimates for Bulk Parcel
5 Return Service. USPS-LR-K-89. I used these test year cost estimates in
6 calculating cost coverages for this product for the test-year-before-rates and the
7 test-year-after-rates. Exhibit USPS-27F.

8 Altaf Taufique (USPS-T-28) designed the proposed rates and fees and
9 has calculated the associated revenues for the test-year before and after rates.
10 Exhibit USPS-28A at Table 11 and 12. I use these test year revenue estimates
11 in conjunction with witness Waterbury's (USPS-T-11) test year cost estimates to
12 calculate cost coverages for both the test-year-before-rates and test-year-after-
13 rates (Exhibit USPS-27A, Exhibit USPS-27B); and to calculate the percentage
14 change in rates and fees shown in Exhibit USPS-27C.

Summary of Estimated Test Year Before Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable Cost	Revenue	Revenue as as Percent of Cost	Revenue Minus Volume Variable Cost
	(1)	(2)	(3) = (2) / (1)	(4) = (2) - (1)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	11,107,160	19,736,771	177.7%	8,629,610
Presort and Automation Letters	4,721,786	14,769,430	312.8%	10,047,644
Total Letters	15,828,947	34,506,201	218.0%	18,677,254
Single-Piece Cards	536,003	612,817	114.3%	76,814
Presort and Automation Cards	191,881	561,409	292.6%	369,528
Total Cards	727,884	1,174,226	161.3%	446,342
Total First-Class Mail	16,556,831	35,680,427	215.5%	19,123,596
Priority Mail	2,946,894	4,390,595	149.0%	1,443,701
Express Mail	460,594	830,330	180.3%	369,736
Mailgrams	262	578	220.3%	316
Periodicals				
Total Within County	65,191	71,998	110.4%	6,807
Nonprofit		332,754		
Classroom		16,927		
Regular-Rate		1,772,611		
Total Outside County	2,054,221	2,122,291	103.3%	68,071
Total Periodicals	2,119,411	2,194,289	103.5%	74,878
Standard Mail				
Regular		12,266,201		
Nonprofit		1,666,581		
Total Regular and Nonprofit	9,188,995	13,932,782	151.6%	4,743,787
Enhanced Carrier Route		5,623,096		
Nonprofit Enhanced Carrier Route		308,823		
Total ECR and NECR	2,560,555	5,931,918	231.7%	3,371,363
Total Standard Mail	11,749,550	19,864,700	169.1%	8,115,150
Package Services				
Parcel Post	1,053,306	1,217,871	115.6%	164,565
Bound Printed Matter	505,779	631,499	124.9%	125,721
Media Mail		361,267		
Library Mail		31,530		
Subtotal - Media and Library	409,398	392,797	95.9%	(16,601)
Total Package Services	1,968,482	2,242,167	113.9%	273,685
Free-for-the-Blind	43,751	0	0.0%	(43,751)
Total Domestic Mail	35,845,776	65,203,086	181.9%	29,357,310
International Mail	1,440,530	1,784,312	123.9%	343,782
Total All Mail	37,286,306	66,987,398	179.7%	29,701,092
Special Services				
Registry	69,450	42,109	60.6%	(27,341)
Certified Mail	441,799	648,934	146.9%	207,135
Insurance	69,284	85,296	123.1%	16,011
COD	7,719	9,985	129.4%	2,266
Money Orders *	130,464	233,589	179.0%	103,124
Stamped Cards	1,340	1,807	134.8%	467
Stamped Envelopes	12,778	15,770	123.4%	2,992
Box/Caller Service	644,908	832,629	129.1%	187,721
Other	178,521	589,017		410,496
Total Special Services	1,556,263	2,459,135	158.0%	902,872
Total Mail & Services	38,842,569	69,446,533	178.8%	30,603,964
Other Costs	34,395,781			
Other Income		495,938		
Prior Years Loss Recovery	0			
Appropriations		222,837		
Investment Income *		168,759		
Interest Expense Correction**	(24,430)			
Grand Total	73,213,920	70,334,067	96.1%	(2,879,853)

* Money order revenues include interest of \$8,093 not included in investment income.

** Interest Expense Correction. See LR K-50, Chapter 6a corrected

Interest expense is reported as a Servicewide expense in the roll forward model.

Interest expense is allocated to subclasses as described in USPS-LR-K-1, Section 20.5.

Source: Volume Variable Costs: USPS-T-10, WP B; Revenues: Exhibit USPS-28A at Table 11.

Other income, appropriations, investment income: USPS-LR-K-50 at Chapter X.

Summary of Estimated Test Year After Rates Finances
Revenue and Volume Variable Cost
(Dollars in Thousands)

Description	Volume Variable	Revenue	Revenue as	Revenue Minus
	Cost		Percent	Volume
	(1)	(2)	of Cost	Variable Cost
			(3) = (2) / (1)	(4) = (2) - (1)
First-Class Mail				
Single-Piece Letters and Sealed Parcels	10,985,132	20,518,734	186.8%	9,533,601
Presort and Automation Letters	4,636,166	15,382,830	331.8%	10,746,665
Total Letters	15,621,298	35,901,564	229.8%	20,280,266
Single-Piece Cards	529,437	631,885	119.4%	102,448
Presort and Automation Cards	189,068	582,778	308.2%	393,710
Total Cards	718,505	1,214,663	169.1%	496,158
Total First-Class Mail	16,339,803	37,116,227	227.2%	20,776,423
Priority Mail	2,804,197	4,389,621	156.5%	1,585,423
Express Mail	439,794	833,395	189.5%	393,601
Mailgrams	263	609	232.0%	347
Periodicals				
Total Within County	66,175	69,045	104.3%	2,870
Nonprofit		347,687		
Classroom		17,670		
Regular-Rate		1,862,177		
Total Outside County	2,046,363	2,227,534	108.9%	181,171
Total Periodicals	2,112,538	2,296,579	108.7%	184,041
Standard Mail				
Regular		12,806,168		
Nonprofit		1,747,222		
Total Regular and Nonprofit	9,119,093	14,553,390	159.6%	5,434,297
Enhanced Carrier Route		5,732,114		
Nonprofit Enhanced Carrier Route		325,314		
Total ECR and NECR	2,481,440	6,057,428	244.1%	3,575,988
Total Standard Mail	11,600,533	20,610,817	177.7%	9,010,284
Package Services				
Parcel Post	1,017,916	1,239,426	121.8%	221,510
Bound Printed Matter	513,071	674,652	131.5%	161,581
Media Mail		378,525		
Library Mail		33,063		
Subtotal - Media and Library	407,495	411,587	101.0%	4,092
Total Package Services	1,938,482	2,325,665	120.0%	387,183
Free-for-the-Blind	43,829	0	0.0%	(43,829)
Total Domestic Mail	35,279,439	67,572,913	191.5%	32,293,474
International Mail	1,416,017	1,839,768	129.9%	423,752
Total All Mail	36,695,456	69,412,681	189.2%	32,717,226
Special Services				
Registry	65,313	67,126	102.8%	1,814
Certified Mail	437,028	669,146	153.1%	232,118
Insurance	68,315	87,781	128.5%	19,467
COD	7,637	10,402	136.2%	2,765
Money Orders *	129,506	240,572	185.8%	111,066
Stamped Cards	1,327	1,789	134.8%	462
Stamped Envelopes	12,789	16,488	128.9%	3,699
Box/Caller Service	639,965	850,649	132.9%	210,684
Other	178,819	611,728		432,909
Total Special Services	1,540,699	2,555,683	165.9%	1,014,985
Total Mail & Services	38,236,154	71,968,364	188.2%	33,732,210
Other Costs	34,400,062			
Other Income		495,418	189.5%	
Prior Years Loss Recovery	0			
Continuing Appropriations		222,837		
Investment Income *		231,100		
Interest Expense Correction**	30			
Grand Total	72,636,246	72,917,719	100.4%	281,473

* Money order revenues include interest of \$8,021 not included in investment income.

** Interest Expense Correction. See LR K-50, Chapter 6a corrected

Interest expense is reported as a Servicewide expense in the roll forward model.

Interest expense is allocated to subclasses as described in USPS-LR-K-1, Section 20.5.

Source: Volume Variable Costs: USPS-T-10, WP C; Revenues: Exhibit USPS-28A at Table 12.

Other income, appropriations, investment income: USPS-LR-K-50 at Chapter X.

Summary of Revenues
Interim Year
FY 2005

Description	<u>FY 2005 Revenues</u>
First-Class Mail	
Single-Piece Letters and Sealed Parcels	20,321,005
Presort and Automation Letters	14,942,433
Total Letters	35,263,438
Single-Piece Cards	612,977
Presort and Automation Cards	549,958
Total Cards	1,162,935
Total First-Class Mail	36,426,373
Priority Mail	4,409,106
Express Mail	848,616
Mailgrams	683
Periodicals	
Total Within County	74,234
Nonprofit	338,977
Classroom	16,710
Regular-Rate	1,769,312
Total Outside County	2,124,999
Total Periodicals	2,199,234
Standard Mail	
Regular	11,702,036
Nonprofit	1,619,443
Total Regular and Nonprofit	13,321,479
Enhanced Carrier Route	5,464,700
Nonprofit Enhanced Carrier Route	324,604
Total ECR and NECR	5,789,304
Total Standard Mail	19,110,783
Package Services	
Parcel Post	1,222,947
Bound Printed Matter	603,264
Media Mail	345,667
Library Mail	30,262
Subtotal - Media and Library	375,929
Total Package Services	2,202,140
Free-for-the-Blind	0
Total Domestic Mail	65,196,935
International Mail	1,798,798
Total All Mail	66,995,733
Special Services	
Registry	46,563
Certified Mail	627,008
Insurance	101,080
COD	10,085
Money Orders *	236,540
Stamped Cards	1,695
Stamped Envelopes	15,770
Box/Caller Service	815,149
Other	567,758
Total Special Services	2,421,648
Total Mail & Services	69,417,381
Other Income	521,179
Appropriations	119,600
Investment Income *	89,417
Grand Total	70,147,578

* Money order revenues include interest of \$8,196 not included in investment income.

Exhibit USPS-27D

Summary of Percent Changes in Rates
Proposed over Current Rates

	<u>Percentage Change</u>
First-Class Mail	
Letters and Sealed Parcels	5.3%
Cards	4.9%
Priority Mail	5.4%
Express Mail	5.5%
Periodicals	
Within County	-5.4%
Outside County	5.4%
Standard Mail	
Regular	5.4%
Nonprofit	5.5%
Enhanced Carrier Route	5.5%
Nonprofit Enhanced Carrier Route	6.0%
Package Services	
Parcel Post	5.4%
Bound Printed Matter	5.5%
Media Mail	5.4%
Library Mail	5.7%
Total All Mail	5.4%

**Summary of Estimated Test Year After Rates
Revenue and Incremental Costs
(Dollars in Thousands)**

Description	Incremental	Revenue	Revenue minus
	Cost		Incremental
	(1)	(2)	(3) = (2) - (1)
First-Class Mail			
Single-Piece Letters and Sealed Parcels	11,616,985	20,518,734	8,901,748
Presort and Automation Letters	4,814,882	15,382,830	10,567,948
Total Letters	16,954,086	35,901,564	19,469,697
Single-Piece Cards	542,922	631,885	88,964
Presort and Automation Cards	189,444	582,778	393,333
Total Cards	733,387	1,214,663	481,275
Total First-Class Mail	17,925,629	37,116,227	19,190,598
Priority Mail	3,017,859	4,389,621	1,371,762
Express Mail	539,055	833,395	294,340
Mailgrams	263	609	346
Periodicals			
Total Within County	66,277	69,045	2,767
Total Outside County	2,073,270	2,227,534	154,264
Total Periodicals	2,142,642	2,296,579	153,937
Standard Mail			
Total Regular and Nonprofit	9,455,646	14,553,390	5,097,744
Total ECR and NECR	2,568,970	6,057,428	3,488,457
Total Standard Mail	12,338,616	20,610,817	8,272,202
Package Services			
Parcel Post	1,034,785	1,239,426	204,641
Bound Printed Matter	517,376	674,652	157,275
Media Mail and Library Mail	409,417	411,587	2,171
Total Package Services	1,998,537	2,325,665	327,128
International Mail	1,484,535	1,839,768	355,233
Special Services			
Registry	65,388	67,126	1,739
Certified Mail	467,772	669,146	201,374
Insurance	68,815	87,781	18,966
COD	7,639	10,402	2,763
Money Orders	192,779	240,572	47,794
Stamped Cards	1,327	1,789	462
Stamped Envelopes	12,789	16,488	3,699
Box/Caller Service	641,277	850,649	209,373
Total Special Services	1,709,869	2,555,683	845,814

Source:

Revenue: Exhibit USPS-27B

Incremental Costs: USPS-T-18 at Table 1A

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Address Changes to Election Boards	533	\$0.27	143	149	104.1%	\$0.28	144	533		\$0.27	100.4%	\$0.27	3.70%
Address Correction - Manual	63,123	\$0.51	31,959	47,342	148.1%	\$0.75	44,629	63,756	32,280	\$0.51	138.3%	\$0.70	7.14%
Address Correction - Automated	324,190	\$0.15	47,656	68,080	142.9%	\$0.21	65,606	328,028	48,220	\$0.15	136.1%	\$0.20	5.00%
Total Address Correction	387,312	\$0.21	79,615	115,422	145.0%	\$0.30	110,235	391,784	80,500	\$0.21	136.9%	\$0.28	5.91%
Bulk Parcel Return Service	2,533	\$1.17	2,968	4,812	162.1%	\$1.90	4,635	2,575		\$1.17	153.6%	\$1.80	5.56%
Bulk Parcel Return Service Permits	0	\$109.00	16	24	146.8%	\$160.00	23	0	17	\$109.00	137.6%	\$150.00	6.67%
Bulk Parcel Return Service Accounting Fee	0	\$347.66	16	23	143.8%	\$500.00	23	0	17	\$347.66	136.6%	\$475.00	5.26%
Total Bulk Parcel Return Non-Piece Fees	0	\$166.04	33	47	145.3%	\$241.26	45	0	33	\$166.04	137.1%	\$227.67	5.97%
Business Reply Mail													
QBRM with Quarterly Fee	156,331	\$0.004	574	1,251	218.0%	\$0.008	1,264	158,059	580	\$0.004	218.0%	\$0.008	0.00%
QBRM without Quarterly Fee	217,195	\$0.04	7,993	13,032	163.0%	\$0.06	13,176	219,595	8,081	\$0.04	163.0%	\$0.06	0.00%
Non-QBRM Advance Deposit	338,883	\$0.05	16,724	37,277	222.9%	\$0.11	34,275	342,749	16,915	\$0.05	202.6%	\$0.10	10.00%
Nonletter-Size Piece	5,733	\$0.005	31	57	182.5%	\$0.01	58	5,799	32	\$0.005	182.5%	\$0.01	0.00%
Accounting Fee	92	\$347.66	31,893	45,867	143.8%	\$500.00	44,071	93	32,256	\$347.66	136.6%	\$475.00	5.26%
Nonletter-Size Monthly Fee (annualized)	0	\$7,357.39	289	372	128.9%	\$9,480.00	357	0	292	\$7,357.39	122.3%	\$9,000.00	5.33%
QBRM Quarterly Fee (annualized)	1	\$3,254.18	3,361	7,851	233.5%	\$7,600.00	7,522	1	3,400	\$3,254.18	221.3%	\$7,200.00	5.56%
Permit Fee	164	\$109.00	17,912	26,294	146.8%	\$160.00	24,932	166	18,116	\$109.00	137.6%	\$150.00	6.67%
Nonadvance	156,283	\$0.52	81,542	101,584	124.6%	\$0.65	94,837	158,062	82,470	\$0.52	115.0%	\$0.60	8.33%
Total Business Reply Mail	874,425 5/	\$0.18	160,318	233,584	145.7%	\$0.27	220,492	884,263 5/	162,142	\$0.18	136.0%	\$0.25	7.13%
Carrier Sequencing of Address Cards	N/A	\$0.27	N/A	N/A	111.5%	\$0.30	N/A	N/A	N/A	N/A	111.5%	\$0.30	0.00%
Certificates of Mailing													
Basic	2,852	\$0.67	1,911	2,709	141.8%	\$0.95	2,597	2,885	1,933	\$0.67	134.3%	\$0.90	5.56%
Firm Book Mailing	310	\$0.23	71	93	130.4%	\$0.30	94	313	72	\$0.23	130.4%	\$0.30	0.00%
Bulk First 1,000	26	\$3.47	91	124	136.9%	\$4.75	119	27	92	\$3.47	129.7%	\$4.50	5.56%
Bulk Additional 1,000	15	\$0.34	5	8	161.8%	\$0.55	8	15	5	\$0.34	147.1%	\$0.50	10.00%
Total	3,203	\$0.65	2,078	2,935	141.2%	\$0.92	2,817	3,240	2,102	\$0.65	134.0%	\$0.87	5.38%
Certified Mail	278,811	\$1.57 6/	437,028 7/	669,146	153.1%	\$2.40	648,934	282,145	441,799 8/	\$1.57 9/	146.9%	\$2.30	4.35%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Collect On Delivery													
\$0.01 to \$50	559			2,657		\$4.75	2,547	566				\$4.50	5.56%
50.01 to 100	364			2,109		\$5.80	2,024	368				\$5.50	5.45%
100.01 to 200	501			3,429		\$6.85	3,293	507				\$6.50	5.38%
200.01 to 300	149			1,178		\$7.90	1,132	151				\$7.50	5.33%
300.01 to 400	47			419		\$8.95	403	47				\$8.50	5.29%
400.01 to 500	16			156		\$10.00	150	16				\$9.50	5.26%
500.01 to 600	11			121		\$11.05	117	11				\$10.50	5.24%
600.01 to 700	7			85		\$12.10	81	7				\$11.50	5.22%
700.01 to 800	6			73		\$13.15	70	6				\$12.50	5.20%
800.01 to 900	4			54		\$14.20	52	4				\$13.50	5.19%
900.01 to 1,000	7			106		\$15.25	102	7				\$14.50	5.17%
Notice of Nondelivery	0			0		\$3.15	0	0				\$3.00	0.00%
Alteration of charges	0			0		\$3.15	0	0				\$3.00	0.00%
Registered C.O.D.	4			16		\$4.20	15	4				\$4.00	5.00%
Total C.O.D.	1,673	\$4.56 6/	7,637 7/	10,402	136.2%	\$6.22	9,985	1,693	7,719 8/	\$4.56 9/	129.4%	\$5.90	5.42%
Correction of Mailing Lists (Per Address)	333	\$0.27	90	100	111.5%	\$0.30	100	333		\$0.27	111.5%	\$0.30	0.00%
Delivery Confirmation													
First Class L&SP Manual	17,391	\$0.52	9,043	10,435	115.4%	\$0.60	9,958	18,106	9,415	\$0.52	105.8%	\$0.55	9.09%
First Class L&SP Electronic	28,256	\$0.11	3,060	3,956	129.3%	\$0.14	3,824	29,416	3,186	\$0.11	120.0%	\$0.13	7.69%
Priority Manual	79,371	\$0.41	32,685	39,686	121.4%	\$0.50	37,185	82,632	34,028	\$0.41	109.3%	\$0.45	11.11%
Priority Electronic	134,603	\$0.00	0	0	N/A	\$0.00	0	140,133	0	\$0.00	N/A	\$0.00	0.00%
Standard Mail Electronic	44,967	\$0.11	4,870	6,295	129.3%	\$0.14	6,086	46,815	5,070	\$0.11	120.0%	\$0.13	7.69%
Package Services Manual	17,951	\$0.52	9,335	10,771	115.4%	\$0.60	10,279	18,689	9,718	\$0.52	105.8%	\$0.55	9.09%
Package Services Electronic	102,321	\$0.11	11,081	14,325	129.3%	\$0.14	13,848	106,524	11,537	\$0.11	120.0%	\$0.13	7.69%
Parcel Select Electronic	261,157	\$0.00	0	0	N/A	\$0.00	0	271,886	0	\$0.00	N/A	\$0.00	0.00%
Total	290,257 10/		70,074	85,467	122.0%	\$0.29	81,180	302,182 10/	72,953	\$0.24	111.3%	\$0.27	9.61%
Parcel Select Permits	1	\$109.00	60	88	146.8%	\$160.00	83	1		\$109.00	137.6%	\$150.00	6.67%
First-Class Presort Permits	43	\$109.00	4,684	6,876	146.8%	\$160.00	6,520	43		\$109.00	137.6%	\$150.00	6.67%
Insurance													
Unnumbered up to \$50	17,203	\$0.94	16,171	23,224	143.6%	\$1.35	22,704	17,465		\$0.94	138.3%	\$1.30	3.85%
Numbered:													
Up to \$100	9,831			22,611		\$2.30	21,956	9,980				\$2.20	4.55%
Up to \$200	4,391			14,711		\$3.35	14,265	4,458				\$3.20	4.69%
Up to \$300	1,661			7,310		\$4.40	7,084	1,687				\$4.20	4.76%
Up to \$400	661			3,603		\$5.45	3,490	671				\$5.20	4.81%
Up to \$500	642			4,175		\$6.50	4,043	652				\$6.20	4.84%
Up to \$600	229			1,732		\$7.55	1,677	233				\$7.20	4.86%
Up to \$700	151			1,296		\$8.60	1,255	153				\$8.20	4.88%
Up to \$800	104			1,006		\$9.65	974	106				\$9.20	4.89%
Up to \$900	81			870		\$10.70	842	83				\$10.20	4.90%
Up to \$1,000	180			2,119		\$11.75	2,051	183				\$11.20	4.91%
Up to \$1,100	36			460		\$12.80	445	36				\$12.20	4.92%
Up to \$1,200	22			307		\$13.85	297	23				\$13.20	4.92%
Up to \$1,300	11			157		\$14.90	152	11				\$14.20	4.93%
Up to \$1,400	6			92		\$15.95	89	6				\$15.20	4.93%
Up to \$1,500	31			534		\$17.00	517	32				\$16.20	4.94%
Up to \$1,600	7			121		\$18.05	117	7				\$17.20	4.94%
Up to \$1,700	5			102		\$19.10	99	5				\$18.20	4.95%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F

Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Up to \$1,800	5			96		\$20.15	93	5				\$19.20	4.95%
Up to \$1,900	3			59		\$21.20	57	3				\$20.20	4.95%
Up to \$2,000	29			654		\$22.25	632	30				\$21.20	4.95%
Up to \$2,100	10			244		\$23.30	236	11				\$22.20	4.95%
Up to \$2,200	4			85		\$24.35	83	4				\$23.20	4.96%
Up to \$2,300	1			22		\$25.40	21	1				\$24.20	4.96%
Up to \$2,400	1			29		\$26.45	28	1				\$25.20	4.96%
Up to \$2,500	19			521		\$27.50	504	19				\$26.20	4.96%
Up to \$2,600	0			5		\$28.55	5	0				\$27.20	4.96%
Up to \$2,700	0			15		\$29.60	14	0				\$28.20	4.96%
Up to \$2,800	1			30		\$30.65	29	1				\$29.20	4.97%
Up to \$2,900	0			11		\$31.70	10	0				\$30.20	4.97%
Up to \$3,000	9			296		\$32.75	286	9				\$31.20	4.97%
Up to \$3,100	1			22		\$33.80	22	1				\$32.20	4.97%
Up to \$3,200	0			10		\$34.85	9	0				\$33.20	4.97%
Up to \$3,300	2			57		\$35.90	55	2				\$34.20	4.97%
Up to \$3,400	0			9		\$36.95	8	0				\$35.20	4.97%
Up to \$3,500	4			151		\$38.00	146	4				\$36.20	4.97%
Up to \$3,600	0			8		\$39.05	8	0				\$37.20	4.97%
Up to \$3,700	0			0		\$40.10	0	0				\$38.20	4.97%
Up to \$3,800	1			31		\$41.15	30	1				\$39.20	4.97%
Up to \$3,900	1			59		\$42.20	58	1				\$40.20	4.98%
Up to \$4,000	11			492		\$43.25	476	12				\$41.20	4.98%
Up to \$4,100	0			10		\$44.30	10	0				\$42.20	4.98%
Up to \$4,200	0			5		\$45.35	5	0				\$43.20	4.98%
Up to \$4,300	0			0		\$46.40	0	0				\$44.20	4.98%
Up to \$4,400	0			0		\$47.45	0	0				\$45.20	4.98%
Up to \$4,500	0			22		\$48.50	21	0				\$46.20	4.98%
Up to \$4,600	0			11		\$49.55	11	0				\$47.20	4.98%
Up to \$4,700	0			9		\$50.60	9	0				\$48.20	4.98%
Up to \$4,800	0			0		\$51.65	0	0				\$49.20	4.98%
Up to \$4,900	0			4		\$52.70	4	0				\$50.20	4.98%
Up to \$5,000	7			385		\$53.75	372	7				\$51.20	4.98%
Total Insurance	35,366	\$1.93 6/	68,315 7/	87,781	128.5%	\$2.48	85,296	35,903	69,284 8/	\$1.93 9/	123.1%	\$2.38	4.48%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Merchandise Return Permits	1	\$109.00	129	189	146.8%	\$160.00	181	1	131	\$109.00	137.6%	\$150.00	6.67%
Merchandise Return Accounting Fee	1	\$347.66	279	401	143.8%	\$500.00	387	1	283	\$347.66	136.6%	\$475.00	5.26%
Total Merchandise Return Fees	2	\$205.32	408	590	144.8%	\$297.23	568	2	415	\$205.32	136.9%	\$281.17	5.71%
Money Orders													
APO - \$0.01 to \$1,000	362			91		\$0.25	91	366				\$0.25	0.00%
Domestic - \$0.01 to \$500	158,908			150,962		\$0.95	144,311	160,345				\$0.90	5.56%
Domestic - \$500.01 to \$1,000	20,669			26,869		\$1.30	26,070	20,856				\$1.25	4.00%
Inquiry Fee	663	\$2.76		2,090	114.1%	\$3.15	2,008	669		\$2.76	108.7%	\$3.00	5.00%
Total Money Orders	179,939 11/	\$0.72 6/	129,506 7/	240,572 12/	185.8%	\$1.34	233,589 12/	181,567 12/	130,464 8/	\$0.72 9/	178.8%	\$1.29	3.92%
On-Site Meter Service													
Meter Access	1	\$28.86	37	47	128.2%	\$37.00	44	1		\$28.86	121.3%	\$35.00	5.71%
Meter Reset or Examined	32	\$5.66	179	166	92.8%	\$5.25	158	32		\$5.66	88.3%	\$5.00	5.00%
Meter Checked In or Out of Service	83	\$2.84	235	352	149.6%	\$4.25	331	83		\$2.84	140.8%	\$4.00	6.25%
Total On-Site Meter Service	116		451	565	125.3%	\$4.88	534	116				\$4.61	5.83%
Parcel Airlift Mail													
0 - 2 lbs.	3	N/A	N/A	1	N/A	\$0.45	1	3	N/A	N/A	N/A	\$0.45	0.00%
2 - 3 lbs.	3	N/A	N/A	3	N/A	\$0.90	3	3	N/A	N/A	N/A	\$0.85	5.88%
3 - 4 lbs.	0	N/A	N/A	0	N/A	\$1.30	0	0	N/A	N/A	N/A	\$1.25	4.00%
Over 4 lbs.	8	N/A	N/A	14	N/A	\$1.80	13	8	N/A	N/A	N/A	\$1.70	5.88%
Total Parcel Airlift Mail	14	N/A	N/A	18	N/A	\$1.32	17	14	N/A	N/A	N/A	\$1.25	5.46%
Periodical Mailing Applications													
Original Entry	1	\$393.03	208	209	100.5%	\$395.00	199	1		\$393.03	95.4%	\$375.00	5.33%
Re-Entry	4	\$43.80	155	160	102.7%	\$45.00	142	4		\$43.80	91.3%	\$40.00	12.50%
Additional Entry	1	\$60.03	57	61	108.3%	\$65.00	57	1		\$60.03	100.0%	\$60.00	8.33%
News Agents	0	\$30.27	9	11	132.1%	\$40.00	11	0		\$30.27	132.1%	\$40.00	0.00%
Total	5		429	442	103.0%	\$83.27	409	5				\$77.03	8.09%
Permit Imprint Permits	48	\$109.00	5,262	7,724	146.8%	\$160.00	7,241	48		\$109.00	137.6%	\$150.00	6.67%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Post Office Boxes:													
Group B2/1 - Size 1	415			30,696		\$74.00	30,019	429				\$70.00	5.71%
Group B2/1 - Size 2	184			19,456		\$106.00	18,976	190				\$100.00	6.00%
Group B2/1 - Size 3	44			9,344		\$210.00	9,201	46				\$200.00	5.00%
Group B2/1 - Size 4	7			2,894		\$432.00	2,840	7				\$410.00	5.37%
Group B2/1 - Size 5	2			1,394		\$696.00	1,366	2				\$660.00	5.45%
Group C3/2 - Size 1	506			31,355		\$62.00	30,324	523				\$58.00	6.90%
Group C3/2 - Size 2	151			14,169		\$94.00	14,025	156				\$90.00	4.44%
Group C3/2 - Size 3	54			9,134		\$168.00	8,994	56				\$160.00	5.00%
Group C3/2 - Size 4	9			3,264		\$358.00	3,205	9				\$340.00	5.29%
Group C3/2 - Size 5	1			928		\$664.00	910	1				\$630.00	5.40%
Group C4/3 - Size 1	1,660			82,990		\$50.00	82,367	1,716				\$48.00	4.17%
Group C4/3 - Size 2	597			47,727		\$80.00	46,875	617				\$76.00	5.26%
Group C4/3 - Size 3	202			29,033		\$144.00	28,348	208				\$136.00	5.88%
Group C4/3 - Size 4	40			9,914		\$248.00	9,754	41				\$236.00	5.08%
Group C4/3 - Size 5	11			4,667		\$440.00	4,583	11				\$418.00	5.26%
Group C5/4 - Size 1	2,456			98,250		\$40.00	96,496	2,539				\$38.00	5.26%
Group C5/4 - Size 2	1,036			74,596		\$72.00	72,836	1,071				\$68.00	5.88%
Group C5/4 - Size 3	357			47,072		\$132.00	46,453	369				\$126.00	4.76%
Group C5/4 - Size 4	76			17,632		\$232.00	17,286	79				\$220.00	5.45%
Group C5/4 - Size 5	22			8,066		\$368.00	7,931	23				\$350.00	5.14%
Group 5 - Size 1	991			27,746		\$28.00	26,636	1,024				\$26.00	7.69%
Group 5 - Size 2	418			19,210		\$46.00	18,996	432				\$44.00	4.55%
Group 5 - Size 3	128			9,222		\$72.00	9,004	132				\$68.00	5.88%
Group 5 - Size 4	20			2,738		\$138.00	2,667	21				\$130.00	6.15%
Group 5 - Size 5	4			944		\$264.00	924	4				\$250.00	5.60%
Group D6/6 - Size 1	2,821			73,337		\$26.00	69,987	2,916				\$24.00	8.33%
Group D6/6 - Size 2	1,164			44,229		\$38.00	43,319	1,203				\$36.00	5.56%
Group D6/6 - Size 3	315			22,044		\$70.00	21,487	326				\$66.00	6.06%
Group D6/6 - Size 4	28			3,541		\$126.00	3,486	29				\$120.00	5.00%
Group D6/6 - Size 5	20			4,036		\$204.00	3,968	20				\$194.00	5.15%
Group D7/7 - Size 1	328			5,912		\$18.00	6,112	340				\$18.00	0.00%
Group D7/7 - Size 2	150			4,189		\$28.00	4,021	155				\$26.00	7.69%
Group D7/7 - Size 3	39			1,895		\$48.00	1,878	41				\$46.00	4.35%
Group D7/7 - Size 4	4			343		\$84.00	338	4				\$80.00	5.00%
Group D7/7 - Size 5	2			322		\$148.00	314	2				\$140.00	5.71%
Group E - Sizes 1 to 5	1,149			0		\$0.00	0	1,188				\$0.00	0.00%
Key Duplication or Replacement	159	\$3.45	549	740	134.8%	\$4.65	724	165	568	\$3.45	127.5%	\$4.40	5.68%
Lock Replacement	36	\$7.71	275	414	150.5%	\$11.60	405	37	284	\$7.71	142.7%	\$11.00	5.45%
Caller Service - Except Group E	99	\$689.17	68,398	86,146	125.9%	\$868.00	84,546	103			119.6%	\$824.00	5.34%
Reserve Number	65	\$19.46	1,268	2,216	174.7%	\$34.00	2,156	67			164.4%	\$32.00	6.25%
Total Boxes, Caller Service, Reserve No.	15,573	\$41.09 6/	639,965 7/	851,803	133.1%	\$54.70	833,758	16,100	644,908 8/	\$40.06 9/	129.3%	\$51.79	5.62%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Registered Mail													
Covered by Postal Insurance													
\$0.00 to \$100	297			4,042		\$13.60	2,538	317				\$8.00	70.00%
100.01 to 500	378			5,688		\$15.05	3,570	403				\$8.85	70.06%
500.01 to 1000	308			5,082		\$16.50	3,189	329				\$9.70	70.10%
1000.01 to 2000	393			7,061		\$17.95	4,430	420				\$10.55	70.14%
2000.01 to 3000	218			4,239		\$19.40	2,659	233				\$11.40	70.18%
3000.01 to 4000	126			2,625		\$20.85	1,646	134				\$12.25	70.20%
4000.01 to 5000	195			4,342		\$22.30	2,723	208				\$13.10	70.23%
5000.01 to 6000	95			2,253		\$23.75	1,413	101				\$13.95	70.25%
6000.01 to 7000	37			926		\$25.20	580	39				\$14.80	70.27%
7000.01 to 8000	38			1,002		\$26.65	628	40				\$15.65	70.29%
8000.01 to 9000	40			1,138		\$28.10	713	43				\$16.50	70.30%
9000.01 to 10000	47			1,381		\$29.55	865	50				\$17.35	70.32%
10000.01 to 11000	22			688		\$31.00	431	24				\$18.20	70.33%
11000.01 to 12000	24			774		\$32.45	485	25				\$19.05	70.34%
12000.01 to 13000	15			500		\$33.90	313	16				\$19.90	70.35%
13000.01 to 14000	8			300		\$35.35	188	9				\$20.75	70.36%
14000.01 to 15000	26			971		\$36.80	608	28				\$21.60	70.37%
15000.01 to 16000	7			277		\$38.25	174	8				\$22.45	70.38%
16000.01 to 17000	6			255		\$39.70	160	7				\$23.30	70.39%
17000.01 to 18000	15			607		\$41.15	380	16				\$24.15	70.39%
18000.01 to 19000	6			235		\$42.60	147	6				\$25.00	70.40%
19000.01 to 20000	46			2,021		\$44.05	1,266	49				\$25.85	70.41%
20000.01 to 21000	3			118		\$45.50	74	3				\$26.70	70.41%
21000.01 to 22000	6			293		\$46.95	183	7				\$27.55	70.42%
22000.01 to 23000	2			113		\$48.40	71	3				\$28.40	70.42%
23000.01 to 24000	7			369		\$49.85	231	8				\$29.25	70.43%
24000.01 to 25000	77			3,954		\$51.30	2,477	82				\$30.10	70.43%
Handling per \$1000	56			82		\$1.45	51	60				\$0.85	70.59%
Not Covered By Postal Insurance													
\$0.00	1,239			15,791		\$12.75	9,915	1,322				\$7.50	70.00%
Total Registry	3,738	\$17.47 6/	65,313 7/	67,126	102.8%	\$17.96	42,109	3,990	69,450 8/	\$17.41 9/	60.6%	\$10.55	70.16%
Restricted Delivery	2,197	\$2.28	5,009	8,129	162.3%	\$3.70	7,781	2,223		\$2.28	153.5%	\$3.50	5.71%
Return Receipts													
Basic	224,222	\$1.43	321,333	414,811	129.1%	\$1.85	400,370	228,783		\$1.43	122.1%	\$1.75	5.71%
Electronic	0	\$0.89	0	0	151.8%	\$1.35	0	0		\$0.89	146.1%	\$1.30	3.85%
Merchandise	2,084	\$2.32	4,829	6,565	135.9%	\$3.15	6,379	2,126		\$2.32	129.5%	\$3.00	5.00%
After Mailing	19,664	\$2.23	43,880	67,841	154.6%	\$3.45	65,208	20,064		\$2.23	145.6%	\$3.25	6.15%
Total	245,970		370,042	489,216	132.2%	\$1.99	471,957	250,973		\$0.00		\$1.88	5.77%
Shipper-Paid Forwarding Accounting Fee	0	\$347.66	3	4	143.8%	\$500.00	4	0	3	\$347.66	136.6%	\$475.00	5.26%
Signature Confirmation													
First Class L&SP Electronic	851	\$1.31	1,116	1,149	102.9%	\$1.35	1,152	886		\$1.31	99.1%	\$1.30	3.85%
First Class L&SP Manual	842	\$1.53	1,291	1,600	123.9%	\$1.90	1,578	877		\$1.53	117.4%	\$1.80	5.56%
Priority Mail Electronic	2,386	\$1.11	2,658	3,221	121.2%	\$1.35	3,229	2,484		\$1.11	116.7%	\$1.30	3.85%
Priority Mail Manual	3,582	\$1.34	4,785	6,806	142.2%	\$1.90	6,712	3,729		\$1.34	134.7%	\$1.80	5.56%
Package Services Electronic	1,061	\$1.11	1,183	1,433	121.2%	\$1.35	1,436	1,105		\$1.11	116.7%	\$1.30	3.85%
Package Services Manual	700	\$1.34	935	1,330	142.2%	\$1.90	1,312	729		\$1.34	134.7%	\$1.80	5.56%
Total Signature Confirmation	9,422		11,969	15,538	129.8%	\$1.65	15,419	9,809				\$1.57	4.91%

SPECIAL SERVICES COST COVERAGES AND PERCENTAGE CHANGES

Exhibit USPS-27F
Revised 6/10/2005

Service	After Rates Volume 1/ (000)	After Rates Cost Per Piece 2/ (\$)	After Rates Total Cost 3/ (\$000)	After Rates Revenue 1/ (\$000)	After Rates Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece \$ (Col 4/Col 1)	Before Rates Revenue 1/ (\$000)	Before Rates Volume 1/ (000)	Before Rates Total Cost 4/ (\$000)	Before Rates Cost Per Piece 2/ (\$)	Before Rates Cost Coverage (Col 12/Col 2)	Before Rates Revenue Per Piece \$ (Col 7/Col 8)	After Rates Percentage Change (Col 6-12)/12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Special Handling													
Under 10 pounds	1,088			6,801		\$6.25	6,570	1,104				\$5.95	5.04%
Over 10 pounds	8			71		\$8.70	71	9				\$8.25	5.45%
Total Special Handling	1,096	\$2.29	2,507 7/	6,872	274.1%	\$6.27	6,640	1,113	2,526 8/	\$2.29	261.0%	\$5.97	5.04%
Stamped Cards													
Single Card		\$0.01											
Double Card		\$0.03											
Sheet of 40 Cards		\$0.56											
Total Stamped Cards	89,429	\$0.01	1,327 7/	1,789	134.8%	\$0.02	1,807	90,352	1,340 8/	\$0.01 9/	134.9%	\$0.02	0.00%
Stamped Envelopes													
Single Sale Basic	44,343	\$0.09		3,547	92.9%	\$0.08	3,547	44,343		\$0.09	92.9%	\$0.08	0.00%
Household 6 3/4	2,051	\$2.17		154	172.5%	\$3.75	144	2,051		\$2.17	161.0%	\$3.50	7.14%
Bulk Plain 6 3/4	18,077	\$7.02		470	185.1%	\$13.00	434	18,077		\$7.02	170.9%	\$12.00	8.33%
Bulk Plain 10	143,679	\$8.86		4,310	169.3%	\$15.00	4,023	143,679		\$8.86	158.0%	\$14.00	7.14%
Bulk Printed 6 3/4	8,621	\$10.07		310	178.8%	\$18.00	293	8,621		\$10.07	168.8%	\$17.00	5.88%
Bulk Printed 10	183,229	\$11.35		7,696	185.0%	\$21.00	7,329	183,229		\$11.35	176.2%	\$20.00	5.00%
Total Stamped Envelopes	400,000	\$0.03	12,789 7/	16,488	128.9%	\$20.61	15,770	400,000	12,778 8/	\$0.03 9/	123.4%	\$19.71	4.55%
Standard Mail Bulk Mailing Permit	436	\$109.00	47,547	69,796	146.8%	\$160.00	65,815	439		\$109.00	137.6%	\$150.00	6.67%
Media Mail Presort Permits	1	\$109.00	118	174	146.8%	\$160.00	164	1		\$109.00	137.6%	\$150.00	6.67%
ZIP Coding of Mailing Lists	0	\$72.85	17	24	144.1%	\$105.00	23	0		\$72.85	137.3%	\$100.00	5.00%
Total	2,822,476			2,993,679		\$1.06	2,874,069	2,861,446				\$1.00	5.60%

1/ USPS-LR-K-115.

2/ Exhibit F at 8-9.

3/ Column 2 multiplied by Column 1 unless otherwise noted.

4/ Column 8 multiplied by Column 10 unless otherwise noted.

5/ Includes piece transactions only and does not include volumes for permit and accounting fees.

6/ Column 3 divided by Column 1.

7/ Test Year After Rates volume variable cost: USPS-T-10, WP C.

8/ Test Year Before Rates volume variable cost: USPS-T-10, WP C.

9/ Column 9 divided by Column 8.

10/ Does not include Priority Mail electronic and Parcel Select electronic volumes.

11/ Inquiry fee volume not included in total volume.

12/ Includes money order float and outstanding money orders taken into revenue.

SPECIAL SERVICES COST SUMMARY
TEST YEAR 2006 BEFORE RATES
Cost Input Data

Exhibit USPS-27F
 Revised 6/10/2005
Test Year
Cost With
Contingency
At 0%
1

Cost Input Data	Test Year Cost	Test Year Cost References	Test Year Cost With Contingency At 0%
			1
Address Correction Service			
Manual - cost per piece	\$0.506	USPS-LR-K-59, Attachment 1	\$0.506
Automated - cost per piece	\$0.147	USPS-LR-K-59, Attachment 1	\$0.147
Bulk Parcel Return Service	\$1.172	USPS-LR-K-89, Attachment C	\$1.172
Business Reply Mail			
QBRM quarterly billing and rating cost	\$813.55	USPS-LR-K-69, Section II	\$813.55
QBRM cost per piece - high volume	\$0.0037	USPS-LR-K-69, Section II	\$0.0037
QBRM cost per piece - low volume	\$0.0368	USPS-LR-K-69, Section II	\$0.0368
Non-BRMAS advance deposit cost per piece	\$0.0494	USPS-LR-K-69, Section II	\$0.0494
Non-advance deposit cost per piece	\$0.522	USPS-LR-K-69, Section II	\$0.522
Annual accounting cost	\$347.66	USPS-LR-K-69, Section II	\$347.66
Non letter-size per piece cost	\$0.0055	USPS-LR-K-69, Section II	\$0.0055
Non letter-size fixed cost per month	\$613.12	USPS-LR-K-69, Section II	\$613.12
Caller Service			
Annual cost per call number	\$689.17	USPS-LR-K-59, Attachment 2	\$689.17
Annual cost per reserved number	\$19.46	USPS-LR-K-59, Attachment 2	\$19.46
Correction of Mailing Lists			
Cost per name on list	\$0.269	USPS-LR-K-59, Attachment 4	\$0.269
Permit Imprint			
Cost per application	\$109.00	USPS-LR-K-69, Section II	\$109.00
Periodicals Application			
Original entry cost	\$393.03	USPS-LR-K-59, Attachment 9	\$393.03
Additional entry cost	\$60.03	USPS-LR-K-59, Attachment 9	\$60.03
Reentry cost	\$43.80	USPS-LR-K-59, Attachment 9	\$43.80
Registration for news agents	\$30.27	USPS-LR-K-59, Attachment 9	\$30.27
ZIP Coding of Mailing Lists			
Cost per 1000 cards	\$72.85	USPS-LR-K-59, Attachment 13	\$72.85
Certificate of Mailing			
<u>INDIVIDUAL PIECES</u>			
FORM 3817, ORIGINAL (NO DUPLICATE)	\$0.67	USPS-LR-K-59, Attachment 3	\$0.67
FORM 3817, DUPLICATE	\$0.53	USPS-LR-K-59, Attachment 3	\$0.53
FORM 3877, ORIGINAL - 13 PIECES/COST PER PIECE	\$0.23	USPS-LR-K-59, Attachment 3	\$0.23
<u>BULK QUANTITIES</u>			
FORM 3606, ORIGINAL - FIRST 1000 PIECES	\$3.47	USPS-LR-K-59, Attachment 3	\$3.47
EACH ADDITIONAL 1000 PIECES	\$0.34	USPS-LR-K-59, Attachment 3	\$0.34
FORM 3606, DUPLICATE	\$0.46	USPS-LR-K-59, Attachment 3	\$0.46
Insurance			
INSURANCE-NUMBERED	\$2.34	USPS-LR-K-59, Attachment 6	\$2.34
INSURANCE-UNNUMBERED	\$0.94	USPS-LR-K-59, Attachment 6	\$0.94
INSURANCE-COMBINED	\$1.93	USPS-LR-K-59, Attachment 6	\$1.93
INSURANCE-VOLUME VARIABLE COST DIFFERENTIAL	\$1.40	USPS-LR-K-59, Attachment 6	\$1.40
BULK INSURANCE COST SAVINGS - per NUMBERED piece	\$1.39	USPS-LR-K-59, Attachment 6	\$1.39
BULK INSURANCE COST SAVINGS - per UNNUMBERED piece	\$0.97	USPS-LR-K-59, Attachment 6	\$0.97
Stamped Card Cost			
	<u>COST PER</u>	<u>COST PER</u>	
	<u>THOUSAND</u>	<u>CARD</u>	
Single Cut	\$14.00	\$0.014	USPS-LR-K-59, Attachment 12
Single Sheet	\$14.00	\$0.014	USPS-LR-K-59, Attachment 12
Reply Card	\$28.00	\$0.028	USPS-LR-K-59, Attachment 12
Banded	\$31.00	\$0.031	USPS-LR-K-59, Attachment 12

**SPECIAL SERVICES COST SUMMARY
TEST YEAR 2006 BEFORE RATES**

Exhibit USPS-27F

Revised 6/10/2005

**Test Year
Test Year
Cost With
Contingency
At 0%**
1

	Test Year Cost	Test Year Cost References	Test Year Cost With Contingency At 0% 1
On-site Meter Service			
ACCESS COST	\$28.86	USPS-LR-K-59, Attachment 8	\$28.86
EACH METER RESET OR EXAMINED	\$5.66	USPS-LR-K-59, Attachment 8	\$5.66
EACH METER CHECKED IN OR OUT OF SERVICE	\$2.84	USPS-LR-K-59, Attachment 8	\$2.84
Restricted Delivery	\$2.28	USPS-LR-K-59, Attachment 11	\$2.28
Return Receipts			
NON-MERCHANDISE	\$1.43	USPS-LR-K-60, RRWksht-W3	\$1.43
AFTER MAILING	\$2.23	USPS-LR-K-60, RRWksht-W7	\$2.23
MERCHANDISE	\$2.32	USPS-LR-K-60, RRWksht-W6	\$2.32
ELECTRONIC	\$0.89	USPS-LR-K-60, RRWksht-W8	\$0.89
Delivery Confirmation			
PRIORITY MAIL BASE	\$0.00	USPS-LR-K-60, DCWksht-W4C	\$0.00
PRIORITY MAIL MANUAL	\$0.41	USPS-LR-K-60, DCWksht-W4C	\$0.41
PACKAGE SERVICES ELECTRONIC	\$0.11	USPS-LR-K-60, DCWksht-W4C	\$0.11
PACKAGE SERVICES MANUAL	\$0.52	USPS-LR-K-60, DCWksht-W4C	\$0.52
PARCEL SELECT BASE	\$0.00	USPS-LR-K-60, DCWksht-W4C	\$0.00
FIRST-CLASS L&SP ELECTRONIC	\$0.11	USPS-LR-K-60, DCWksht-W4C	\$0.11
FIRST-CLASS L&SP MANUAL	\$0.52	USPS-LR-K-60, DCWksht-W4C	\$0.52
STANDARD MAIL ELECTRONIC	\$0.11	USPS-LR-K-60, DCWksht-W4C	\$0.11
Signature Confirmation			
PRIORITY MAIL ELECTRONIC	\$1.11	USPS-LR-K-60, SCWksht-W6	\$1.11
PRIORITY MAIL MANUAL	\$1.34	USPS-LR-K-60, SCWksht-W6	\$1.34
PACKAGE SERVICES ELECTRONIC	\$1.11	USPS-LR-K-60, SCWksht-W6	\$1.11
PACKAGE SERVICES MANUAL	\$1.34	USPS-LR-K-60, SCWksht-W6	\$1.34
FIRST-CLASS L&SP ELECTRONIC	\$1.31	USPS-LR-K-60, SCWksht-W6	\$1.31
FIRST-CLASS L&SP MANUAL	\$1.53	USPS-LR-K-60, SCWksht-W6	\$1.53
PO Boxes			
COST OF ORDERING NEW KEY	\$3.45	USPS-LR-K-59, Attachment 10	\$3.45
COST OF CHANGING PO BOX LOCK	\$7.71	USPS-LR-K-59, Attachment 10	\$7.71
Money Order Inquiry	\$2.76	USPS-LR-K-59, Attachment 7	\$2.76

	SIZE/STYLE	BOX LOT OF 500 COST	BOX LOT OF 50 COST	SINGLE ENVELOPE COST	Test Year Cost References	Test Year Cost With Contingency At 0% 1
Stamped Envelope Costs						
PLAIN 10	SIZE/STYLE					
Average	10 Regular			0.0861	USPS-LR-K-59, Attachment 12	\$0.09
Average	10 Window	\$8.86			USPS-LR-K-59, Attachment 12	\$8.86
PLAIN 6 3/4						
Average	6 Regular	\$7.02			USPS-LR-K-59, Attachment 12	\$7.02
PRINTED 10						
Average	10 Window	\$11.35			USPS-LR-K-59, Attachment 12	\$11.35
PRINTED 6 3/4						
Average	6 Window	\$10.07			USPS-LR-K-59, Attachment 12	\$10.07
PRINTED HOUSEHOLD 10						
Average	10 Window		\$2.17		USPS-LR-K-59, Attachment 12	\$2.17

**Calculation of Within County Markups Periodicals for Section 3626
(Dollars in Thousands)**

	<u>Revenue</u>	<u>Discount</u>	<u>Adjusted Revenue</u>
	(1)	(2)	(3) = (1) + (2)
Outside County Periodicals			
(a) Regular	1,862,177		1,862,177
(b) Nonprofit	347,687	16,237	363,923
(c) Classroom	17,670	850	18,520
(d) = (a) +(b) + (c) Total Outside County Periodicals	2,227,534	17,087	2,244,621

	<u>Adjusted Revenue</u>	<u>Incremental Cost</u>	<u>Markup</u>
	(4)	(5)	(6) = [(4) / (5)] - 1
(e) Outside County Periodicals	2,244,621	2,073,270	8.26%
(f) Within County Periodicals	69,045	66,277	4.18%
(g) = (6f) / (6e)		Ratio	50.5%

Sources:

- (1) Exhibit USPS-27B
- (2) USPS-LR-K-115
- (4) Col. (3) and Exhibit USPS-27B
- (5) Exhibit USPS-27E